

Introduction

Contract management is the coordination and management of five core processes:

- Planning;
- Procurement;
- Contract Formation/Rate/Price Establishment and other relevant terms and conditions; and
- Contract Administration.

Texas law governs certain aspects of contracting for state agencies. Various types of purchases and contracts may be subject to different statutory standards, practices, processes, and strategies for successful implementation. The suggestions, comments, techniques, examples and recommendations included in this Guide are **NOT** appropriate for every type of contract. The nature and level of risk associated with each of these elements vary depending on the nature of the business relationship.

Purpose

The purpose of the Contract Management Guide (CMG) is to offer state agency contract managers recommendations on improving existing contract management processes and practices. The Contract Management Guide (CMG) is not designed to relieve the state agencies and contractors of their responsibility to ensure compliance with laws, rules, and regulations related to their specific programs and funding sources. A Contract Manager is responsible for coordinating the processes required for effective contract management. Contract Management is about planning, forming, and administering contracts. Contract management may involve a variety of distinct disciplines and roles including:

1. Executive Management;
2. Organization Management;
3. Project Management;
4. Planning;
5. Program Staff (subject matter experts and monitors);
6. Contractor Management;
7. Purchasers;
8. Accounting/Budget;
9. Legal;
10. Audit; and
11. Quality Control/Assurance;

THIS GUIDE:

- Provides practical suggestions as well as best practices to improve agency contracting practices. Appendix 15 includes a best practices matrix designed to help agencies determine where a contract management program currently stands in relation to generally accepted contract management best practices. This matrix offers a number of best practices in several key contract management areas and is recommended for use to improve practices where applicable and to implement the best contract management program possible. The matrix is intended to assist agencies with organizing contract management programs and leveraging technology, metrics, training and lessons learned for the purpose of minimizing risks throughout the overall supply chain. The matrix also includes a reference section that points to the applicable areas of the Contract Management Guide (CMG) or Procurement Manual with respect to each contract management component. Since the needs of each agency and requirements of each contract are different, the information in the CMG is intended to be applied flexibly, not mechanically. However, the CMG provides a framework which agencies should use to make contracting decisions that are in the best interest of the State.
- Describes the duties of a contract manager, including how to develop and negotiate a contract, select a contractor, and monitor contractor and subcontractor performance.
- Supplements but does not replace existing statutory requirements and agency rules, policies and procedures. Each agency is independently responsible for developing sound business procedures in accordance with applicable federal and state laws, regulations, policies and procedures.
- Is not intended to be a manual on the law of contracts or constitute legal advice. General principles of law will be discussed, but these are only general principles which include many exceptions. A Legal Reference Section provided at the end of CMG will provide general information regarding contracting issues within the contract management process. **ALWAYS CONSULT AN ATTORNEY FOR LEGAL ADVICE CONCERNING CONTRACTS.**
- Includes model contract provisions, distinguishing between essential, recommended and optional contract provisions.
 - Addresses the maximum contract term, after which a new competitive solicitation must be issued.
 - Recommends time frames for the solicitation, evaluation, negotiation and awarding of a major contract.
 - Establishes the procedure through which state agencies must consult with the Contract Advisory Team before issuing a solicitation for a major contract.
 - Establishes the procedure agencies must use in attempting to determine why a single response is submitted to an agency procurement solicitation.