**Contract Monitoring Process**

Contract monitoring is the process of reviewing and tracking a contract’s performance to ensure compliance with the terms of the agreement and align with reimbursement requirements set forth by state and federal regulatory agencies.

Steps in contract monitoring:

# **Identify contracts**: Prioritize contracts to monitor, especially those with higher risk

# **Understand terms**: Review the contract's terms and requirements

# **Identify risks**: Assess potential risks to the contract

# **Set alerts**: Set reminders for key dates and contract renewals

# **Design a plan**: Create a plan for monitoring the contract

# **Track performance**: Regularly review contract data to monitor performance

# **Identify issues**: Look for missed payments, late deliveries, or incomplete tasks

# **Correct issues**: Address any issues that arise

# **Follow up**: Continue to monitor the contract and follow up on any issues

A contract management plan is a tool that can enable contract managers to have a clear understanding of key deliverables, know core risks to mitigate, and foster clear communication.

County departments are encouraged to adapt this template to meet the needs of their department of social/human services. Some fields may not be relevant or necessary to track for all contracts. This tool should be reviewed by the County Attorney.

**Contract Management Plan**

**Created by Harvard Kennedy School Government Performance Lab**

### Replace the yellow highlight with the information found in the contract you are monitoring.

### **1.** **Basic Contract Information**

| **Contract Name** | **[Contract title]** |
| --- | --- |
| **Contract ID #** | **[Contract ID]** |
| **Contract Document Links:** | **[Links or file paths to where critical contract documents can be found]** |
| **County Department Primary Contact(s)** | **[Department point(s) of contact name, phone number, email address]** |
| **Vendor Name** | **[Legal name and doing business as (if applicable)]** |
| **Vendor Primary Contact(s)** | **[Vendor point(s) of contact name, phone number, email address]** |
| **Start Date - End Date** | **[XX-XX-XXXX through XX-XX-XXXX]** | **Does the vendor hold other contracts within our County?** | **[YES/NO,****if YES list here with start/end dates]** |
| **Option to Extend** | **☐ Yes****☐ No** | **Number and Type of Renewals** | **[If there are extension options, note the date eligible for extension and required notice period.]** |
| **Amendments** | **[Update in the event of any amendment including additional scope requirements, funding amount, extensions, or other details that impact performance and oversight]** |
| **Contract Value** | **[Full value for entire contract term]** | **Annual Budget** | **[Annual value]** |
| **Payment Structure** | **☐ Daily rate ☐ Monthly invoice ☐ Other cost reimbursement ☐ Other****[Define payment requirements and schedule, ex: line-item budget with monthly invoicing, advance payment requires board chair approval, etc.]** |

### **2.** **Contract Administration Team Roles and Responsibilities**

The following table lists individuals who have direct oversight responsibility to monitor whether the County Department receives and accepts the deliverables and services identified in the contract.

| **Name** | **Role** | **Email** | **Responsibilities** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

### **3.** **Contract Scope, Schedule, and Deliverables**

| **Contract Scope and Key Activities** | **[1-2 sentences or bulleted list of what will be accomplished or provided through this contract. Can be repurposed from solicitation (RFP) scope of work or contract’s statement of work.]** |
| --- | --- |
| **Target Population** | **[Briefly describe the target population or catchment area to be served. If this is an internal services contract, please describe the department or staff that are primary users of the contract].** |

| **Schedule** |
| --- |
| **Task/Activity Name** | **Responsible Party** | **Duration** | **Start** | **Finish** |
| **1.0 Parent Task** | **Name** | **No. Days** | **Start Date** | **Finish Date** |
| **1.1 Sub Task** | **Name** | **No. Days** | **Start Date** | **Finish Date** |
| **1.2 Sub Task** | **Name** | **No. Days** | **Start Date** | **Finish Date** |
| **2.0 Parent Task** | **Name** | **No. Days** | **Start Date** | **Finish Date** |
| **2.1 Sub Task** | **Name** | **No. Days** | **Start Date** | **Finish Date** |

| **Key Contract Deliverables** |
| --- |
| **Deliverable** | **Responsible Party** | **Due Date** | **Status** |
|  **Deliverable 1** |  |  |  |
|  **Deliverable 2** |  |  |  |
|  **Deliverable 3** |  |  |  |
|  **Deliverable 4** |  |  |  |
|  **Deliverable 5** |  |  |  |

