

6 FAH-2 H-500 POST-AWARD CONTRACT ADMINISTRATION

6 FAH-2 H-510 GENERAL

(TL:CORH-2; 11-19-2003)
(Office of Origin: A/OPE)

6 FAH-2 H-511 ADMINISTRATION

(TL:CORH-2; 11-19-2003)

a. To assure performance of a contract in the manner most beneficial to the U.S. Government, the U.S. Government has the responsibility to actively watch and follow the contractor's performance and take prompt, affirmative action to correct problems. This is one of the most vital elements of what is called "contract administration," i.e., making sure that the terms and conditions agreed upon when the contract was awarded are actually carried out.

b. The goal of contract administration is to ensure that the contract is performed, as written, by both the contractor and the U.S. Government. Here the emphasis is on "as written." U.S. Government personnel dealing with a contractor **must** understand that when the U.S. Government acts as a party to a contract, its authority to direct the actions of a contractor rest solely in the written words of the contract.

c. Contract administration begins when the contract has been signed and ends with the administrative actions taken at contract closeout, after performance has been completed and the contractor has received final payment. Contract administration includes monitoring the contractor's technical progress; approving invoices for payment in accordance with contractual terms; reviewing and consenting to subcontracts; monitoring subcontractor performance; controlling U.S. Government property; and overseeing contract modifications and terminations.

d. Ultimately, the administration of a contract is the responsibility of the contracting officer who is the only person who may modify the contract or take action to enter into or change a contractual commitment on behalf of the U.S. Government. However, the COR plays an important role in contract administration as described below.

6 FAH-2 H-512 CONTRACT INTERPRETATION

(TL:CORH-2; 11-19-2003)

a. The prime reference for matters concerning performance is the plain language of the contract document. U.S. Government regulations and procedures provide direction and guidance, but they do not alter the written contract terms.

b. Contracts must list the applicable contract clauses. The COR should have a general knowledge of the requirements of these clauses. Refer questions regarding contract language to the contracting officer.

c. Once the contract has been awarded, the COR's first responsibility is to read and understand the contract, keeping in mind the rules of contract interpretation. U.S. Government contracts are subject to essentially the same common law rules of interpretation applied to other contracts. Some of these rules affecting contract administration are:

- (1) The intent of the parties must be gathered from the whole contract;
- (2) The standard for the interpretation of the written contract is the meaning that would be attached to the writing by a knowledgeable, objective third party;
- (3) Specific provisions prevail over general provisions when in conflict;
- (4) A standard clause entitled "Order of Precedence" resolves inconsistencies within the contract provisions by assigning precedence in a specified order within the contract parts;
- (5) An ambiguous provision subject to more than one interpretation will be interpreted against the party responsible for creating it (in U.S. Government contracts, this is almost always the U.S. Government, as the contract provisions are normally prepared by the U.S. Government); and
- (6) Everyday words are given their dictionary definitions.

6 FAH-2 H-513 THE COR'S ROLE IN CONTRACT ADMINISTRATION

(TL:CORH-2; 11-19-2003)

a. The legal responsibility for administration of the contract rests and remains with the contracting officer. The COR functions as the technical representative of the contracting officer and stays in close communication with the CO, relaying any information affecting contractual commitments and requirements.

b. Generally, the contracting officer authorizes the COR to perform the following functions independently:

(1) Correspond directly with the contractor (the contracting officer receives copies of all correspondence);

(2) Conduct on-site visits;

(3) Hold conferences with the contractor;

(4) Approve all technical data submitted by the contractor;

(5) Provide direction to the contractor in technical matters as long as the direction is:

(a) Within the scope of the contract as written; and

(b) Will not affect cost, period of performance; or

(c) Other terms and conditions of the contract;

(6) Approve invoices for payment.

c. In addition to exercising delegated authorities, the COR is expected to:

(1) Advise and assist the contracting officer in administering the business aspects of the contract by reviewing vouchers, invoices, reports, and deliverables;

(2) Maintain a file documenting significant actions and containing copies of trip reports, correspondence, and reports and deliverables received under the contract;

(3) Coordinate requirements office decisions relating to the contract; and

(4) Prepare final summary statements for contract closeout.

d. 6 FAH-2 H-513 Exhibit H-513 provides a chart showing COR versus CO responsibilities in the contract administration phase.

6 FAH-2 H-514 LIMITATIONS ON COR AUTHORITY

(TL:CORH-2; 11-19-2003)

The COR **shall not** direct the contractor to undertake any activity which will change the:

- (1) Total price or estimated cost;
- (2) Product deliverables;
- (3) Work requirements;
- (4) Delivery dates;
- (5) Total period of performance; and
- (6) Administrative provisions of the contract.

