



CONTRACT ADMINISTRATION POLICY

Effective Date: August 1, 2012

Revised Date: March 6, 2012

Responsible Office: Finance and Administration

Division: Contractual Administration

I. PURPOSE/OBJECTIVE

The purpose of this policy is to outline the contract administration process for Grambling State University in accordance with the State of Louisiana, Regulations for the Procurement of Professional, Personal, and Consulting Services.

Procedures for contract administration will be described in the contract and responsibilities of contractor. The goal of this policy to ensure contracts are satisfactorily created and executed by both the contractor and GSU so contract responsibilities are clearly defined and properly discharged at the completion of the contract.

II. AUTHORITATIVE REFERENCE

State of Louisiana, Regulations for the Procurement of Professional, Personal and Consulting Services. Division of Administration Policy and Procedure Memorandum No. 71. Louisiana Revised Statutes 11:701 through 11:791.

III. STATEMENT OF POLICY

A. DEFINITIONS

Contract: Contracts include, but are not limited to, agreements, cooperative agreements, memoranda of understanding, interagency contracts, clinic agreements, and leases with other parties. Other parties include, but are not limited to, federal, state, and local agencies, nonprofit organizations, private businesses, partnerships, and individuals. Written contracts must be executed whenever the university enters into a binding agreement with another party that involves:

1. Any professional services and personal services amount above \$5000.00
2. Any agreement requiring services that last more than 30 days in duration
3. Any consulting services or speaker engagement agreements

Contract Administrator: The person that the initiating department assigns to be responsible for developing the contract, gathering approvals, monitoring, and keeping records of all documentation relating to the professional contract.

Delegated Authority: Individuals authorized by the State of Louisiana to execute contracts on behalf of Grambling State University. The university has delegated authority from the Division of Administration, Office of Contractual Review, authorizing the Vice President for Finance and Administration and University President to sign contracts on behalf of Grambling State University for contracts under their budgetary authority for \$20,000 or less. The university has delegated authority from the Division of Administration, Office of Contractual Review, authorizing the university's Athletic Director to approve professional service contracts for athletic officials.

Contractor: Any individual entering into contractual agreements with the University

B. GENERAL GUIDELINES FOR CONTRACT ADMINISTRATION

1. All contracts that bind Grambling State University into any written agreement (regardless of financial terms) with an outside entity must abide by this Contract Administration Policy. Contracts include, but are not limited to agreements, cooperative agreements, memoranda of understanding, interagency contracts, clinic agreements, and leases with other parties.
2. The specific nature and extent of contract administration varies from contract to contract depending on factors, such as scope of work and type of contract. Contract administration starts with developing clear, concise, performance-based statements of work and preparing a contract administration plan that cost effectively measures the contractor's performance, GSU's obligations, and provides documentation to pay accordingly.
3. No person has the authority to enter into a contract on behalf of the university without the signed approval of the university's delegated authority. More specifically, but not limited to, an individual employee cannot:
 - a) Offer employment to anyone
 - b) Enter into any professional, personal, or consulting contract
 - c) Procure goods and services
 - d) Enter into any other contracts for any purpose, such as cooperative agreements with other entities, joint venture, etc.
4. An individual executing a contract on behalf of Grambling State University, without the authority to do so may be personally liable for damages flowing from negation of the contract. If the individual is an

employee of Grambling State University they will also undergo a disciplinary review that could result in their immediate termination from the University.

