



TEXAS TECH™

Operating Policy and Procedure

OP 72.04: Contract Administration

DATE: December 10, 2024

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to outline the contract administration and management procedures for Texas Tech University and Texas Tech University System contracts and to establish consistent guidance for managing performance and/or compliance with contract requirements throughout the term of the contract. The contract administration and management process has an essential role in the procurement process and helps ensure the university is obtaining the best value.

REVIEW: This OP will be reviewed every two years after publication by the Assistant Vice President and Chief Procurement Officer with substantive revisions forwarded to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Definition of Contract Administrator

The contract administrator (CA) is a customer of the procurement process and is typically a stakeholder within the Texas Tech department responsible for acquiring or purchasing the contracted goods, equipment, or services. The CA will be responsible for the proper review and implementation of all contract specifications and contract requirements. Ideally, the CA will be named prior to the beginning of the procurement or contract process and be involved in defining the scope of work, the solicitation process (if applicable), the administration, and the closeout of the executed contract. Participating in the creation of the contractual requirements ensures that the CA is knowledgeable and obtains the desired goods, equipment, or services and helps with later contract decisions concerning changes or disputes.

If the CA is not involved in the procurement or contract process, the CA must familiarize themselves with the history of the procurement, the contract, any additional terms and conditions, the nature of negotiations, the contractual requirements of the university, and the vendor performance.

The CA ensures the contract is satisfactorily performed and the responsibilities of both parties are properly discharged. The CA is responsible for ensuring all contract provisions are adhered to and for coordinating all contract issues (e.g., renewals, amendments, and termination) as well as vendor performance problems with Procurement Services. The CA is responsible for communicating all concerns to the Procurement Services Office.

2. Definition of Contract Administration

The specific nature and extent of contract administration varies by contract but typically means ensuring the quality of scope and performance meets specifications; documenting deficient goods,

equipment, or services or nonperformance by the vendor; facilitating the resolution of problems; reporting to departmental management and/or university leadership; and coordinating contract and legal issues with Procurement Services.

Factors that influence the level of contract administration include the type of contract, the complexity of the subject matter, the inclusion of any technology components, the dollar amount, the risk level of the acquisition, and the experience and commitment of the departmental personnel involved. Contract administration starts with developing clear, concise performance-based specifications/descriptions for the goods, equipment, or services.

3. Contract Administrator Responsibilities and Assignments

a. CA Responsibilities

- (1) Assist Procurement Services in developing the requirements or specifications of the desired goods, equipment, or services;
- (2) Monitor the vendor's progress and performance pursuant to the terms of the contract, preparing a vendor performance form when needed;
- (3) Manage any university resources used in contract performance;
- (4) Ensure the vendor performs in accordance with university operating policies and TTU System *Regents' Rules* and TTU System Regulations;
- (5) Authorize payments consistent with contract documents;
- (6) Resolve minor disputes in a timely manner and coordinate correspondence with the Procurement Services Office, if necessary;
- (7) Exercise remedies, in conjunction with the Procurement Services Office, when a vendor's performance is deficient;
- (8) Document significant events or milestones; and
- (9) Maintain appropriate records as required by applicable record retention law or guidelines.

b. CA Assignments

Each acquisition or contract requires at least one CA.

(1) Construction

The CA for construction contracts is the assigned architectural, engineering, or grounds maintenance project manager for the construction project.

(2) Services

The CA for service contracts is the financial manager or his/her designee for the respective department acquiring the services. This individual shall have FOP authority or specific expertise in the services to qualify as a CA.

(3) Goods and/or Equipment

The CA for contracts relating to the acquisition of goods and/or equipment is the financial manager or his/her designee for the respective department acquiring the goods and/or equipment. This individual shall have FOP authority or specific expertise relating to the goods and/or equipment being acquired to qualify as a CA.

(4) Revenue Contracts

(a) The CA for revenue contracts is the department head or a designee with expertise relating to the goods or services being provided that are generating the revenue. The department head may designate a CA to oversee the contract; however, the department head will retain responsibility.

(b) All payments received must be forwarded by the CA to Cash and Credit Management Services so they may be properly logged and processed.

c. Additional Oversight

The CA may request additional assistance from Procurement Services and/or other university subject matter experts for contract review and oversight, however; the CA maintains ultimate responsibility. Documentation should be retained in the event of an audit and in accordance with university retention policies.

4. Monitoring

a. Payment Reviews (duty of the CA)

Payment Review and Authorization – Payments to vendors for goods, equipment, or services shall be made in accordance with [OP 72.11, Payment of Purchase Orders](#). Procurement Services must be notified of any discrepancies or disputes.

b. Random and Planned File Reviews

Contract Performance Reviews – On a random basis during the “closeout” of a contract, Procurement Services may conduct a review of the contract and will coordinate with the CA. Such reviews, at a minimum, will seek to ensure:

- (1) The vendor’s performance complies with the terms, conditions, and requirements of the contract; and
- (2) The university’s compliance with the terms, conditions, and requirements of the contract.

c. Vendor Performance Form

A *Vendor Performance Form (VPF)* may be submitted by the CA prior to closeout to document various levels of vendor performance.

5. Contract Closeout

Contract closeout begins when the contract (including a purchase order) has been physically completed, i.e., all services have been performed and goods and/or equipment delivered. Closeout is completed when all administrative actions have been completed, all disputes settled, and final payments have been made. This process requires close coordination between the CA, Procurement Services, other relevant TTU administrative offices, and the vendor.