

# OFFICE OF CONTRACT ADMINISTRATION

## BEST PRACTICES FOR CONTRACT MANAGEMENT

### CONTRACTS REMAIN IMPORTANT THROUGHOUT THEIR LIFESPAN.

#### Contract Administration

includes all the activities required to get a contract in place. These activities can include soliciting bids, evaluating proposals, negotiating terms and conditions, obtaining Board of Regents approval, drafting legal documents and executing contracts.

VS

#### Contract Management

includes all activities after the contract is in place, such as monitoring performance of contracting parties, verifying payments (when applicable), ensuring compliance with contract terms and contract



**CONTRACT LIAISON**

Each department or school whose area has cause to enter into contractual agreements should have at least one Contract Liaison delegated each fiscal year to manage its contracts.

#### MAKE SURE YOUR COLLEAGUES UNDERSTAND THE CONTRACT

- ❖ In addition to the Contract Liaison, anyone involved in the contract should understand the effective dates, terms, conditions and obligations of each party to the contract.

#### DOCUMENT CONTRACTUAL CHANGES

- ❖ Properly document any changes to the terms of the agreement and follow established UNTHSC contracting procedures to ensure the changes are recorded properly.

#### MAKE SURE EVERYONE IS FOLLOWING THE TERMS

- ❖ Don't assume the other contracting party is complying with the contract terms. Monitor milestones and when applicable, ensure any progress payments are made only after verifying completion.

#### MONITOR TARGETS AND MILESTONES

- ❖ Make sure you revisit them regularly to drive and measure performance and to avoid a potential breach of contract.



#### COMPLY WITH NOTICE CONDITIONS

- ❖ To get out of a contract, check the termination clause. Many people see the words "3 months' notice" in a termination clause and think they can get out of a contract at any time if they give 3 months' notice. This is not necessarily the case. The conditions of the notice will often determine who you can give notice to, how, and when you can provide the notice.

### DON'T IGNORE IMPORTANT EMAIL REMINDERS FROM OCA

- The Office of Contract Administration sends notifications from TCM when important contract dates are upcoming. These are notifications that the department or school responsible for the contract **MUST** take action.

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*“Contracts may turn out to be unenforceable if contract documents are not properly executed, monitored, updated and renewed in a timely manner.”* email from HSC Office of the CFO dated 10/9/2018

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## THE DO'S AND DON'TS OF CONTRACT MANAGEMENT

### DO

- Involve Procurement Services early in the process if a proposed contract will involve an expenditure
- Continue open communication with the 2nd party to the contract even after a contract is in place
- Approve compliance with deliverables specified in contract
- Verify accuracy of invoices and approve payments
- Verify all contract activities are completed by expiration date
- Initiate any renewal or extension of contract as needed
- Report any contract disputes to OCA and/or Procurement Services
- Verify all contract activities are completed by expiration date
- Perform contract closeout activities

### DON'T

- Instruct any party to the contract to start work before the contract is fully executed.
- Change the scope of the contract without doing so through the formal contract amendment process
- Direct any party to the contract to perform work that is not specifically described in and funded by the contract
- Incur any additional costs over the limit set by the contract
- Sign a contract unless specifically authorized in writing by contract delegation memo from the UNTHSC President
- Sign any 2nd party's form that commits the university to anything