5. Employees may initiate contract negotiations only after the *GSU Contract Approval Form* has been completed.

C. GENERAL GUIDELINES FOR CONTRACT FORMATION

1. Contracts are required for all consulting services or speaker engagements regardless of the amount of the contract.
2. Contracts are required for all professional services and personal services that exceed \$5000.00 during the academic year.
3. Contracts are required for all professional services, consulting services, and personal services that will exceed more than 30 days during an academic year.
4. Contracts are required for all professional services, consulting services, and personal services that are extended over one (1) academic year (multi-year contracts).
5. Departments requesting to enter into a contract must first determine if procurement is required and if quotes/bids are necessary according to Purchasing operational policies
6. Departments are responsible for ensuring that necessary funding is available for expense contracts.
7. Employees should use the *DOA Basic Contract*, *DOA Contract for Professional Legal Services*, or *DOA Cooperative Endeavor Agreement* template for all contracts when applicable. This template can be found on GSUNet at <http://gsunet/purchasing/forms.asp>.
8. The following forms must be completed and attached to all contracts:
 - a. *GSU Contract Approval Form*
 - b. *Checklist for Review of Personal, Professional, Consulting and Social Services Contracts.*
 - c. *GSU Contract Monitoring Form (Monitoring Plan for Services)*
 - d. *IRS Form W-9 (if applicable)*
 - e. *Certification Letter Addressed to Susan Smith (any contracts over \$5,000)*
 - f. *Corporate Board Resolution:* If the contractor is a corporation, profit or non-profit, contract must be accompanied by a Board resolution from the Board of Directors of the corporation authorizing the signature for the corporation.

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9. Contracts for less than \$20,000 can be executed by the University's Delegated Authority.
 10. Contracts over \$20,000 must be submitted to the Division of Administration, Office of Contractual Review (OCR) for review and approval.
 11. Agreements to pay travel plus the contracted fee are not authorized. The contracted fee should include all costs of performance including travel.
 12. The university must determine that the rate of compensation to be paid to Contractors is fair and reasonable to the state. In making this determination, the issues below must be taken into account, in the following order of importance:
 - a. The professional or technical competence of contractor
 - b. The technical merits of the offers or proposals, and
 - c. The amount of compensation for which the services are to be rendered.
 13. By signing the *GSU Contract Approval Form*, the Contract Administrator and initiating department's vice president, Finance and Administration Officer are certifying that they have made a determination of "fair and reasonable compensation" to the state taking into account the above items.

D. GENERAL GUIDELINES FOR ROUTING CONTRACTS

1. If possible, contract requests should be initiated at least eight (8) weeks prior to the start date of the contract to allow ample time for review and approval.
2. Contract Administrators must obtain review signatures on the *GSU Contract Approval Form* and route the contract to the appropriate reviewers for signature approval.
3. Departments using the approved *DOA Basic Contract* template must submit a copy of the contract and the *GSU Contract Approval Form* to the Office of Finance & Administration.
4. Departments requesting approval on vendor/contractor contracts (non-GSU templates) must submit a copy of the contract and *GSU Contract Approval Form* to the Office of Finance & Administration. The Office of Finance & Administration will review proposed contracts and negotiate the terms with vendors/contractors.
5. Contracts are not to be signed until the *GSU Contract Approval Form* has been completed with all approval signatures.
6. Departments are responsible for obtaining approval signatures on the *GSU Contract Approval Form* and forwarding it along with the contract to the Office of Finance & Administration.
7. After completing the draft of the contract, the Contract Administrator should fill out and attach a *GSU Contract Approval Form* to the contract. Signatures

from the following offices must be obtained in the accordance with the following order:

- a. Department Contract Administrator
 - b. Department (Appropriate)Vice President
 - c. Title III Office (if applicable)
 - d. Finance & Administration
 - e. Human Resources
 - f. Purchasing Office
 - g. Sponsored Programs (if applicable)
8. Each department will have 2 business days to review the contract.
 9. For contracts involving Title III grants the *GSU Contract Approval Form* must be routed through the Title III Office.
 10. For contracts involving grants the *GSU Contract Approval Form* must be routed through the Sponsored Programs department.
 11. If the reviewing department recommends changes to the contract they must note those changes and attach it, in writing on a separate document, to the contract. Those changes should also be submitted in writing to the Office of Finance & Administration before the reviewer passes it to the next department.
 12. The reviewing department will be responsible for forwarding the contract to the next approver. Each department will notify the Office of Finance & Administration once they have completed review of the contract.
 13. The Office of Finance & Administration and the Contract Administrator will be responsible for ensuring that reviewers stay in accordance with the defined processing time.
 14. The *GSU Contract Approval Form* must be completed before the Contractor and/or the University's Delegated Authority sign the contract.
 15. The Legislative Auditors have determined that there will be a university audit finding for a contractor to commence work prior to approval of the contract.

E. GENERAL GUIDELINES FOR CONTRACT ADMINISTRATION AFTER APPROVAL PROCESS

1. The final reviewing department will return the contract with the completed *GSU Contract Approval Form* to the Office of Finance & Administration.
2. The Office of Finance & Administration will return the contract to the Contract Administrator.
3. The Contract Administrator is responsible for making any edits suggested by the reviewing departments. The Contract Administrator should contact the

Office of Finance & Administration regarding any concerns/question about edits.

