



ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT OFFICE

TECHNICAL BULLETIN No. 006

TITLE **Contract Administration**
REVISION **Number 2**
DATE **October 1, 2011**

I. Authority

A. Applicable Statute

A.R.S. § 41-2552 Change Order

B. Applicable Administrative Code

A.A.C. R2-7-201 State Procurement Officer: Duties and Qualifications

A.A.C. R2-7-203 Agency Chief Procurement Officer

A.A.C. R2-7-603 Change of Name

A.A.C. R2-7-604 Contract Change Orders and Amendments

II. Definitions

Where set forth in normal font, the following definitions are directly from the Arizona Procurement Code (APC). Expanded or additional definitions are in *Italics* from sources noted.

- A. Order or Contract Changes. *Any modification to the contract authorized in writing by the Contract Officer. Changes may be initiated by the Contractor or the Contract Officer's Representative (COR) in the form of a written request to the Contract Officer. Contract changes shall only be made by the Contract Officer and shall be in the form of a written contract amendment or change order. (Dictionary of Purchasing Terms, Fifth Edition: NIGP 1966; ProcureAZ, Quick Reference Guide, Contract Amendments)*
- B. Contract Administration. Administrative actions taken to assure complete execution and compliance with the terms of the contract after the award of the contract. (SPO Glossary, 2008).

TITLE Small Dollar Purchases
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- C. Contract Management. Administrative activities associated with handling of contracts, such as:
1. Contract renewal;
 2. Measurement of work completed;
 3. Sub-recipient determinations; and
 4. Approval of payments.

It also includes monitoring contract performance, addressing related problems, incorporating necessary changes or modifications in the contract, ensuring both parties meet or exceed each other's expectations, and actively interacting with the contractor to achieve the contract's objective(s).

- D. Contract Monitoring. A planned, ongoing or periodic activity that measures and ensures both the Contractor and the State's compliance with the terms and conditions, and requirements of the contract.
- E. Contract Administration Tool. Procedures developed to assure the public entity that contracted services are being delivered in accordance to the terms and specifications of the contract. (NIGP)
- F. Contract Officer. An individual duly authorized by a CPO to enter into and administer contracts within the limits of their authority (A.K.A., Procurement Officer). (Dictionary of Purchasing Terms, Fifth Edition; NIGP 1966)
- G. Contract Officer's Representative. *The formally designated personnel within a State governmental unit responsible for performing daily contract administration duties, such as monitoring and oversight of contractor performance or as delegated by the Contract Officer. (Dictionary of Purchasing Terms, Fifth Edition: NIGP 1966)*
- H. State Governmental Unit. Any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment, official of the executive branch or corporation of this state.

III. Policy

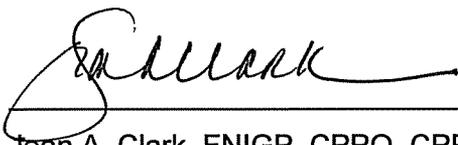
- A. Contract administration requires that all parties clearly understand the contract, cooperate and act in good faith and maintain mutual confidence and respect. The specific nature, extent and effort required to administer the contract depends on the requirements, complexity, value and importance of the contract. Simple contracts for delivery of off-the-shelf products may require minimal administration. Complex contracts may require full-time monitoring and administration. The level of effort and roles and responsibilities in administering each contract should be clearly understood by all parties before performance begins.

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- B. Contract administration is a team activity, involving the contractor, the Agency Chief Procurement Officer (CPO) or the Contract Officer, and a Contract Officer's Representative (COR), if a COR has been assigned.
- C. For complex contracts that require a high level of administration, the Contract Officer or designee should issue a delegation of authority to the COR to administer the contract. Delegations shall be in writing and shall identify the contract, customer agency, COR, terms or duties being delegated.
1. A contract administration team may be designated for contracts involving multiple customer agencies with one team member being designated as the COR.
 2. The COR may sub-delegate certain tasks to other individuals, including receiving and accepting deliverables, reviewing and authorization of invoices for payment and the conducting of periodic progress meetings. The COR shall notify the Contract Officer of any sub-delegated tasks.
- D. The CPO or their designee may delegate to the COR such authority as is necessary to represent the State in the management of the contract, except neither the CPO nor the designee may delegate the following duties or authority:
1. Enter into supplemental agreements for services or materials not clearly defined in the contract, issue changes, or suspensions.
 2. Interpret the contract to add or delete requirements that are not specifically identified and priced in the contract;
 3. Modify any terms of the contract;
 4. Terminate the contract or issue demand for assurances;
 5. Make assignments; or
 6. Commit the State in any matter, except as specifically authorized.

IV. Effective

This Technical Bulletin is hereby authorized and effective this 1st day of October, 2011, unless otherwise revised or repealed.



Jean A. Clark, FNIGP, CPPO, CPPB, C.P.M
State Procurement Administrator