



TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 72.04: Contract Administration

DATE: July 18, 2022

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to outline the contract administration and management procedures for Texas Tech University and Texas Tech University System contracts and to establish consistent guidance for managing performance and/or compliance with contract requirements throughout the term of the contract. The contract administration and management process has an essential role in the procurement process and helps ensure the university is obtaining the best value.

REVIEW: This OP will be reviewed in November of odd-numbered years by the Chief Procurement Officer with substantive revisions forwarded to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Definition of Contract Administrator

The contract administrator (CA) is a customer of the procurement process and is typically a stakeholder within the department responsible for the contracted goods or services. The CA will be responsible for the proper implementation of all contract specifications and contract requirements. Ideally, the CA will be named prior to the beginning of the procurement process and be involved in defining the scope of work, the solicitation process, and the administration and closeout of the executed contract. Participating in the creation of the contractual requirements helps the CA with later contract decisions concerning changes or disputes.

If the CA is not involved in the procurement process, the CA should familiarize themselves with the history of the procurement, the contract terms and conditions, the nature of negotiations, and the vendor performance.

The CA ensures the contract is satisfactorily performed and the responsibilities of both parties are properly discharged. The CA is responsible for ensuring all contract provisions are adhered to and for coordinating all contract issues (e.g., renewals, amendments, and termination) as well as vendor performance problems with Procurement Services. The CA is responsible for communicating all concerns to the Procurement Services Office.

2. Definition of Contract Administration

The specific nature and extent of administration varies by contract but typically means ensuring the quality of scope and performance, documenting nonperformance, facilitating the resolution of problems, reporting to departmental management/university leadership, and coordinating contract and legal issues with Procurement Services.

Factors that influence the level of contract administration include the type of contract, the complexity of the subject matter, the inclusion of any technology components, dollar amount, and the experience and commitment of the departmental personnel involved. Contract administration starts with developing clear, concise performance-based specifications/descriptions for the goods or services.

3. Contract Administrator Responsibilities and Assignments

a. CA Responsibilities

- (1) Assist Procurement Services in developing the requirements or specifications of the desired goods and/or services;
- (2) Monitor the vendor's progress and performance pursuant to the terms of the contract;
- (3) Manage any university resources used in contract performance;
- (4) Authorize payments consistent with contract documents;
- (5) Exercise remedies, in conjunction with the Procurement Services Office, when a vendor's performance is deficient;
- (6) Resolve minor disputes in a timely manner and coordinate correspondence with the Procurement Services Office if necessary;
- (7) Document significant events or milestones; and
- (8) Maintain appropriate records as required by applicable record retention law or guidelines.

b. CA Assignments

(1) Construction

The CA for construction contracts is the assigned architectural, engineering, or grounds maintenance project manager for the construction project.

(2) Services

The CA for service contracts is the financial manager or his/her designee for the respective department purchasing the services. This individual shall have FOP authority or specific expertise in the services to qualify as a CA.

(3) Goods

The CA for contracts relating to the purchase of goods is the financial manager or his/her designee for the respective department purchasing the goods. This individual shall have FOP authority or specific expertise relating to the goods being purchased to qualify as a CA.

(4) Revenue Contracts

- (a) The CA for revenue contracts is the department head or a designee with expertise relating to the services being provided that are generating the revenue. The department head may designate a CA to oversee the contract; however, the department head will retain responsibility.
- (b) All payments received must be forwarded by the CA to Cash and Credit Management Services, so they may be properly logged and processed.

c. Additional Oversight

The CA may request additional assistance from Procurement Services and/or other university subject matter experts for contract review and oversight.

4. Monitoring

a. Payment Reviews (duty of the CA)

Payment Review and Authorization – Payments shall be made in accordance with [OP 72.11, Payment of Purchase Orders](#). Procurement Services must be notified of any discrepancies or disputes.

b. Random and Planned File Reviews

Contract Performance Reviews – On a random basis during the “closeout” of a contract, Procurement Services will conduct a review of the contract and will coordinate with the CA. Such reviews, at a minimum, will seek to ensure:

- (1) The vendor’s performance complies with the terms, conditions, and requirements of the contract; and
- (2) The university’s compliance with the terms, conditions, and requirements of the contract.

c. Vendor Performance Form

A *Vendor Performance Form* (VPF) may be submitted by the CA prior to closeout to document various levels of vendor performance.

5. Contract Closeout

Contract closeout begins when the contract has been physically complete; i.e., all services have been performed and goods delivered. Closeout is completed when all administrative actions have been completed, all disputes settled, and final payments have been made. This process requires close coordination between Procurement Services, other relevant TTU administrative offices, the CA, and the vendor.

[Attachment: *Vendor Performance Form*](#)