

## CONTRACT ADMINISTRATION AND MANAGEMENT

### Roles, Responsibilities and Authority of the Contract Officer and the Program Representative in the Administration and Management of Contracts

EXAMPLE SITUATION	ACTION	RESPONSIBILITY
<i>A program needs a service or commodity.</i>	<p><b>Contract Formation</b></p> <p>Contract is formed through competition or direct negotiation.</p>	<b>Contract Officer</b>
<i>Someone needs to notify the contractor to begin work under the contract.</i>	<p><b>Notice to Proceed</b></p> <p>The notice to proceed may be issued in the form of a <i>purchase order</i>, <i>delivery</i> or <i>task order</i> or <i>letter</i>.</p>	<b>Contract Officer Program</b>
<i>The contractor, the program, and procurement all need to have the same understanding of the requirements and responsibilities related to the contract.</i>	<p><b>Kick-off Meeting</b></p> <p>The purpose of the kick-off meeting is to introduce key employees, define reporting and documentation requirements, discuss contract issues, establish roles and responsibilities, and problem resolution.</p>	<b>Contract Officer</b>
<i>The intent of some clause or requirement in the contract is ambiguous or being viewed differently by the contractor from the COR.</i>	<p><b>Contract Interpretations</b></p> <p>The COR is responsible for knowing and understanding the contract. However, any matters that require interpretation of ambiguities shall be interpreted by the contract officer. The contracting officer is responsible for consultation with the Attorney General.</p>	<b>Contract Officer</b>
<i>The contractor requests a price adjustment. The program desires to add or delete deliverables or standards under the contract.</i>	<p><b>Contract Modification</b></p> <p>Any change to the contract is material. Some proposed changes may be improper. Only the contracting officer may change the contract. Some changes require approval from the State Procurement</p>	<b>Contract Officer</b>

EXAMPLE SITUATION	ACTION	RESPONSIBILITY
	Administrator.	
<p><i>The contract has issued an invoice in compliance with the contract.</i></p> <ul style="list-style-type: none"> <li>• Progress Payments</li> <li>• Final Payments</li> </ul>	<p><b>Pay the Contractor</b></p> <p>The COR will review and approve the invoice for payment so long as the pricing is in accordance with the contract and the contractor has completed all deliverables due for the payment.</p>	<p><b>Program Representative</b></p>
<p><i>The compliance and effectiveness of the contract must be assessed.</i></p>	<p><b>Contract Monitoring</b></p> <p>A review of the timeliness, completeness and quality of deliverable is conducted.</p>	<p><b>Program Representative</b></p>
<p><i>A disagreement erupts between the contractor and the program over an issue with the contract. COR refers the matter to the contract officer.</i></p>	<p><b>Disputes</b></p>	<p><b>Contract Officer</b></p>
<p><i>A firm issues an invoice or demand for payment for the delivery of services or commodities not specifically included under a state contract.</i></p>	<p><b>Claim</b></p>	<p><b>Contract Officer</b></p> <p>May require approval of State Procurement Administrator and involvement of an AG.</p>
<p><i>The funding entity or agency desires to assess the contract for effectiveness or efficiency.</i></p>	<p><b>Program Evaluation</b></p> <p>The program develops a process to determine the effect the contract has had on clients, the State etc. A separate contract is sometimes awarded to assess efficiency or effectiveness of contract outcomes.</p>	<p><b>Program Representative</b></p>
<p><i>Contractor requests change of subcontractor or key personnel</i></p>	<p><b>Contract Modification</b></p>	<p><b>Contract Officer</b></p>
<p><i>Program requests replacement of Key Personnel</i></p>	<p><b>Written Directive</b></p>	<p><b>Contract Officer</b></p>
<p><i>The contractor fails to comply with the contractual obligations. The contractor is in breach of the contract. Program Representative submits VPR to the Contract Officer.</i></p>	<p><b>Vendor Performance Report</b></p>	<p><b>Program Representative</b></p>

