

CONTRACT ADMINISTRATION

Guide to Roles and Responsibilities

The Idaho Division of Purchasing (DOP) has created this guide to help agencies better understand the various roles and responsibilities of contract administration for 1) contracts issued by agencies, 2) DOP issued contracts on behalf of agencies, and 3) statewide, open contracts issued by DOP for the benefit of all agencies. This guide is intended as an overview of the contract administration process and does not modify or replace Idaho Code or Administrative Rules of the Division of Purchasing.

1. Agency Contracts issued by the agency within delegated authority

Agency Responsibility: Within the delegated authority limits and certain commodity restrictions, agencies may issue their own contracts for goods and services. The agency has complete responsibility to create specifications or scope of work requirements, create and issue the solicitation assuring that all legal requirements are met, create addendums when necessary, review vendor responses, make awards choices, and issue the contract.

The agency has full responsibility to manage the contract from cradle to grave, including contract compliance issues, change orders (modifications, amendments, renewals, extensions, assignments, novations, etc.), handling disputes, cure notices, liquidated damages, and, if necessary, contract cancellation.

DOP Responsibility: DOP provides consulting services for this type of contracting and will assist agencies as needed. Agencies may seek the help of DOP at any time, but final responsibility for the contract remains with the agency.

Currently DOP has the responsibility to handle all appeals of bids and proposals, even for contracts issued by the agency.

2. Agency Contracts issued by DOP on behalf of the agency

DOP Responsibility: When the procurement is above the delegated authority of the agency or no delegated authority exists, DOP is responsible for issuing the solicitation and awarding the contract, with the specifications/scope of work provided by the agency. DOP handles any appeals, with assistance from the agency.

After the contract is issued, the primary day-to-day contract administration responsibility lies with the agency, which monitors the contract for compliance and performance and works directly with the contractor. If the agency and the contractor cannot resolve a contractual dispute, DOP will take the lead in resolving the dispute, including actions such as cure notices, cancellation of the contract, and enforcement of liquidated damages. DOP may, in its sole discretion, authorize an agency to issue cure notices or evoke liquidated damages. DOP is responsible for issuing change orders (modifications, amendments, renewals, extensions, assignments, novations, etc.) to the contract at the request of the agency and contractor.

Agency Responsibility: When the contract is solicited and issued by DOP, the agency responsibility is to provide the specifications or scope of work to identify its needs and to

provide technical input during the drafting of the solicitation, solicitation period and final contract development. In conjunction with DOP, the agency is responsible for reviewing the vendor responses and making a final recommendation for award.

After the contract is issued by DOP, day-to-day contract administration becomes the responsibility of the agency. That means that the agency works directly with the contractor to assure contract compliance and contract performance. Since DOP is the signature authority on behalf of the agency, the agency must keep DOP fully informed of any compliance or performance issues that could possibly result in change orders (modifications, amendments, renewals, extensions, assignments, novations, etc.); including unresolved disputes which could result in cure notice, liquidated damages, or breach of contract by either party. DOP may, in its sole discretion, authorize an agency to issue cure notices or evoke liquidated damages. The agency must notify DOP and request any contractual changes before taking action.

3. Statewide, open contracts issued by DOP

DOP Responsibility: DOP has responsibility to determine the need, practicality, and cost effectiveness of statewide contracts. DOP develops the solicitation, issues the contract, issues any change orders (modifications, amendments, renewals, extensions, assignments, novations, etc.), and is responsible for monitoring and enforcing the provisions of the contract, including cure notices, liquidated damages, and, if necessary, cancellation of the contract.

DOP is responsible for providing training to agencies on how to use the contract (the do's and don'ts) and for keeping agencies informed about contract issues and changes. DOP monitors agency contract usage and contractor performance, to assure compliance to the terms of the contract.

Agencies are expected to manage their accounts with the contracted suppliers and to work out minor contractual issues regarding performance; however in the event of serious or unresolved disputes DOP serves as a liaison between agencies and contractors to resolve such issues and will enforce the provisions of the contract where necessary.

Agency Responsibility: Most statewide open contracts are mandatory use. The agency is responsible for acquiring goods or services from the contracts, which means monitoring and enforcing usage within their agency. In cases where statewide contracts do not meet the needs of the agency or are unreasonable, the agency may request an exception to the mandatory use requirement from DOP.

Agencies are expected to work directly with statewide contractors to set up and manage their individual accounts and to resolve minor discrepancies in supplier performance (pricing, delivery, invoicing, etc.). If the agency cannot resolve issues they must report the problems to DOP for resolution. DOP has final responsibility and authority to enforce the contract requirements.

Some statewide contracts require the agency to enter into a subcontracting or service level agreement under the statewide master contract. In those cases, the agency must issue its own contract document (Statement or Scope of Work/service level agreement) that complies with all the provisions of the statewide contract. The agency is responsible for managing the

subcontract/service level agreement, working directly with the contractor to assure contract compliance and contract performance, including resolving contract disputes and issuing change orders (modifications, amendments, renewals, extensions) that are within the scope and provisions of the subcontract. Contractual issues that are outside of the agency subcontract/service level agreement that may affect or conflict with the terms of the original statewide contract should be communicated to DOP for appropriate action.

OVERVIEW OF ROLES AND RESPONSIBILITIES

Contract Type	Agency Responsibility	DOP Responsibility
Agency Contracts issued by the agency (within delegated authority)	<p>Create and manage solicitation and contract award and change orders (modify, amend, renew, extend, assign, novation, cancel)</p> <p>Contract Administration, monitor for compliance and performance</p> <p>Consult with DOP as needed</p>	<p>Consulting when requested</p> <p>Handle appeals on bids and proposals</p>
Agency Contracts issued by DOP on behalf of the agency (with limited or no authority)	<p>Provide specifications, scope of work, and technical input</p> <p>Day-to-day contract administration, monitor for compliance and performance</p> <p>Keep DOP informed of serious issues and unresolved disputes</p> <p>Request change orders</p>	<p>Create and manage solicitation, award and change orders (modify, amend, renew, extend, assign, novation, cancel)</p> <p>Defend appeals and provide legal support</p> <p>Review and issue requested change orders (after approved)</p> <p>Enforce contract compliance in cases of unresolved disputes, cure notices, liquidated damages, breach of contract</p>
Statewide open contracts issued by DOP (for all agencies to utilize)	<p>Monitor and enforce mandatory contract use, request exemptions where necessary</p> <p>Manage account and minor disputes with suppliers, report unresolved disputes to DOP</p> <p>Create and manage subcontract agreements where required</p>	<p>Determine need for contract, create and manage solicitation, contract award and contract change orders (modify, amend, renew, extend, assign, novation, cancel)</p> <p>Train agencies on contract use, keeping agencies informed on contractual changes</p> <p>Monitor agency contract usage</p> <p>Monitor and enforce supplier compliance</p> <p>Handle unresolved disputes between agencies and suppliers</p>