6 FAH-2 H-515 SUPERVISOR'S PARTICIPATION IN CONTRACT ADMINISTRATION

(TL:CORH-2; 11-19-2003)

Being designated as a COR places unique demands on an individual and establishes a direct channel of communication between the contracting officer and the COR. The supervisor of an individual who has been appointed as a COR has an inherent responsibility to provide guidance to that individual; however, such guidance should not conflict with the contracting officer's letter of designation to the COR. The supervisor should ensure that the COR has the personal support, resources, and time needed to perform his or her functions. The CO and the supervisor should also ensure the COR has had the appropriate training as described in 6 FAH-2 H-143.1.

6 FAH-2 H-516 POST-AWARD ORIENTATION AND CONFERENCES

(TL:CORH-2; 11-19-2003)

a. Post-award orientation is useful for ensuring that the contractor understands contract requirements and for delineating the roles of U.S. Government personnel and the procedures that will be followed in administering the contract. Orientation brings together key individuals (both U.S. Government and contractor) who participated in the pre-award phase with those responsible for the post-award administration of the contract. It also affords an opportunity for the orderly transition of contractual duties and obligations if different personnel are to assume post-award responsibility.

b. In relatively simple acquisitions, post-award orientation may be accomplished by a letter from the contracting officer that identifies the U.S.

Government's contract administration officials and any special or unusual requirements.

c. The contracting officer may decide that a post-award conference is needed if there are indications that the contractor lacks a clear understanding of the contract requirements, or if the contract work is complex. If a conference is held, the contracting officer will chair the conference. The post-award conference should be preceded by a meeting of U.S. Government management personnel in order to formulate an agenda. Agenda topics might include:

(1) Clarification of the specifications or the contents of the Performance Work Statement and/or identification of ambiguous clauses;

(2) Clarification of special contract terms/clauses;

(3) Reporting requirements and procedures for monitoring and measuring progress;

(4) Billing, voucher approval, and payment procedures;

(5) Quality control and testing requirements;

(6) Discussion of lines of authority, i.e., COR responsibilities versus contracting officer responsibilities;

(7) Furnishing and control of U.S. Government property, if applicable; and

(8) Anticipated problem areas.

d. In conducting the conference, the contracting officer must make clear to the contractor that the purpose of the conference is to explain or clarify contract requirements, not make any changes in the contract. If a change is necessary, the extent of the change must be clearly established. Only the contracting officer is authorized to make any contractual commitments.

6 FAH-2 H-517 STANDARD COR WORKING FILE

(TL:CORH-2; 11-19-2003)

a. The COR must set up and maintain a file for each contract under his or her administration. The file's purpose is twofold: To provide easy access to technical contract information and work progress and to ease the transition to a new COR, if one is appointed during the life of a contract.

Each file must be clearly indexed and must contain copies of the following materials:

- (1) Complete Procurement Request Package;
- (2) Solicitation and any amendments to it;
- (3) Technical and cost proposals (with modifications) submitted by the winning contractor;
- (4) Copy of the contractor's approved work plan, if required;
- (5) Copy of the contract and all modifications to it;
- (6) Copies of all progress reports submitted by the contractor;
- (7) Copies of all correspondence and synopses of telephone calls to and from the contractor;
- (8) Interim and final technical reports or other products;
- (9) Documentation of acceptability/unacceptability of deliverables (see 6 FAH-2 H-517 Exhibit H-517 for a sample delivery log);
- (10) Documentation of on-site visit results;
- (11) Copies of any memoranda regarding periodic performance affecting payment;
- (12) Copies of all invoices/vouchers and a payment register indicating the balance of funds remaining;
- (13) COR's final assessment of contract performance; and
- (14) Any other pertinent materials or information.

b. The COR must provide to the contracting officer copies of all material which he or she authors. The requirements office must develop a procedure for the retention or retirement of technical files and products, including the COR file.

6 FAH-2 H-518 AND H-519 UNASSIGNED

6 FAH-2 H-513 Exhibit H-513 RESPONSIBILITIES

(TL:CORH-2; 11-19-2003)

Stage	COR	CO
Preparing for contract administration	Read contract Set up COR file Assist CO in post-award orientation conference, if held	Review contract Hold post-award orientation conference, if necessary
Administering the contract	Assure that contractor does the work called for Assure quality Assure timely performance Assure performance within budget (cost-type contracts) Assure performance along most beneficial lines of effort Approve payment for satisfactory performance Document and keep CO apprised of unsatisfactory performance Act as liaison with contractor and CO	Issue contract modifications Settle disputes, as necessary Terminate contract, if necessary Consent to placement of subcontracts Resolve issues of unsatisfactory performance
Closing out the contract	Make final determination of technical acceptability Recommend disposition of U.S. Government-furnished property Recommend final settlement, if necessary	Request final audit, if necessary Deobligate excess funds Dispose of U.S. Government-furnished property Negotiate final settlement (CR contracts) Approve final payment Retire file

6 FAH-2 H-517 Exhibit H-517 SAMPLE DELIVERY LOG

(TL:CORH-2; 11-19-2003)

Contract No.: _____

Deliverable Number	Date Due	Date Received	Acceptable (Yes/No)	Contractor Notified	COR Notified
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