EXAMPLE SITUATION	ACTION	RESPONSIBILITY
<i>The contractor is failing to perform to perform to the satisfaction of the COR.</i>	<p><b>Corrective Action</b></p> <p>The COR shall file a vendor performance report form detailing the failure of the contractor. The contract officer shall investigate the matter and determine the course of action, which could include: issuing a letter of assurance, devising a corrective plan or other remedy allowed or provided for under the contract. The COR may follow up and monitor the corrective actions required of the contractor.</p>	<p><b>Contract Officer Program Representative</b></p>
<i>Contractor indicates it may not be able to complete contract performance Program Representative notifies the Contract Officer. Who issues letter of assurance to the contractor.</i>	<p><b>Letter of Assurance</b></p> <p>Contract default or anticipated default</p>	<p><b>Contract Officer</b></p>
<i>Contractor fails to perform according to the contract</i>	<p><b>Contract Default</b></p> <p>The contract officer may terminate contract for default and initiate remedies</p>	<p><b>Contract Officer</b></p>
<i>Contract performance is no longer required or funding is removed or exhausted before contract is complete.</i>	<p><b>Termination for Convenience</b></p>	<p><b>Contract Officer</b></p>
<i>Contract performance is completed. Program Representative checks that all deliverable, evaluations, and reports are completed and reconciles contractor payments.</i>	<p><b>Closeout</b></p> <p>Written correspondence as to contractor performance of the overall contract. Refer to contract close-out provision.</p>	<p><b>Program Representative</b></p>

## **CONTRACTING OFFICER'S REPRESENTATIVE (COR) PROGRAM:**

### **What is a COR?**

For the purposes of the state of Arizona, a COR is a qualified employee appointed by the contracting officer. The COR is delegated limited authority to perform specific, enumerated contractual function to assist with the monitoring and administration (or management) of a contract. The appointment should be memorialized in a COR appointment letter which sets out roles, responsibilities, limitations, and duties.

### **Definition from USAMRMC Acquisition Instruction 1.602-2(2)(100) Training and Experience Requirements for Contracting Officer's Representatives (CORs):**

*Contract Officer's Representative (COR)* is a Government official appointed in writing by the Contract officer to provide technical direction, clarification, and guidance with respect to the contract specifications and statement of work. The COR is the technical liaison between the contractor and the Contract officer and is responsible for ensuring satisfactory performance and timely delivery as set forth in the contract. The COR is appointed by a COR Appointment letter which sets out roles, responsibilities, limitations and duties from the Contract Officer.

### **Definition from the USGS COR Certification Program:**

A Contract Officer's Representative (COR) is an employee delegated limited authority by a Contract Officer to perform specific, enumerated contract management duties related to technical oversight during the performance period of a contract. A COR is nominated by the requisitioning office and appointed in writing by the Contract Officer at the time of contract award. This term does not include end-users performing similar functions in connection with simplified acquisitions (small purchases), project officers for grants and cooperative agreements, individuals performing specific functions directed by the COR, or COR's for real property leases or contracts awarded by other Federal agencies.

A sample COR appointment letter:

## **INSTRUCTIONS TO CONTRACTING OFFICER'S REPRESENTATIVE**

*(Adopted from the U.S. Geological Survey Manual: <http://www.usgs.gov/usgs-manual/400/404-11a.html>)*

*When performing your duties under this appointment, you must constantly be aware of the need to protect the Government's interests. Maintain an impartial, arms-length relationship with the contractor. Avoid any action that places you in a real or apparent conflict-of-interest position, that may compromise Geological Survey's position or impair public confidence in the Survey's integrity or independence.*

### **1. Preparation**

*You are the official Government representative for technical matters under this contract. To prepare for these duties we recommend the following actions be taken:*

*a. Read and make sure you understand the terms of the contract. Discuss any unclear areas with the Contract Officer. In particular, make sure you understand the administrative procedures required for initiating actions under the contract, such as issuance of delivery orders or exercise of contract options.*

*b. Create and maintain a file to document your actions as COR under this contract. The file should include:*

- your copy of the contract, memorandum of appointment, and these instructions;*
- copies of any relevant correspondence;*
- record of any telephone conversations or other communications with the contractor; and*
- other records of the contractor's performance, such as reports of in-process inspections, visits to the contractor's facility and service reports. These items will vary depending on the nature of the contract.*