4. After all edits are completed, they must be verified by the Office of Finance & Administration.
5. The Contract Administrator is responsible obtaining signatures from Contractor and University's delegated authority (unless previously signed during the review process) on the actual contract.
6. Contracts exceeding \$20,000 must be sent to the Louisiana Division of Administration, Office of Contractual Review (OCR) for approval. Contract Administrators should allow an additional 3-4 weeks for contracts requiring OCR approval.
7. Contracts requiring OCR approval should be brought to Purchasing Office after being signed by the Contractor and the University's delegated authority.
8. The Purchasing Office will ensure that the contract is sent to OCR.
9. Once a contract is approved by all parties a signed hardcopy should be sent to the Office of Finance & Administration for filing and monitoring.

F. GENERAL GUIDELINES FOR POST-AWARD CONTRACT ADMINISTRATION

1. The Office of Finance & Administration will maintain hard copies of all approved contracts for the University.
2. In the event that the contract requires changes after approval and initiation the Contractor Administrator must fill out a ***Contract Amendment Form***. The form must be signed by the Contractor, Contract Administrator, and Office of Finance & Administration. A copy of the approved, signed form must be submitted to the Office of Finance & Administration to be filed with the contract.
3. The Contract Administrator will ensure that all terms and stipulations in the contract are being met by both GSU and the Contractor.
4. The Contract Administrator will be responsible for completing the ***GSU Performance Evaluation Form*** when either requested by the Office of Finance & Administration or within 30 days after the contract is terminated.
5. Contract Performance Reviews can be requested on a random basis from the Office of Finance & Administration as well as during the "closeout" of a contract/agreement. Hardcopies of all performance reviews will be filed with the approved contract in the Office of Finance & Administration.
6. Contract Performance Reviews, at a minimum, will seek to ensure the following:

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- a. The contractor is in compliance with the terms, conditions, and requirements of the contract/agreement.
 - b. GSU is in compliance with the terms, conditions, and requirements of the contract/agreement.
 - c. Purchase orders issued under the contract/agreement are in compliance with the terms, conditions, and requirements of the contract/agreement, if applicable.
 - d. Payments are in compliance with the terms and conditions of the contract/ agreement.
7. All contracts will be reviewed by Office of Finance & Administration for compliance with the Regulations for the Procurement of Professional, Personal and Consulting Services.
 8. The *GSU Performance Evaluation Form* will be submitted prior to final payment. Unexpended funds will not be released until the Office of Finance & Administration receives the completed *GSU Performance Evaluation Form*. A copy of the audit and documentation of any action taken, if applicable, will be documented in the “contract file” and forwarded to the contractor.
 9. The Contract Administrator will be responsible for forwarding all performance evaluations to the contractor.

G. CONTRACT COMPLAINTS

1. In the event, that any campus constituent (student, faculty, and/or staff) has a complaint regarding any contractor providing services on campus they must submit a formal letter in writing containing the following information:
 - a. Name of the Contractor
 - b. Name/Position of Complainant
 - c. Date of the Incidence
 - d. Nature of Complaint/Description of the Events
 - e. Recommendation of Resolution of Complaint
2. The complaint letter should be emailed and/or sent to the Office of Finance & Administration.
3. Upon receiving the letter of complaint, the Office of Finance & Administration will send a copy of the complaint letter to the Contract Administrator and the Contractor.
4. The Contract Administrator and/or Contractor have seven (7) working days to respond to the complaint letter. The Contract Administrator and Contractor should forward all responses to the Office of Finance & Administration.

5. The Office of Finance & Administration will send a copy of the complaint response to complainant and file the complaint and any responses with the approved contract.
6. At the termination of the contract, all complaints will be attached to *GSU Performance Evaluation Form* and filed with the approved contract.
7. All complaints will be considered during approval for renewal requests and any new contracts using the Contractor submitted to the Office of Finance & Administration.

