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REV. 8-1-99

## OVERVIEW AND GENERAL INFORMATION

This Handbook Item defines and details the role and responsibilities of the FIA employee assigned to serve as a Contract Administrator for specific activities at an FIA Worksite. This Contract Administrator plays a critical role in monitoring the performance of contractors and assuring contractor charges are appropriate and accurate. This Item pertains to non-client related services, such as professional, janitorial, security guards, rubbish removal, etc. Contact Office of Contracts and Rate Setting for client related direct human services information.

**Note:** Some FIA Worksites or programs have specific internal policies and approval procedures that need to be adhered to IN ADDITION to the policies and procedures detailed in this Administrative Handbook Item (e.g. Wayne County, Office of Child Support, etc.). Please contact your Worksite or program director to determine if additional controls apply to the contract services you are overseeing.

ALL requests for data processing hardware and software must be reviewed and approved by FIA Information Technology Management Services (ITMS) prior to their purchase. This also includes data processing peripheral items, such as LCD projectors, maintenance, and reasonable accommodation items. (See Item 421-2, Information Technology Acquisitions.)

## DEFINITION

### Contract Administrator

The FIA Worksite person who serves as the day-to-day manager of a Contract to ensure work has been performed in conformance with the terms and conditions of the Contract. The Contract Administrator also reviews and approves Contractor invoices for payment. The Contract Administrator is NOT permitted to change, modify, amend, or otherwise alter the terms, conditions, prices and specifications of the Contract.

## CONTRACT ADMINISTRATOR RESPONSIBILITIES

### Monitoring

Successful completion of a Contract requires monitoring. Effective oversight by the Contract Administrator increases the probability that expectations associated with a project or service are fulfilled. Monitoring also uncovers difficulties which, left unattended, could lead to the failure of a project or to unsatisfactory service. Specific functions of the Contract Administrator include, but are not limited to:

- Monitoring the usage and expenditures (number of hours, remaining dollar value, etc.). This ensures that expenditure rates, time

parameters and the quality of service defined in the Contract are enforced.

- Monitoring the Contract's expiration status to avoid lapses in service between old and new Contracts. A new Contract or Contract extension needs to be requested through FIA Purchasing at least **six months** prior to the Contract expiration date. Contact the FIA Buyer to determine what options are available for your Worksite at that time.

## Invoicing

Contractors are instructed on State of Michigan Purchase Orders [Contract Releases] to invoice the Worksite directly for services performed. Contract Administrators are to audit invoices immediately to confirm the accuracy of the charges according to the actual services received, and the Contract specifications, terms and conditions. If invoice discrepancies are discovered, the Contract Administrator must quickly resolve them with the Contractor. The Contract Administrator must also process payment for accurate invoices promptly according to current FIA Purchasing instructions and procedures for your Worksite (process locally through MAIN, or forward the audited and approved invoice to FIA Purchasing, whichever is applicable). Local Office Worksites are **not** permitted to issue a County Social Welfare check for Contract payments and then seek reimbursement.

**Note: Invoices for one-time services acquired outside the Contract are not to be paid against the Contract Release. These additional charges are not factored into the total Contract amount. Arrangements for one-time services must be made through the FIA Purchasing Buyer before requesting the services to be performed.**

## Communication

The success or failure of a Contract frequently hinges upon clear communication between the Contract Administrator and the Contractor. The Contract Administrator must establish and maintain frequent communication with the Contractor.

## Vendor Performance

The Contract Administrator is responsible for evaluating the performance of the Contractor against the terms of the contract. The evaluations should be documented and provided to the Contractor, and can include examples of exemplary or deficient performance. A copy of each evaluation should also be sent to the FIA Purchasing Buyer. When vendor performance problems occur, the Contract Administrator must first make sure the task in question is actually required in the Purchase Order or Contract specifications (See Item #420-2, Vendor Performance, for procedures).

It is critical to keep detailed written documentation substantiating deficient performance. Documentation should include all verbal and written contacts with the Contractor, including dates, times and the Contrac-

tor's responses. This documentation provides a basis for action that may include Contract cancellation.

**Fiscal Year  
Contract  
Continuation**

Each fiscal year, a new Purchase Order (Contract Release) must be issued to encumber funds and process payments for each active service Contract.

- Professional & Consulting Services

In order to issue a new fiscal year Purchase Order (Contract Release), Contract Administrators for professional and consulting service Contracts must initiate and sign an informational Memorandum annually in August, then forward it to the FIA Purchasing Buyer. The Memorandum must include:

- Contract number
- expiring Purchase Order (Contract Release) number
- estimated dollar amount for the new fiscal year order
- specifications and quantity detail, if applicable
- new fiscal year account structure(s) (if unknown, contact Bureau of Accounting)
- any other pertinent information necessary to issue the Contract Release
- Contract Administrator's current telephone number, fax number, e-mail address, street address and suite number

- All Other Services

All other services (janitorial, security guard, rubbish, lawn, snow, etc.) will have a new fiscal year Purchase Order (Contract Release) issued by the FIA Purchasing Buyer automatically. The basis for this automatic Purchase Order (Contract Release) is the original FIA-1446, Procurement Request, or MAIN On-Line requisition and the active Contract. The Contract Administrator needs to contact the FIA Buyer in August if changes will be required for the new fiscal year service.

**Contract  
Modifications**

FIA Purchasing must be notified of any changes in Contract Administrators. Provide the appropriate FIA Buyer with the new Contract Administrator's name, classification title, telephone number, fax number, e-mail address, street address and suite number.

**Any modifications to a Contract must be requested through FIA Purchasing. Changes must be implemented by a formal Contract**

**Change Notice issued by the Department of Management and Budget (DMB), Office of Purchasing (OOP) prior to desired changes taking effect. The Contract Administrator is not authorized to make any modifications to a Contract without FIA Purchasing involvement. Inappropriate authorization puts the Contractor's payment in jeopardy and leads to audit exceptions.**

Duties of a Contract Administrator **do not** include authority to change, modify, amend, or otherwise alter the terms, conditions, prices and specifications of the Contract. This authority rests solely with the DMB OOP.

**ONE-TIME  
SERVICES NOT ON  
CONTRACT**

Contact the FIA Purchasing Buyer for appropriate procedures before requesting a Contractor to perform one-time services that are not included in the Contract. **The Contract Release must not be used to pay for these one-time services. Inappropriate payments against a Contract Release will deplete funds that are specifically allocated for services designated in the Contract.**

**CONTRACT  
CANCELLATION**

If a Contract is canceled for any reason, the FIA Purchasing Buyer will assist the Contract Administrator in meeting the Worksite's needs.