*c. Review the contract's schedule for deliveries, completion dates, option/renewal dates, and any other report or data submission dates, and establish a log or tracking system to make sure you will be prepared and available for upcoming actions.*

### **2. General and Administrative Information**

*a. Know the scope and limitations of your authority and use reasonable care in exercising your authority.*

*b. Safeguard the contractor's confidential business and technical information. Confidential information may include technical documentation, or personnel data. Do not release any information without first consulting the Contract Officer to determine if such release of information is permissible.*

- c. *Notify the Contract Officer immediately of any matter related to this contract that may need his or her action.*
- d. *Furnish the Contract Officer copies of all reports and copies of all correspondence.*
- e. *Certify that the contract has been satisfactorily completed and all deliverable items have been received and accepted.*
- f. *After the contract is completed, you may be required to write an evaluation of the contractor's technical performance. If a specific form is required, it will be provided by the Contract Officer.*
- g. *Notify the Contract Officer whenever you become aware of events or changes, whether permanent or temporary, that will impair your ability to perform any of your duties as COR.*
- h. *When necessary due to distance or geographic dispersion of sites, you may designate other employee(s) to perform inspections or monitor stated aspects of performance. These individuals may act as your "eyes and ears" at the worksite, but may not be delegated your authority to make decisions or to represent the State in technical communications with the contractor. You should instruct any such employees to immediately refer to you any potentially controversial matters they encounter with the contractor.*

### **3. Technical Liaison, Monitoring and Inspection**

- a. *Interpret Government drawings and specifications for the Contract Officer and, upon specific written authorization from the Contract Officer, provide that information to the contractor.*
- b. *Review contractor requests for travel, overtime, equipment, or subContract not approved by the Contract Officer before award. Analyze the contractor's technical and management reports.*
- c. *Provide the Contract Officer with technical recommendations on Government or contractor-proposed changes, including assessments of their specific impact on the contract and its cost or price. Upon request of the Contract Officer, assist in negotiating post-contract claims and termination adjustments.*
- d. *Observe the contractor at work to determine if performance complies with the contract. This includes observation of the work system, methods, and execution.*
- e. *Immediately bring to the contractor's attention any potentially hazardous working conditions. The contractor is always required to comply with federal Occupational Safety and Health Administration (OSHA) guidelines, as well as any state or local requirements for workplace safety, even on a federal facility.*

*f. Immediately alert the Contract Officer to any possible contractor inadequacies, discrepancies, or questionable practices so that corrections can be made before the problems become significant. Advise the Contract Officer of the following situations:*

- *possible changes in contractor management or key personnel;*
- *potential labor disputes or workforce problems;*
- *disagreements with contractor as to specification/SOW requirements or other potential disputes with the contractor, technical or otherwise;*
- *lack of progress that may jeopardize the performance/delivery schedule;*
- *hazardous working conditions, including contractor's planned corrective action.*

*g. If a potential dispute or delinquency arises, your communications with the contractor must be limited to fact-finding and obtaining recommendations from the contractor on efforts he proposes to achieve compliance with the specifications. Avoid any discussions with the contractor concerning disputed matters, to prevent later charges that you agreed to or directed any changes in the contract terms.*

*h. Do not agree to any revised delivery or completion date or start date for services. Also, be careful not to make any statements the contractor could arguably infer as an authorized extension, such as indicating that you do not really need the item by the specified date. If you "informally" waive or extend the original date and the contractor's performance becomes even more delinquent, it may be impossible for the U.S. Geological Survey (USGS) to enforce contract terms or use the contract's remedies.*

*i. If the Government will be billed based on hours worked, monitor the contractor hours expended (including overtime) and determine whether the qualifications of workers performing under the contract are commensurate with the qualification requirements stated in the contract.*

#### **4. Inspection and Acceptance**

*a. Inspect all deliverable items, services, or materials to determine satisfactory compliance with the contract. Accept, or recommend to the Contract Officer rejection of, contract deliverables.*

*b. For off-the-shelf commercial items, inspection is usually limited to verification of:*

- *type and kind (Is this the item we ordered - correct size, color, model or part number, if specified in the contract?)*
- *the quantity delivered*
- *any visible damage (including damage to packing materials for items subject to internal damage from rough handling)*
- *operability (Is it in working order?)*

