



Policy # 54005

CONTRACT ADMINISTRATION POLICY

Effective Date: August 1, 2012 **Revised Date:** November 17, 2022
Responsible Office: University Compliance and Purchasing Department
Division: Operations and Finance

I. PURPOSE/OBJECTIVE

The purpose of this policy is to outline the contract administration process for Grambling State University in accordance with the State of Louisiana, Regulations for the Procurement of Professional, Personal, and Consulting Services.

Procedures for contract administration will be described in the contract and responsibilities of contract administration section. The goal of this policy to ensure contracts are satisfactorily created and executed by both the contractor and GSU so contract responsibilities are clearly defined and properly discharged at the completion of the contract.

II. AUTHORITATIVE REFERENCE

In order to properly expend public funds, State and local government entities are required by law to follow certain procedures. These requirements are found in statutes, rules, and executive orders issued by the governor. Universities and colleges must follow LA R.S. 39:1551-1755, known as the Louisiana Procurement Code, which is a set of laws that govern the purchase of certain services, including professional, personal, consulting and social services, material and supplies, and major repairs. The underlying purposes and policies of LA R.S. 39:1551-1775 are:

- (1) To simplify, clarify, and modernize the law governing procurement by this state.
- (2) To permit the continued development of procurement policies and practices.
- (3) To provide for increased public confidence in the procedures followed in public procurement.
- (4) To ensure the fair and equitable treatment of all persons who deal with the procurement system of this state.
- (5) To provide increased economy in state procurement activities by fostering effective competition.
- (6) To provide safeguards for the maintenance of a procurement system of quality and integrity.

[https://app.la.state.la.us/llala.nsf/27670DBD4E563BE986257AC2004F9253/\\$FILE/Louisiana%20Procurement%20Code.pdf](https://app.la.state.la.us/llala.nsf/27670DBD4E563BE986257AC2004F9253/$FILE/Louisiana%20Procurement%20Code.pdf)

LA. R.S. 39:1553 provides that every contract or duty within the Louisiana Procurement Code imposes an obligation of good faith in its performance or enforcement. "Good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing.

CONTRACTUAL ADMINISTRATION POLICY**III. STATEMENT OF POLICY****A. DEFINITIONS**

Contract: Contracts include, but are not limited to, all types of agreements regardless of what they maybe called, employment agreements, cooperative endeavor agreements, memorandums of understanding, interagency contracts, clinic agreements, sponsorship agreements and leases with other parties as well as any supplemental agreements or amendments. Other parties include, but are not limited to, federal, state, and local agencies, nonprofit organizations, private businesses, partnerships, and individuals. Written contracts must be executed whenever the university enters into a binding agreement with another party that involves:

1. Any professional and personal services amount above \$75,000.00
2. Any agreement requiring services that last more than 30 days in duration
3. Any consulting services or speaker engagement agreements

Contract Administrator: The person responsible for developing the contract, gathering approvals, monitoring, and keeping records of all documentation related to the professional contract.

Delegated Authority: Individuals authorized by the State of Louisiana to execute contracts on behalf of Grambling State University. The university has delegated authority from the Division of Administration (DOA), Office of Contractual Review, authorizing the Vice President for Finance and Administration, Chief Operating Officer, Provost and University President to sign contracts on behalf of Grambling State University for contracts under their budgetary authority for \$74,999 or less. The university has delegated authority from the Division of Administration, Office of Contractual Review, authorizing the university's Athletic Director to approve only athletic department professional service contracts.

Contractor: Any individual entering into contractual agreements with the University

B. GENERAL GUIDELINES FOR CONTRACT ADMINISTRATION

1. All contracts that bind Grambling State University into any written agreement (regardless of financial terms) with an outside entity must abide by this Contract Administration Policy. Contracts include, but are not limited to agreements, cooperative agreements, memoranda of understanding, interagency contracts, clinic agreements, and leases with other parties.
2. The specific nature and extent of contract administration varies from contract to contract depending on factors, such as scope of work and type of contract. Contract administration starts with developing clear, concise, performance-based statements of work and preparing a contract administration plan that cost effectively measures the contractor's performance, GSU's obligations, and provides documentation to pay accordingly.

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3. No person has the authority to enter into a contract on behalf of the university without the signed approval of the university's delegated authority. More specifically, but not limited to, an individual employee cannot:
 - a) Offer employment to anyone
 - b) Enter into any professional, personal, or consulting contract
 - c) Procure goods and services
 - d) Enter into any other contracts for any purpose, such as co-operative endeavor agreements with other entities, joint venture, etc.
4. An individual executing a contract on behalf of Grambling State University, without the authority to do so may be personally liable for damages flowing from negation of the contract. If the individual is an employee of Grambling State University they will also undergo a disciplinary review that could result in their immediate termination from the University.

