

CONTRACT ADMINISTRATION

Managing the relationship with the Subcontractors, including finalization of Contracts. Subcontractors activities follow up and reporting

follow the provisions of the Contract Agreement and Contract Documents, interpret and administer the Contract in accordance with the documents and act with due consideration for their intent.

In contract administration, the focus is on obtaining supplies and services, of requisite quality, on time, and within budget. While the legal requirements of the contract are determinative of the proper course of action of government officials in administering a contract, the exercise of skill and judgment is often required in order to protect effectively the public interest.

The specific nature and extent of contract administration varies from contract to contract. It can range from the minimum acceptance of a delivery and payment to the contractor to extensive involvement by program, audit and procurement officials throughout the contract term. Factors influencing the degree of contract administration include the nature of the work, the type of contract, and the experience and commitment of the personnel involved. Contract administration starts with developing clear, concise performance based statements of work to the extent possible, and preparing a contract administration plan that cost effectively measures the contractor's performance and provides documentation to pay accordingly.

Post award orientation, either by conference, letter or some other form of communication, should be the beginning of the actual process of good contract administration. This communication process can be a useful tool that helps government and contractor achieve a clear and mutual understanding of the contract requirements, helps the contractor understand the roles and responsibilities of the government officials who will administer the contract, and reduces future problems. It is helpful to have a pre-meeting with applicable program and contracting officials prior to the post award orientation conference so that there is a clear understanding of their specific responsibilities and restrictions in administering the contract. Items that should be discussed at the pre-meeting include such things as the authority of government personnel who will administer the contract, quality control and testing, the specific contract deliverable requirements, special contract provisions, the government's procedures for monitoring and measuring performance, contractor billing, voucher approval, and payment procedures.

Where appropriate, an alternative dispute resolution (ADR) technique known as "partnering" should be discussed with the contractor to help avoid future contract administration problems. Partnering is a technique to prevent disputes from occurring. It involves government and contractor management staff mutually developing a "plan for success," usually with the assistance of a neutral facilitator. The facilitator helps the parties establish a non adversarial relationship, define mutual goals and identify the major obstacles to success for the project. Potential sources of conflict are identified, and the parties seek cooperative ways to resolve any disputes that may arise during contract performance. The process results in the parties developing a partnership charter, which serves as a roadmap for contract success. Many agencies have successfully used partnering on construction projects and are now beginning to apply these principles in the automated data processing/information resources management area.

Good contract administration assures that the end users are satisfied with the product or service being obtained under the contract. One way to accomplish customer satisfaction is to obtain input directly from the customers through the use of customer satisfaction surveys. These surveys help to improve contractor performance because the feedback can be used to notify the contractor when specified aspects of the contract are not being met. In addition, the contracting and program officials can use the information as a source of past performance information on subsequent contract awards. Customer satisfaction surveys also help to improve communications between the procurement, program, and contractor personnel.