

# Fiscal Year 2020 General Contract Management

## Contracts and Procurement (CNP) Staff

U. T. System Business Affairs CNP Training Session

May 2020



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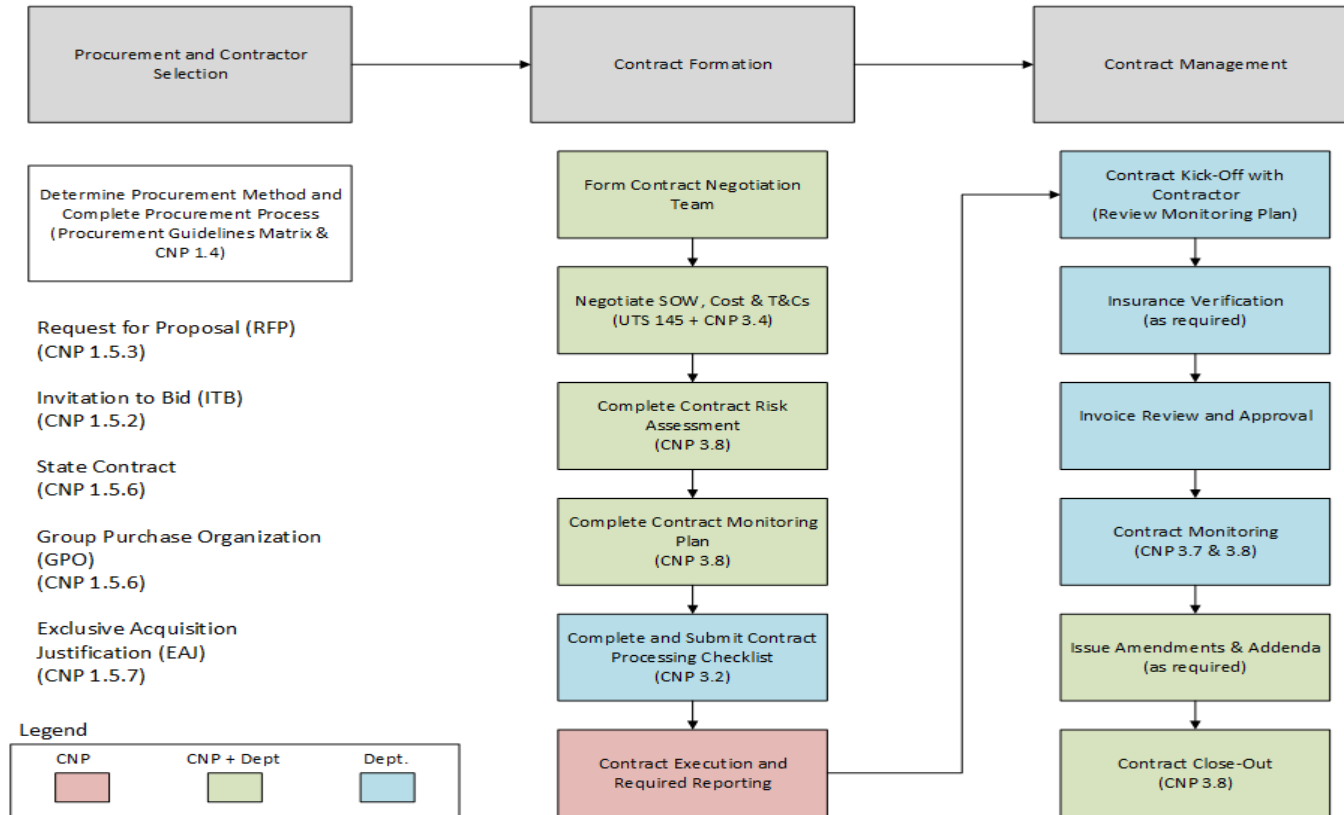
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# General Contract Management Objectives

- Understanding: What makes a contract?
- Understanding: The Business Affairs Contract Processing Checklist
- Departmental Contract Administrators (DCAs) role and responsibilities in
  - Contract Monitoring
  - Contract Management
  - Contract Closeout
- CNP contract document submission requirements
- Identify types of contract documentation to be maintained, ideally in a central repository