### **4.** **Performance Management Strategies**

| **Outcomes** | **[List the key outcomes to be achieved - “what will be the result of our investment?”]** |
| --- | --- |
| **Monitoring and Oversight** | **[Briefly describe the oversight plan -- include required reports, meetings, site visits, data collection, etc., and the frequency of each oversight method. Differentiate mandatory reporting versus performance reporting for your internal view of whether the project is on track.]** |

The following table outlines the schedule of meetings required in the contract and other meetings needed to monitor the contract and the vendor’s performance.

| **Scheduled Meetings** |
| --- |
| **Meeting** | **Date/Frequency** | **Facilitator and Topics** |
| **Contract Initiation/Kickoff** | **Once** |  |
| **Weekly Team Leads Meetings** | **Weekly** |  |
| **Monthly Performance Review or Performance Management Meetings** | **Monthly** |  |
| **Quarterly Executive Meeting** | **Quarterly** |  |

The following table contains a list of required documents, reporting frequency, and content associated with internal monitoring and reporting of contract and the vendor’s performance.

| **Contract Performance Reporting** |
| --- |
| **Document Name and Content** | **Frequency** | **How Shared** |
| **Weekly Status Report** | **Weekly** |  **Verbal Update** |
| **Quarterly Narrative Report** | **Monthly** |  **Uploaded to X System** |
| **Annual Summary Report** | **Annually** |  **Presented in Y Meeting** |
|  |  |  |

The following table lists the dashboard performance measures or metrics to track according to the contract.

| **Performance Measure** | **Method of Measurement** | **Frequency of Measurement** | **Targets, if applicable** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

 **5.** **Risk Mitigation Strategies**

Risk management includes: 1) identifying risks, 2) estimating the likelihood of and the potential impact of identified risks, and 3) determining how to manage, mitigate, or eliminate identified risks. The following table contains a list of project risks that require management action.

| **Risk Description** | **Probability** | **Impact** | **Action** | **Status** |
| --- | --- | --- | --- | --- |
|  | **Improbable** | **Negligible** |  |  |
|  | **Probable** | **Critical** |  |  |
|  | **Very likely** | **Marginal** |  |  |
|  |  | **Catastrophic** |  |  |

 **6.** **Invoices and Payments**

| **Invoices & Payments** |
| --- |
| **Invoice/Payment Description** | **Date of Invoice** | **Amount** | **Processed?** |
|  |  |  |  **Y/N** |
|  |  |  |  **Y/N** |
|  |  |  |  **Y/N** |

**Contract File Checklist**

It is the responsibility of each County to ensure all contractual obligations are met, and contract monitoring is documented. This checklist serves as a tool to assist the County during that process. Each contract is unique and the County should customize this tool as required to meet its particular circumstance. (*Include in the contract monitoring folder/binder*.)

| **Completed By:**  | **Department:**  |
| --- | --- |
| **Contract Number:**  | **CONTRACT BEGIN/END DATE:**  |
| **Name of Vendor / Contractor:**  |
| **Contract Manager:**  |
| **Purchasing Specialist:**  |

