

Contract Monitoring Duties

Who, What, Why, When and How
for
Department Contract Managers



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Who is “The Contract Manager?”

- Definition from the [Contract Management Handbook](#): The department-level individual responsible for adherence to all provisions contained within the contract and managing all aspects of the contract.
- During the lifecycle of the contract, the Contract Manager is tasked with Contract Monitoring.



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What is Contract Monitoring?

Contract Monitoring are the actions taken to track whether the contract is being followed. It includes:

- Tracking deliverables
- Tracking payments
- Collecting Insurance Certificates
- Gathering personnel lists and background checks for people coming on campus
- If it is Tech/Software related: complying with ISO and Accessibility requirements. See [Information Security Policies](#).
- [Complete Information Security Practices Compliance Training](#).



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Why Monitor?

First: We are a state agency, and state laws require it. But beyond that, contract monitoring helps the University, and we improve at achieving our mission.

- Helps improve the outcome of the contract:
 - Follow up helps bring contractor(s) back into compliance with contract requirements, so we can get deliverables when we need them.
- Helps improve future contracts:
 - Ongoing monitoring helps identify common problem areas for training opportunities
 - Findings from contract monitoring can (and should) be used to improve contract requirements for future procurements
 - Unnecessary constraints or inadequate specifications can be removed/improved in future solicitations/agreements.



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Documentation is your friend.

As the Contract Manager, you are responsible for ensuring all goods and services are received or delivered, all payments are received/delivered, the contract is properly closed out when complete, and all University records are maintained.

Depending on the level of risk involved in the agreement, your responsibilities will need to be completed with greater frequency.



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What is the Contract's Risk?

The level of risk is determined by three independent factors:

- Contract value
- Contract purpose and features
- Contract content



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Risk Matrix

Level of Risk	Value		Required Clauses		Features and Purpose		Statement of Work and Payments
Low Risk	Less than \$250K	and	On University Template with no edits of clauses	and	No access to FERPA, or University Data; no on-campus presence	and	Clearly describes deliverables and due dates, all payments due after receipt.
Medium Risk	\$250K-\$750K	and	On UT template or has university addendum with only edits approved by Legal.	And one of →	Access to University Data or Systems, but not FERPA data; Contractor on-campus presence	or	Fairly clearly describes deliverables and due dates, but payments due in advance of delivery.
High Risk	More than \$750K	or	University addendum has been edited, and department has assumed risks for noncompliant clauses.	or	Involves FERPA or HIPAA or sensitive University Data	or	Vague description of deliverables or due dates, payments not tied to milestones or deliverables (e.g., reoccurring monthly payments of same amount regardless of completion).



Risk Factor 1: Contract Value

- \$250K or lower total contract value → Low Risk
- Between \$250K and \$750K → Medium Risk
- In excess of \$750K → High Risk



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Risk Factor 2: Contract Subject

Agreements that have the following features will have elevated risks to be managed:

- Are contractors coming on to campus? → Medium Risk
- Will the contractor have access to Data?
 - Only University Data → Medium Risk
 - FERPA Data → High Risk
- Does the contract have advanced payments? → Medium Risk
- Does the contract have reoccurring payments not tied to deliverables/contract milestones → High Risk

Agreements with none of the above features, and have clearly described deliverables and milestones, and payments are tied to the acceptance of those deliverables → Low Risk



Risk Factor 3: Contract Content

Contracts should include all required and recommended University clauses.

- Low Risk: University template with no edits to clauses
- Medium Risk:
 - University template with edits to clauses that have been approved by Legal with no assumption of risk by Department.
 - Contractor-provided agreement with University addendum attached.
- High Risk: Contractor-provided agreement with edited University addendum attached, and department has absorbed risks and liabilities for non-conforming clauses.



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So . . . Now what?

The level of risk tells you how frequently you should be following up with the end-users and other stakeholders in the University, as well as with the Contractor.

- Low Risk: As deliverables are due is sufficient
- Medium Risk: Quarterly check ins and updates
- High Risk: Review contract status and obligations on a monthly basis at a minimum

Re-evaluate as needed:

- A contract can change risk level during the lifecycle.
- Example: if a vendor isn't delivering on time, what was once a low dollar value, low risk agreement, may require additional monitoring to get things back on track.



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What Needs to be Monitored

- Look to your Scope of Work
 - What will be delivered under the agreement?
 - How is it accepted by the end-user under the agreement?
 - Do the deliverables meet specifications?
 - Are there ongoing maintenance responsibilities after delivery?
- Look to the Contract Requirements
 - If it is software, data, or tech related: have [Information Security Policies](#) been followed? Accessibility standards? Completion of [Compliance Training – Information Security Practices](#)?
 - If the Contractor will be physically present on University property: [Certificates of Insurance](#) and/or [purchase order required documents](#) received?
- Look to your Payments
 - When and where will invoices be sent?
 - When and how are they payable?



How to Track Monitoring Responsibilities

Example of documents that should be retained:

- The fully executed agreement
- Communications with the Contractor
- Evidence of deliverables received
- Evidence that Contractor accepts Information Security Policies
- Background check results
- Certificates of Insurance from Contractor
- Evidence of payments made/received
- Closeout Letter and Checklist once contract has been completed
- Spreadsheet of completed contract monitoring obligations (example on next slide)



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Contract Monitoring Worksheet

To be Included in Contract Monitoring Records			Division:						
Contractor Type of Contract	Specific Monitoring	Performance Method	Responsible Individual for Each Monitoring Activity	Monitoring Activity Frequency	Monitoring Activity Documentation Method	Results of Monitoring Activity	Results of Monitoring Uses (include follow up requirements)	Communicated to	Use
CONTRACTOR NAME	Activities to Be Performed Review of Consultant's Quarterly Draft Reports for Contract Compliance [this is only one example of what will be many monitoring activities]	Information sources to be used	NAME and TITLE	Bi-weekly, Quarterly, Annually, etc.	Memo, email, call, etc.	NAME and TITLE	STATUS/NOTES	NAME and TITLE	STATUS/NOTES (ex. reallocate funds)





Closeout Checklist Sample

yes	no	n/a	All products and services required were provided to UTT.
yes	no	n/a	Documentation shows receipt and formal acceptance of all contract or purchase order terms.
yes	no	n/a	No issues or problems are pending on this contract/purchase order.
yes	no	n/a	All records/equipment/information furnished by UTT was returned.
yes	no	n/a	All actions related to contract price revisions and changes to term are have been dealt with through amendment
yes	no	n/a	All HUB subcontracting reports have been completed.
yes	no	n/a	If a partial or complete termination was involved, action is complete. Termination letter has been sent and received.
yes	no	n/a	Closeout Checklist and Closeout Letter are completed and in file.



Records Retention For Contracts/Purchase Orders

- All documents or documentation, including emails, invoices, correspondence with the Contractor, and any other information relating to the contract/purchase order must be maintained for:
 - Record Series 5.1.001 Contracts, Leases, and Affiliation Agreements = seven years from the end of the contract term or the end date that all purchase order terms are fulfilled.
 - See [UTT's Records Retention Schedule](#) for other Records Series, such as Employment Contracts, Grants, etc.



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Where do I go for help?



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[Office of Legal Affairs](#)

[Procurement Services](#)

[Contract Administration](#)