

Contract Management: Moving from Monitoring to Managing

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Mapping Strategies in Uncertain Times





Contract Management: Moving from Monitoring to Managing

How many contracts does your agency award each year?

What percentage of those contracts are completed, on time, within budget, and according to the original specifications?



Contract Management: Moving from Monitoring to Managing

What's the problem?





Contract Problems?

How much of your day is dedicated to trying to resolve problems after a contract has been awarded, responding to protests, contract controversies, or unhappy customers?





What is the Solution?

Contract Management!

Can it be that simple?

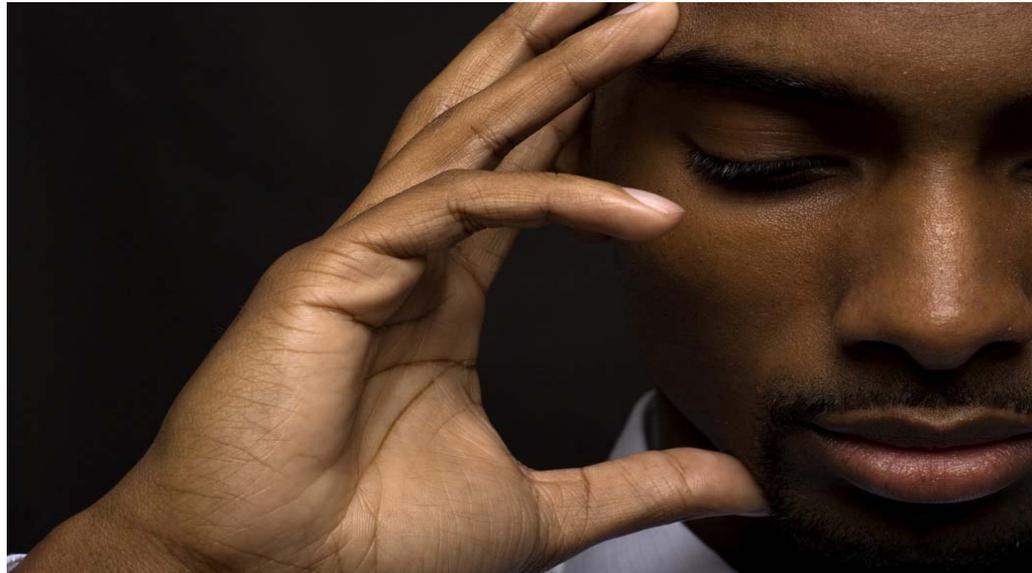




Contract Management: Moving from Monitoring to Managing

Understanding the Differences

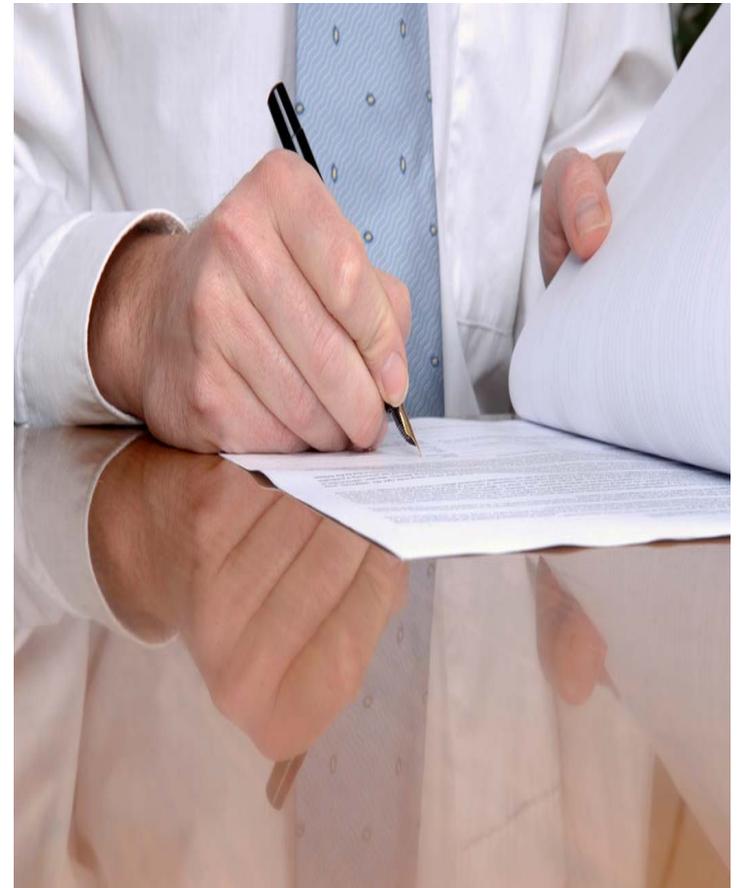
- What is the difference between *Contract Administration* and *Contract Management*?