| **Contract Management Activities** | **YES** | **NO** | N/A |
| --- | --- | --- | --- |
| General |  |  |  |
| Does the contract file contain a copy of the signed, executed current contract? |  |  |  |
| Does the contract file contain the contract term and renewal information? Signed renewals? |  |  |  |
| Does the contract file have a copy of all attachments listed in the contract? |  |  |  |
| Does the contract file have all amendments, modifications, or renewals? |  |  |  |
| Does the contract file contain contact information for Contractor’s key personnel?  |  |  |  |
| Does the contract file contain a problem escalation listing for the Contractor?  |  |  |  |
| Does the contract file clearly state the Contractor’s “Legal Notices” address?  |  |  |  |
| Does the contract file indicate that a copy of the insurance certificate was obtained and is on file – if necessary?  |  |  |  |
| Does the contract file contain any necessary licenses, certifications, etc.?  |  |  |  |
| Does the contract file contain all warranty information – if necessary?  |  |  |  |
| Does the contract file contain all specifications, drawings or manuals incorporated into the contract by reference?  |  |  |  |
| Does the contract file contain a list of contractor submittal requirements?  |  |  |  |
| Does the contract file contain a list of all information furnished to the contractor? |  |  |  |
| Does the contract file contain a list of government furnished property or services? |  |  |  |
| Does the contract file contain all general correspondence related to the contract?  |  |  |  |
| Does the contract file contain originals of all contractor data or report submittals? |  |  |  |
| Timeline |  |  |  |
| Has a Contract Monitoring timeline been developed for all activities required under the contract? This might include but not limited to: Dates for completing and submitting reports to the Project Manager and/or Administrative Offices. |  |  |  |

| **Contract Management Activities** | **YES** | **NO** | N/A |
| --- | --- | --- | --- |
| Project Monitoring |  |  |  |
| Has a project monitoring plan been developed, based on contract specifications or other applicable project or programmatic requirements?  |  |  |  |
| Does the contract file have all notices to proceed, to stop work, to correct deficiencies, or change orders? |  |  |  |
| Does the contract file have all letters of approval pertaining to such matters as materials, the contractor’s quality control program, prospective employees, and work schedules? |  |  |  |
| Does the contract file have the records/minutes of all meetings, both internal and external? Include sign-in sheets and/or agendas. |  |  |  |
| Does the contract file have all monitoring reports, contract manager’s status to supervisor, site visits, desk reviews, and expenditure documentation reviews? |  |  |  |
| Does the contract file have all records of complaints and vendor disputes? |  |  |  |
| Fiscal Monitoring |  |  |  |
| Has a fiscal monitoring plan been developed based on contract specifications or other applicable fiscal requirements? Details would include but not be limited to payment schedules, progress payments made and/or due, or other payment due dates, as required under the contract? |  |  |  |
| Has a plan been developed to do periodic monitoring of contract pricing (PO and P-card)?  |  |  |  |
| Does the contract file have all backup documentation for contractor payment or progress payment and copies of any audits? |  |  |  |
| Does the contract file have all contractor invoices, information relative to discount provision for prompt payment, letters pertaining to contract deductions or fee adjustments? |  |  |  |
| Ensure the contract authorized total dollar value has not been exceeded. |  |  |  |
| Corrective Action Plan |  |  |  |
| Has a Corrective Action Plan been developed to deal with any contract issues that might arise between the contractor and the Agency? A corrective action plan should include complete contact information for the Agency and the Contractor and establish guidelines agreed to by both parties regarding escalation of issues to the next level of authority, should problems be encountered. |  |  |  |
| Reporting |  |  |  |
| Have periodic reviews been setup within this contract to discuss spend, customer service, pricing issues, billing and invoicing, etc. |  |  |  |
| Does the contract file have all routine reports required by the contract such as sales reports, pricing schedules, approval requests, inspection reports and performance reports? |  |  |  |
| Contract Close-out |  |  |  |
| Determine that the contractor has satisfactorily performed all required contractual obligations. |  |  |  |
| Conduct a post contract evaluation and the contract close-out procedures. Ensure the process is documented. |  |  |  |

| **Contract Management Activities** | **YES** | **NO** | N/A |
| --- | --- | --- | --- |
| List of Stakeholders |  |  |  |
| Does the contract file contain the names and contact information for all major stakeholders in this project?A “stakeholder” is an individual or department that has had input into the development of the contract, and who would need to be notified at once should there be problems, proposed amendments (including cost or price changes), changes in the scope of the work or schedule of deliverables, changes to the agreed upon timeline, decisions to exercise cancellation clause, decision to exercise options to renew, and the like.Stakeholders would include: - Departmental Head - Purchasing Officer - Purchasing or Contract Specialist - Project or Program Manager - Budget Account Manager - Contract Manager - Contract Administrator |  |  |  |

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