## UT System Administration – Procurement & Contracting Process



# Understanding: What makes a contract?

- A contract can be:
  - A hotel room block with or without a direct bill (in other words \$0 value to UT System (UT))
  - A catering event agreement
  - Authorization of Professional Services (APS) (<\$5,000/individual—e.g. speaker or musician)
  - A document a vendor asks to have signed that binds UT; especially if the terms and conditions are not spelled out, but accessible via web link
  - A project addendum (Exhibit B) to a master services agreement (e.g. search firms or contract staff)
  - An amendment that changes the term, the value or any terms, conditions or exhibits
  - A letter agreement
  - An interagency contract/interagency cooperation contract with another state agency (e.g. TxDOT)
  - A Memorandum of Understanding (MOU) with a UT institution or any other entity
- Does it require an authorized signature? If yes, it is probably a contract.



# Understanding: What makes a contract? (cont.)

- All contracts require an authorized signature

Regents' *Rule* 10501, Sec. 2.5 System Administration and Systemwide Contracts. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements:

- (a) affecting only System Administration,
  - (b) binding two or more institutions of the U. T. System with the concurrence of the institutions bound, or
  - (c) having the potential to benefit more than one institution of the U. T. System so long as participation is initiated voluntarily by the institution.
- UT System Administration uses MOUs as the vehicle for payments to the UT institutions. Please ask for assistance when drafting an MOU and send to CNP for review of the draft document before sending to the institution for signature. Please do not use Interagency (Cooperation) Contract. UT is not subject to *Texas Government Code*, Chapter 771 for contracts between UT institutions.



# Understanding the Business Affairs Contract Processing Checklist (Checklist)

- Always use the link on the Business Affairs website for the most current form: <https://www.utsystem.edu/offices/business-affairs/contract-administration>
- What type of documents require the Checklist? (see slide 4)
- Why do we need the Checklist? The Checklist is a regulatory requirement (TEC 51.9337). The Checklist helps CNP determine key information about the attached document. This key information is used for state reporting purposes among other things. Prior to contract execution, the Checklist with attached contract package, requires approval from the Director, Contracts and Procurement.
- Since ultimately the contract goods/services belong to a specific department, accurate completion of the Checklist helps CNP determine how the contract will be monitored and with whom to speak if there are questions regarding a particular contract.



# Understanding the Business Affairs Contract Processing Checklist (Checklist) (cont.)

- The Contract Summary and Purpose Statement are key to the goods/services provided. When completing this section, esp. if it is an amendment or project addendum, consider the general services of the contract and the specific services of the project addendum.
  - Executive Search --- Search for executive at UT ????
- Total Value of Contract—if you are working on a project addendum or an amendment; confirm total value, which includes potential spend.
- Term. It is important that we are documenting terms accurately. CNP depends on the DCA to know the original commencement dates and expiration date, including any possible renewals. If it is an amendment or project addendum, the dates for those are equally important as well as the **original** contract numbers.



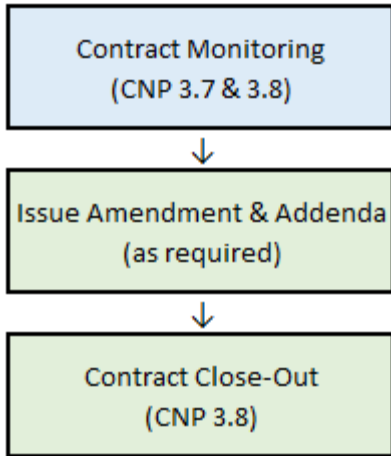
# Understanding the Business Affairs Contract Processing Checklist (Checklist) (cont.)

- Responsible Purchaser. It is critical that procurement requirements are met with every contract that UT System Administration signs. The responsible purchaser working with the DCA will be able to assure that this happens.
- Just a reminder, many of you use contractors that potentially will have access to an account on U. T. System Administration's computer system. When completing the checklist, question no. 4 on page 2 is a reminder for you as DCA to confirm completion of this requirement by the contractor before requesting that the contractor be granted access.





