

TXST Contract Monitoring & Responsibility Procedures

Contract monitoring is the process of regularly reviewing a contract to ensure that all parties meet their obligations and that the contract is being executed in compliance with the agreed-upon terms. It's a proactive way to identify and address issues early, rather than waiting for problems to arise.

A Contract Manager (department stakeholder) should have a proficient understanding of all contract terms and conditions, the ability to communicate the contract requirements to all parties involved, and maintain responsibility over the vendor's performance for any contract they are a stakeholder.

The Contract Manager should ensure that the contract requirements are met, all goods and/or services are delivered in a timely manner, and the financial interests of the university are protected.

Contract Manager Responsibilities:

The primary responsibilities of the Contract Manager include, but are not limited to:

- Serve as the primary point of contact for disseminating instructions regarding the Statement/Scope of Work (SOW) to the vendor.
- Coordinating communications between the university and the vendor.
- Establish scope of authority, maintain clear lines of communication, and provide any reporting required.
- Manage university assets associated with your department contracts.
- Provide access to university facilities, equipment, data, personnel, materials, information, and any other required resource(s) needed by a vendor, as outlined in the contract.
- Implementing a quality control and assurance process over the scope of work, deliverables or goods received.
- Identify, document, and resolve minor disputes with a vendor in a timely manner.
- Documenting significant events including deficiencies, deliverables, milestones, and reporting to required parties.
- Monitoring the vendor's progress and performance to confirm goods and/or services conform to the contract requirements.
- Maintain appropriate documentation as required by Federal, State, TSUS System, and/or University Policy and Procedures.
- Encumber funds upon contract execution to ensure funds/budget are available for the duration of the contract.
- Inspecting and approving the final goods and/or services are received and approving the goods receipt (GR's) and/or service receipts (SR's).
- Authorizing payments consistent with the contract/agreement and in accordance with university policies and procedures.
- Performing the contract close-out responsibilities for all contracts/agreements over \$250,000.00.
- Ensuring that vendor information on contracts, agreements, and quotes matches their vendor profile in SAP (TCode ZMKO3 – Display Vendor). Notify vendors when they need to update their information in PaymentWorks. Contact Vendor Management at vendorrequests@txstate.edu to assist with vendor profile issues.
- A Letter of Termination will be required to terminate for cause/without cause, dependent on the terms and conditions of the contract/agreement. The Contract Manager will need to contact the Contract Specialist to create a Letter of Termination. This document will need to be sent to the vendor, and both the letter and email saved in the TSUS Marketplace Contract.

Contract Managers are NOT authorized to:

- Instruct a vendor to start work prior to a fully executed contract in the TSUS Marketplace Contract system.
- Alter the Statement/Scope of Work, terms, or extend the contract end date of the contract without a formal contract amendment processed in the TSUS Marketplace Contract system.
- Accept changes to the HUB Subcontracting Plan or approve substitutions or additions of subcontractors without documenting the changes and obtaining approval from the Hub Specialist in the Procurement & Strategic Sourcing Office ("P&SS").
- Allow the vendor to incur any obligations outside of the scope of the contract.

Procurement Staff Responsibilities:

The primary contract responsibilities of the Procurement Staff include, but are not limited to:

- Providing guidance, as needed, to the Contract Manager throughout the life of the contract.
- Consulting with TSUS Office of General Council (“OGC”) to address any legal concerns or issues.
- Receiving and responding to formal contract negotiations between the university and the vendor.
- Managing, approving, and documenting any changes to the contract (e.g., amendments, change orders, extensions).
- Ensure all required documents/forms are included in the TSUS Marketplace Contract.
- Assisting in resolving disputes with the vendor in a timely manner.
- Providing notices, as appropriate, when a vendor’s performance is deficient.
- Providing oversight of the Contract Close-out process to properly document the contract closure.
- Assist the Contract Manager with contract termination when applicable. P&SS will create all Letter of Termination notices to the vendor.

Routine Contract Monitoring – Required for All Contracts (Department Responsibility):

Note: All email correspondence to P&SS should include the TSUS Marketplace contract request number and/or the contract number. Send all email correspondence related to contracts to contracts@txstate.edu.

- The department shall notify the Contract Specialist of any contract-related issues that cannot be resolved.
- The department shall work in conjunction with the Contract Specialist to issue an Amendment for any changes to the Contract, including renewals issued prior to the expiration date.
- The department shall verify receipt of deliverables (correct, undamaged, on time, etc.).
- The department shall review and approve invoices to ensure that they are valid and accurate prior to payment being issued.
- The department shall send all department/vendor communications related to contract performance resolution to the Contract Specialist to be uploaded into the TSUS Marketplace Contract.
- The department shall notify the Contract Specialist of any contract related issues that cannot be resolved.
- The department shall issue a corrective action plan to restore compliance with the contract if the vendor’s performance is not satisfactory, or vendor is in breach of the contract. Send the plan and all email correspondence to the Contract Specialist to upload in the TSUS Marketplace Contract.
- If applicable, department shall ensure the vendor submits a HUB Progress Assessment Report (PAR’s) with each invoice.
- The department shall complete the **FS-07 Contract Close-out Form** for ALL contracts/agreements \$250,000 and greater at the conclusion of the contract and once Accounts Payables has posted the final invoice and it is reflected in SAP.

Enhanced Contract Monitoring – Required for All Contracts with a Risk Assessment Score of 26 and greater regardless of dollar value, or \$1,000,000 and greater (Department Responsibility):

Note: All email correspondence to P&SS should include the TSUS Marketplace contract request number and/or the contract number. Send all email correspondence related to contracts to contracts@txstate.edu.

The items below are in addition to those required for routine monitoring.

- A contract kickoff meeting shall be conducted to review the contract requirements, **FS-01 Risk Assessment** and **the FS-02 Enhanced Contract Monitoring Plan**. (For guidance, see **Appendix 27** from the Comptrollers Procurement and Contract Management Guide).
- The vendor shall provide progress reports/updates to the department. (Frequency determined at the kickoff meeting).
- Routine business review with the vendor. (Frequency determined at the kickoff meeting).
- P&SS will communicate all corrective actions plans to the CFO.
- The department will notify P&SS of any assessed or collected liquidated damages under the contract, and P&SS will forward the information to the CFO.

Reference to “Contract Specialist” refers to the Procurement and Strategic Sourcing role. These duties are also completed by the Contract Specialist/Buyers in Facilities, Facilities Planning Design and Construction (FPDC), and Procurement Manager/Buyers in IT Business Services.