

DEPARTMENT CONTRACT ADMINISTRATION GUIDE

For simplicity, the contracted party may be referred to in this Guide as “*Contractor*”, with the understanding that the contracted party could be a non-profit organization, individual, or other entity.

1. Responsibilities as a Departmental Contract Administrator

Generally, departmental program staff and the associated department supervisor (collectively, “**Program Staff**”) are tasked with primary contract administration and any reporting or other necessary actions following contract formation¹. At a high level, contract administration includes the following general requirements:

- Ensuring UTSA is receiving the goods/services (or other obligations/requirements) it paid for;
- Ensuring the contracted party is complying with contract requirements; and
- Confirming performance under the contract is complete and the contract may be closed and fully paid.

2. Departmental Contract Monitoring Functions; Risk vs. Efficiency Factors

Program Staff’s contract monitoring and administration roles are essential, particularly on complex contracts. For reference, an example of typical Program Staff contract monitoring functions is listed in **Attachment 1**.

Because of limited resources and time, contracts require risk assessments to determine the amount of contract monitoring necessary for the contract. Most contracts will not require extensive monitoring. The level of monitoring will depend on many factors including the risk/complexity involved with the intent and scope of the contract. For example, a contract involving student data housed on third party servers is a much higher risk than a contract involving non-sensitive data housed on UTSA’s own servers. **Attachment 2** contains examples of contract scope that can signify a higher risk contract requiring more extensive monitoring.

Depending on the complexity of the contract, analyzing risk during contract administration can be a dynamic process that could require periodic updates to reflect then-current performance status. For higher risk contracts, use of a contract monitoring sheet such as the one shown in **Attachment 3** could be helpful.

3. Contract Close Out

A contract is completed when all actions and obligations have been accomplished, including delivery and acceptance of all required UTSA data, reports, and equipment; and final payment has been completed.

The contract close-out process is usually a simple procedure. For complex contracts, however, the process may include detailed administrative oversight. Purposes of the close-out process include (1) verification that all parties to the contract have fulfilled their contractual duties and obligations and there are no remaining unperformed duties or obligations; and (2) for more complex projects, assessment of the success of the contract, and the lessons learned for use in future contracting.

¹ UTSA [Contract Management Handbook, Sect. 7.1.6](#)

ATTACHMENT 1
Common Program Staff Contract Monitoring Functions

1	Serving as the Institution's representative to the contractor for operational aspects of the contract.
2	Monitoring contractor's progress and performance of the specifications or Statement of Work to ensure goods/services conform to contract requirements.
3	Monitoring and documenting contract schedule and ensuring Contractor performance on appropriate or specified frequencies.
4	Ensuring applicable insurance requirements have been completed and appropriate coordination with Risk Management has occurred for insurance compliance.
5	Verifying accuracy of invoices and authorizing payments consistent with contract terms.
6	For revenue generating contracts, ensure that all revenue generated pursuant to the terms of the contract are appropriately paid to UTSA.
7	Managing any UTSA data involved in the contract and ensuring protection of UTSA data in accordance with the applicable information resources policies within Chapter 8 of the UTSA Handbook of Operating Procedures . When applicable, this also includes the return or destruction of any UTSA data in accordance with the contract.
8	Managing any UTSA property (including technology, equipment, and identification badges) used by the other party when performing its duties and obligations under the contract.
9	For Procurement Agreements requiring a HUB Subcontracting Plan (HSP), consulting with the HUB office regarding HSP changes and required HUB reporting.
10	Identifying and resolving general issues with contractor in a timely manner.
11	Identifying any possible material breaches of contract by contractor, and contacting the Purchasing Office or the Business Contracts Office (as applicable) in a timely manner regarding possible breaches.
12	Maintaining appropriate contract administration records, and documenting significant contract events.
13	Monitoring the Institution budgeting and accounting process to ensure sufficient funds are available to pay contractor.
14	Facilitating any necessary amendments or extensions to the contract to be completed and documented by either the Purchasing Office or the Business Contracts Office.
15	Performing contract close-out process, including ensuring verification that contractor has complied with all terms and conditions of the contract, and that the contract file contains all necessary contract administration documentation.
16	Inspecting and approving the final obligations/goods/services for final payment. Approval should be documented in writing (electronic documentation preferred).

ATTACHMENT 2
Contract Aspects Signifying Higher Risk

Inclusion of any of the following service aspects signify a higher risk contract that requires a higher levels of monitoring. The more risk factors included, the more the monitoring should intensify. The below categories are provided as an example of common higher-risk aspects within UTSA contracts and are not meant to comprise a comprehensive list. Some categories may pose a higher risk than others. For example, solicitation on campus does involve various state and UT System limitations, but it's arguably less risk than a software service hosting confidential data.

Example categories signifying higher risk are below.

	Any use of Category I or Category II Data (sensitive or confidential data, such as FERPA-related data). This includes sharing, access to, storage, or hosting services by the contracted party. See UTSA's Data Classification Categories at https://security.utsa.edu/standard-for-data-classification/
	Unsupervised interaction to students or any reasonable risks to students
	Interaction with minors
	Safety, health, or medical matters
	Risk to UTSA property
	Access to UTSA's network
	Solicitation on campus
	Providing any intellectual property of UTSA, or any other aspects related to copyright or publication rights related to UTSA
	Modifications to UTSA property
	Use of UTSA property by another entity
	Required use of the service (such as software programs) by students
	Processing, collection, or storage of UTSA funds (ex: payment processor or reseller)
	Providing the contracted entity with use of any UTSA trademarks, logos or related marks
	Contracts with a non-U.S. entity
	Any additional aspects or services that could reasonably be determined to signify a significant risk to UTSA or the UTSA community

ATTACHMENT 3
Sample Contract Monitoring Worksheet
(example only)

DRAFT – SAMPLE CONTRACT MONITORING WORKSHEET <i>To be Included in Contract Monitoring Records; References to Tabs are to Location in Binder</i>			Division: Information Services Division						
Contractor Type of Contract	Specific Monitoring Activities to Be Performed	Performance Method including information sources to be used	Responsible Individual for Each Monitoring Activity	Monitoring Activity Frequency	Monitoring Activity Documentation Method	Results of Monitoring Activity Communicated to	Results of Monitoring Uses (include follow up requirements)	Communicated to	Use
Acme Consultants, PC; Consulting Services									
	Review of Consultant's Quarterly Draft Reports for Contract Compliance [this is <i>only one example of what will be many monitoring activities</i>]	Compare Draft Report to Contract Requirements	Jane Doe	Quarterly	E-mail Report	Betty Jo, IT Division Manager	Routine status reports by Betty Jo, IT Division Manager, to Exec Management; acceptance or rejection of draft report deliverables as provided in Contract; Review milestone invoices prior to approval for payment; Require redelivery of draft report deliverables; Terminate contractor for nonperformance; Solicit replacement services	Board of Regents, Office of Finance	Reallocate funds