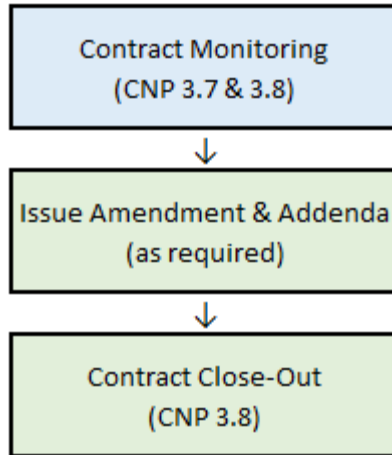
# DCA Roles and Responsibilities: Contract Monitoring



- Be familiar with key schedule dates and other items that could impact the ability to properly continue service under the contract:
  - Expiration date of Initial Term
  - Number of Renewal Term(s) available
  - Invoices, fee cap and monitoring requirement
    - Review and approve invoices
    - Quarterly reporting on spend
    - Understand when Board of Regents approval is required
  - Annual Accessibility / VPAT requirement
  - Annual Information Security requirement
  - HB3834 Cybersecurity Training requirement



# DCA Roles and Responsibilities: Contract Management



- The DCA is responsible through monitoring the contract for any contract modifications that may be required and should notify CNP as soon as reasonably possible so that CNP can assist with any necessary documentation
  - Amendments
  - Addendum to Agreement
  - Project Addendum



# DCA Roles and Responsibilities: Contract Management (cont.)

- A full list of the DCA's responsibilities can be found at:
  - [CNP Contracting Procedures Sec. 3.7 – Departmental Contract Administrator Responsibilities](#)
- The DCA **does not have the authority** to:
  - Instruct contractor to start work before the contract is fully executed (signed by both parties).
  - Change the terms or scope of the contract without a formal amendment.
  - Direct contractor to perform work that is not specifically described in the SOW and funded by the contract.
    - Do not enter into project addenda that add terms & conditions not found in the master agreement.
  - Extend the term of the contract without a formal written amendment.
  - Allow contractor to incur costs in excess of the cap or limit set by the contract.



# DCA Role and Responsibilities: Contract Processing Checklist

- Prior to contract (modification) submission to CNP, complete and attach a Checklist:
  - Always use the link on the Business Affairs website for the most current form:  
<https://www.utsystem.edu/offices/business-affairs/contract-administration>
  - Most recent updates:
    - 1. HSP
    - 4. Cybersecurity training; and
    - 5. Privacy Officer review



# Contract Execution and Required Reporting

- After the DCA submits the contract package to CNP, CNP will review the contract package and arrange for authorized UT signature
  - Contractor should sign before UT signs
- CNP will assign a contract ID and return a fully-signed copy of the contract to the DCA
- DCA is responsible for providing a fully-signed contract to the contractor
- CNP manages all reporting responsibilities (e.g. LBB and transparency reporting)



# Contract Documentation

- The DCA and CNP must ensure that all contract-related documentation is maintained, ideally in a central repository:
  - Contract and all amendments, addenda and other changes to the contract
  - Specifications, drawings, manuals, and other reference materials
  - Procurement Process documentation, which may include an EAJ or Best Value Determination
  - Notices to proceed, stop work, correct deficiencies, and any other notices arising from a contract
  - HUB Subcontracting Plan (HSP) and all HUB Progress Assessment Reports submitted to support payment of invoices
  - Contractor invoices and supporting documentation including information regarding discounts, contract deductions, and fee adjustments



# DCA Roles and Responsibilities: Contract Closeout

- Validate that all contract deliverables have been completed and accepted
- Validate that all invoices have been received and paid
- Perform a review with contractor to make sure there are no open issues
- Evaluate contractor performance
- Assure that all required documentation is in the contract file



# Contract Management: Reference Materials

UT System Administration Office of Contracts and Procurement Procedures:

1. [General Purchasing Procedures](#)
2. [Special Handling/General Information](#)
3. [Contracting Procedures](#)

[UT System Administration: Contract Management Handbook](#)

[State of Texas Procurement and Contract Management Guide](#)





# Questions/Discussion



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