Contract Administration

Following the Award of a Contract, the management activities that must be taken to assure full compliance with all of the terms and conditions contained within the contract documents, including price.





Contract Administration Activities

Contract administration activities include **payment, monitoring of progress, inspection and acceptance, quality assurance, monitoring and surveillance, modifications, negotiations, contract closeout, and other activities.**

NIGP Public Procurement Dictionary of Terms





Contract Management

- The overarching process that a government agency will use to ensure that the contractor has performed in accordance with the performance standards contained within the Statement of Work (SOW) or the Performance Work Statement (PWS).

Contract Management

A quality assurance plan contained within the contract. May include: 100% inspection, Random Sampling, Periodic Inspection, Customer Input, as well as other methodologies. May also be referred to as Surveillance.

- NIGP Public Procurement Dictionary of Terms





In Other Words...

- Contract Management is comprised of the entire contracting process, from pre-solicitation activities through contract close-out.
- Contract Administration is comprised of those activities after the award of a contract.



So what does that mean?

Procurement Planning



- Early involvement/partnering with our internal customers.
- Thoroughly understanding the needs of our customer.
- Know laws that pertain to the procurement process within the State of Virginia

Procurement Planning

- Know what questions to ask to ensure that all risks are identified during solicitation preparation
- Know the market – or how to research market conditions
- Know the supplier/contractor availability





Procurement Planning

Know what procurements may be on the horizon to help identify time frame necessary to procure





Why is Partnering Important?

To share needs and expectations of all parties – building a mutually beneficial relationship between the procurement officer, the customer and ultimately the contractor or supplier.





So where do you begin?

Identify Key Factors Early

- Internal Contract Administration Team
- Adequate Specifications (non-restrictive)
- Contract Goals
- Pre-Award Activities
- Risk Identification/Potential Problems





Key Factors - continued



- Identify Risk Level
- Determine Appropriate Terms and Conditions
- Identify Contract Monitoring Methods (Outputs/Outcomes)
- Know How Performance will be Measured and Accepted
- Identify Reporting Methods and Frequency

Key Factors - continued

- Determine Required Documentation
- Identify Team Member Responsible for
 - Measuring Performance
 - Reporting
 - Documenting
 - Payment Processing
 - Approval of Change Orders
 - Contract Close-Out





Key Factors - continued

- Identify Milestones for Measurement
- Document Payment Terms
- Develop Contract Close-Out Check List





How Do I Remember All That?

Develop a Contract Administration Plan!





Will It Cure All My Contract Problems?

No....



It will help keep the contract on track and ensure all parties know the expectations of the agency and the contractor/supplier

Should I Use The CAP For All Procurements?



No...



It should be used for high dollar, complex procurements, or those that historically have a history of poor performance or failure

Are There Other Tools To Use In Contract Management?

Yes...

Quality Assurance Plans

Performance Assessment Plans

Project Management Software

Customer Satisfaction Surveys

Annual Contract Renewal Questionnaires





So How Do I Learn More About Contract Management?

Look for a new course from
Virginia Institute of Procurement (VIP)

Contract Management: Moving from Monitoring to Managing

Course will begin in February 2010



Questions