*c. For services not involving deliverable end items, services are generally monitored and accepted upon completion of work or at the end of the month.*

d. Adhere to the inspection and acceptance period term in the contract. Make sure you act promptly to perform your inspections or acceptance testing within the allotted time. If you have doubts about the item's compliance with the specification, do not accept it just because the acceptance period is running out. Be advised, however, that delays in inspection may result in payment of interest penalties to the contractor once the items are finally accepted.

e. Acceptance Test Procedures: If you provided or requested special acceptance testing procedures during the solicitation phase of the procurement, be sure you precisely follow the version of those procedures found in the contract award document. If you find the acceptance test procedures need to be revised, ask the Contract Officer to modify the contract to incorporate the changes.

f. If the delivered items (equipment, photography, report, etc.) do not meet the contract's inspection or acceptance requirements, immediately inform the Contract Officer of this fact.

## **5. Invoices and Payment**

Review and approve contractor invoices for payment. The State is subject to payment of interest penalties if invoices are not paid on time

**NOTE: CONTRACT PAYMENT PROCEDURES ARE NOT THE SAME AS YOU MAY HAVE PREVIOUSLY USED FOR SMALL PURCHASE ACTIONS. PLEASE FOLLOW CAREFULLY THE INSTRUCTIONS GIVEN BY YOUR CONTRACT OFFICER REGARDING HANDLING OF INVOICES.**

### **a. Partial/Final Payments**

Immediately upon acceptance of item(s)/services, certify the invoice. Record on the invoice (1) the date goods were received (or services completed), and (2) the date accepted.

### **b. Progress Payments**

If progress payments are allowed under this contract, review the invoice to determine if the work is progressing under the contract in accordance with the schedule. If you have any suspicion that the contract work is falling behind schedule or that the billings are running ahead of the work you must notify the Contract Officer immediately.

### **c. Interim Cost Vouchers**

If this is a cost contract, the contractor is entitled to be reimbursed periodically for all reasonable costs incurred in performing the contract. You should review such vouchers to make sure charges are commensurate with observed performance. It is your responsibility to question or accept direct charges such as labor, materials, travel, etc. Alert the Contract Officer if the billing includes material or equipment charges for

*items which have not been delivered to the work site. The Contract Officer is responsible for verifying correctness of indirect rates, fringe benefits and fee, if any.*

## **6. Government Furnished Material, Equipment, Facilities (GFM)**

*a. You are not authorized to provide any State-owned (or leased) equipment or supplies or use of State space to the contractor, other than those specifically listed in the contract.*

*b. If a need arises to provide State-furnished material or facilities (other than any items already listed in the contract), promptly advise the Contract Officer so that the contract can be modified to reflect this change and so any appropriate adjustments to the contract can be negotiated with the contractor.*

*c. If the contract provides (or is modified to provide) for the Government to furnish facilities, supplies or equipment for performance of work under the contract, it is your responsibility to insure that such items are provided at the times and places stated in the contract, in satisfactory condition. You should keep a record of the date the items were provided and obtain a receipt acknowledgement from the vendor. This document serves to protect both the State (in event of a dispute with the contractor) and employees of the State (in event the property is lost or damaged in the contractor's possession).*

*d. Monitor the contractor's use and care of any State-furnished equipment or materials. If you believe the contractor is using the item for unauthorized purposes or is not providing adequate maintenance or security for the property, you are authorized to bring your concerns to the contractor's attention. If the contractor does not agree to remedy the problem, or indicates that your requested action will delay or increase the cost of performance, refer the matter to the Contract Officer.*

*e. If an item of controlled property is reported lost, stolen, or damaged by the contractor, or becomes worn out through normal wear and tear, you must make sure the action is reported to the Contract Officer. You are also required to submit appropriate property report forms in accordance with established bureau property management procedures.*

*f. When work is completed, it is your responsibility to arrange for return of any residual items of controlled property. After its return, inspect the property and report any deficiencies to the Contract Officer. Make sure controlled property records are updated to reflect any additions, deletions, or changes to controlled property items and/or designated property officers.*