H. GENERAL GUIDELINES FOR RENEWAL CONTRACTS

1. For contracts previously approved by the Office of Finance & Administration, departments must submit the appropriate routing sheet and a copy of the renewal. The department is responsible for obtaining approval signatures on the *GSU Contract Approval Form* and sending it to the Office of Finance & Administration. Please note on *GSU Contract Approval Form* that the contract is a renewal and was previously approved by the Office of Finance & Administration.
2. All renewal contracts not previously reviewed through the University's approval process must be submitted to the Office of Finance & Administration.
3. Departments must submit a copy of the contract and appropriate *GSU Contract Approval Form*. Please note on the *GSU Contract Approval Form* that the contract is a renewal. If applicable, the Office of Finance & Administration will negotiate terms with vendors/contractors.
4. Once the renewal is approved, the Contract Administrator will route contracts to university officials for signature and to vendors/contractors.

I. RESPONSIBILITIES OF CONTRACT ADMINISTRATOR

1. The Contract Administrator's responsibilities include, but are not limited to:
 - a. Assisting in developing contract specifications
 - b. Monitoring contractor's progress and performance
 - c. Managing any university property used in the contract performance
 - d. Authorizing payments consistent with contract documents
 - e. Exercising remedies, in conjunction with the Office of Finance & Administration when a contractor's performance is deficient
 - f. Resolving disputes in a timely manner
 - g. Documenting any significant events or complaints regarding the contract

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- h. Maintaining appropriate records

J. RESPONSIBILITIES OF THE INITIATING DEPARTMENT

1. Departments must ensure that all federal, state and local purchasing and procurement policies are followed prior to submitting contracts for approval.
2. Departments must assign a Contract Administrator to each contract.

K. RESPONSIBILITIES OF REVIEWERS

1. Reviewers included in this policy are designated officers from the following departments:
 - a. Finance & Administration
 - b. Human Resources
 - c. Purchasing Office
 - d. Title III Office (if applicable)
 - e. Sponsored Programs (if applicable)
2. Reviewers must ensure that the contract is aligned with polices & procedures associated with their area of responsibility and to provide additional assurance that the contract is accurate and complete.
3. Reviewers are responsible to process and approve contracts within 2 business days of receipt of the contract.
4. Any recommendations for additions/deletions should be made in writing and attached to the contract before forwarding to the next department.
5. By signing the document, reviewers are verifying that they have reviewed the contract and attached any additions/deletions to the contract and submitted those changes to the Office of Finance & Administration.
6. Reviewers must contact the Office of Finance & Administration when they complete review of the contract.
7. Reviewers are responsible for routing the contract (with recommendations) to the next approving department.

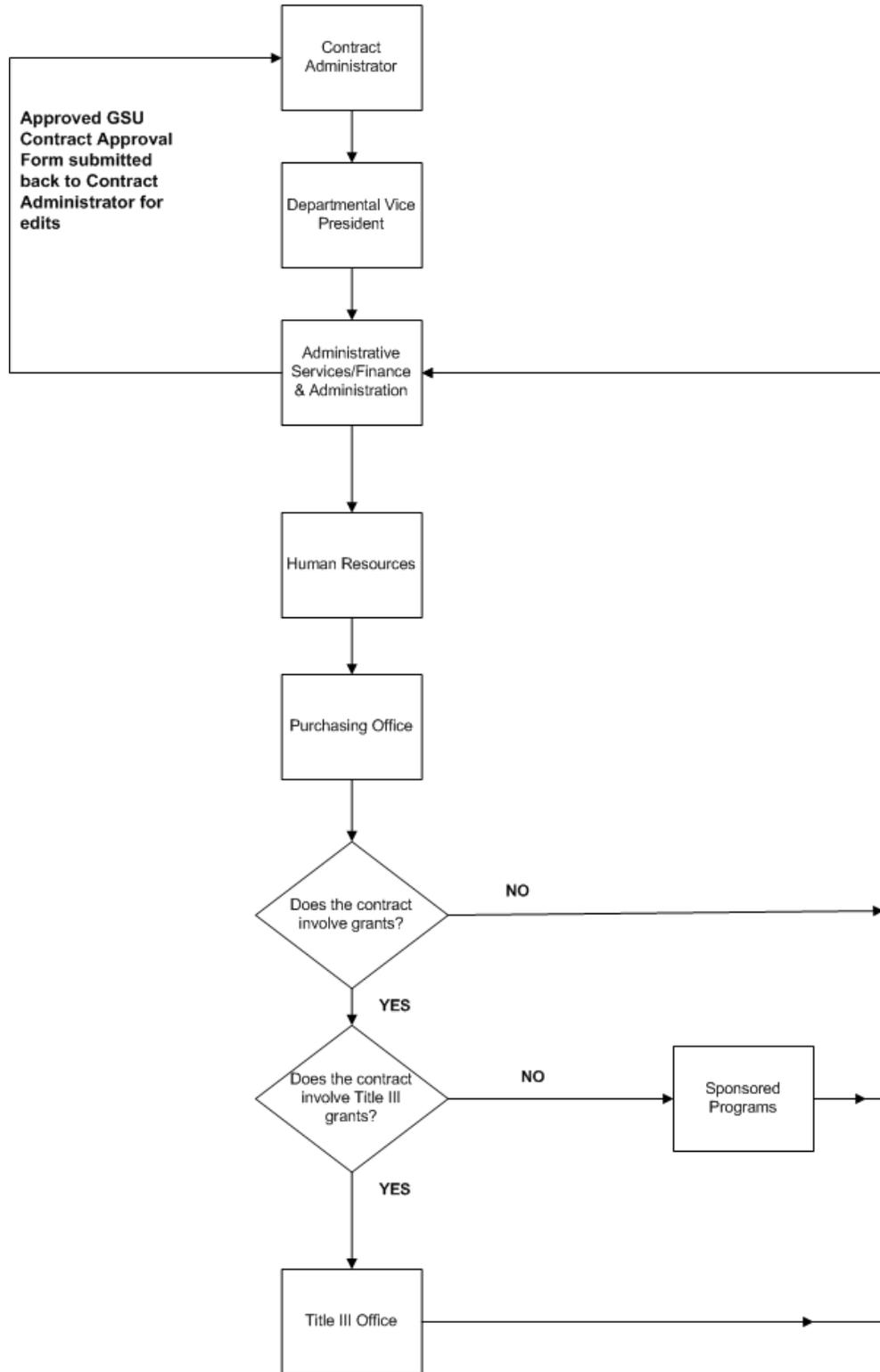
L. RESPONSIBILITIES OF OFFICE OF FINANCE & ADMINISTRATION

1. The Office of Finance & Administration responsibilities include, but are not limited to:
 - a. Reviews contracts for institutional risks
 - b. Verifies that contracts are in compliance with Louisiana state laws

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- c. Submits contracts for legal review, as deemed necessary. The Office of Contractual Review requests to have thirty (30) days to review pending contracts
 - d. Assists departments with the approval/routing process
 - e. Notifies the Purchasing Office of all contracts in excess of \$20,000 that must be reviewed by the OCR
 - f. Notifies departments on the status of the contracts as they progress through the review process
 - g. Routes contracts to university officials and to vendor/contractors for signatures.
 - h. Disseminates contracts to the department, the vendor/contractor and retains one copy for its files. The department needs to contact the Office of Finance & Administration, if more than three copies are needed of the contract.
 - i. Ensures that contracts are reviewed and signed by the appropriate personnel
 - j. Verifies that bonds and insurance are provided as required by the contract or university policy
 - k. Assists departments with negotiating contract terms and conditions
 - l. Assists departments with the *GSU Performance Evaluation Form* in accordance with the terms and conditions of the contract
 - m. Notifies departments when contracts are expiring and require procurement or renewal
 - n. Closes out agreements upon completion
 - o. Serves as the repository for all university contracts, except for contracts managed by the Louisiana Office of Facilities Planning and Construction. The Office of Finance & Administration is the office of record for all GSU contracts. This responsibility requires that the Office of Finance & Administration maintain files of all contracts executed by GSU.
 - p. Reports non-compliance of contracting policies to the Office of Internal Auditing
 - q. Reports to the Purchasing Office all major contracts, amendments, modifications, renewals, extensions, requests for proposals, invitations to bid or comparable solicitations related to major contracts

2. The Office of Finance & Administration will keep track of contract information, such as name of vendor/contractor and purpose of contract, beginning and ending dates, contract amount, and date to begin renegotiation of the contract (the renegotiation date will be determined based upon the amount and/or the complexity of the contract).

GSU Contract Approval Form Routing



GSU Contract Process Flowchart