C. GENERAL GUIDELINES FOR CONTRACT FORMATION

1. Contracts are required for all consulting services or speaker engagements regardless of the amount of the contract.
2. Contracts are required for all professional services and personal services that exceed \$10,000 during the academic year.
3. Contracts are required for all professional services, consulting services, and personal services that will exceed more than 30 days during an academic year.
4. Contracts are required for all professional services, consulting services, and personal services that are extended over one (1) academic year (multi-year contracts).
5. Written contracts must be executed whenever the university enters into a binding agreement with another party that involves:
 - i. Any professional and personal services amount above \$75,000.00
 - ii. Any agreement requiring services that last more than 30 days in duration
 - iii. Any consulting services or speaker engagement agreements
6. Departments requesting to enter into a contract must first determine if procurement is required and if quotes/bids are necessary according to Purchasing operational policies.
7. Departments are responsible for ensuring that necessary funding is available for expense contracts.
8. Employees should use the **DOA Basic Contract**, **DOA Contract for Professional Legal Services**, or **DOA Cooperative Endeavor Agreement** template for all contracts when applicable. This template can be found on <https://www.gram.edu/offices/compliance/contracts.php>
9. Contracts for less than \$74,999 can be executed by the University's Delegated Authority.
10. Contracts over \$75,000 must be submitted to the Division of Administration, Office of Contractual Review (OCR) for review and approval.
11. Agreements to pay travel plus the contracted fee are not authorized. The contracted fee should include all costs of performance including travel.

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12. The university must determine that the rate of compensation to be paid to Contractors is fair and reasonable to the state. In making this determination, the issues below must be taken into account, in the following order of importance:
13. The professional or technical competence of contractor
14. The technical merits of the offers or proposals, and
15. The amount of compensation for which the services are to be rendered.
16. By signing the *GSU Contract Monitoring / Approval Form*, the Contract Administrator and initiating department's vice president, Finance and Administration Officer are certifying that they have made a determination of "fair and reasonable compensation" to the state taking into account the above items.
17. The following department signs the GSU Contract Monitoring / Approval Form:
 - i. Department Contract Administrator
 - ii. Department (Appropriate) Vice President
 - iii. Title III Office (if applicable)
 - iv. Sponsored Programs (if applicable)
 - v. Purchasing Department
 - vi. University Compliance
 - vii. Finance and/or Administration
18. Each department will have 2 business days to review the contract.
19. For contracts involving Title III grants and Sponsored Programs, the *GSU Contract Monitoring / Approval Form* must be routed to those respective areas.
20. If the reviewing department recommends changes to the contract they must note those changes and attach it, in writing on a separate document, to the contract. Those changes should also be submitted in writing to the Purchasing Department before the reviewer passes it to the next department.
21. Contract Administrator will be responsible for ensuring that reviewers stay in accordance with the defined processing time.
22. The *GSU Contract Monitoring / Approval Form* must be completed before the Contractor and/or the University's Delegated Authority sign the contract.
23. The Legislative Auditors have determined that there will be a university audit finding for a contractor to commence work prior to approval of the contract.

D. GENERAL GUIDELINES FOR ROUTING CONTRACTS

1. If possible, contract requests should be initiated at least 4-6 weeks prior to the start date of the contract to allow ample time for review and approval.

Contracts (Zero to \$74,999.99) - Routing Forms

1. Forward all vendor/contractor issued agreements to University Compliance and Purchasing prior to completing DocuSign documents (**Do not proceed to DocuSign documents until Compliance and/or purchasing has approved vendor/contractor agreement.**)
2. Create requisition in Banner
3. [Complete Contract Monitoring / Approval Form](#)
4. [Complete GSU Contract Form](#) (if applicable)

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1. **Contracts (\$75,000 or more) - Routing Forms**
2. Complete [DOA BA-22 Form](#)
3. Complete [Certification letter](#)
4. Forward all vendor/contractor issued agreements to University Compliance and Purchasing prior to completing DocuSign documents **(Do not proceed to DocuSign documents until Compliance and/or Purchasing has approved vendor/contractor agreement.)**
5. Create requisition in Banner
6. [Complete Contract Monitoring / Approval Form](#)
 - a. Attach all supporting documents to contract monitoring /approval form)
7. [Complete GSU Contract](#) (attach signed vendor/contractor agreement)

Note: If the agreement/contract is \$75,000 or more, Purchasing must submit all documents to the Office of State Procurement for approval.

Subscriptions and Software up to \$150,000 per Fiscal Year (no more than three years)

1. Forward all vendor terms and conditions to University Compliance and Purchasing prior to completing DocuSign documents. **(Do not proceed to DocuSign documents until Compliance and/or purchasing has approved vendor/contractor terms and conditions.)**
2. Create requisition in Banner
3. [Complete Contract Monitoring / Approval Form](#)
 - a. Attach all supporting documents to contract monitoring /approval form)

Note: Subscriptions more than three years must be approved by the JBLC.

Educational Affiliations, Business Association, Memorandum of Understanding (MOU) Zero-dollar Contracts etc... – Routing Forms

1. Contract Checklist (Refer to Checklist)
 - a. Terms and conditions
2. Forward all vendor/contractor issued agreements to University Compliance and Purchasing prior to completing DocuSign documents **(Do not proceed to DocuSign documents until Compliance and/or purchasing has approved vendor/contractor agreement.)**
3. [Complete Contract Monitoring / Approval Form](#)
 - a. Attach all supporting documents to contract monitoring /approval form)
4. [Complete GSU Contract](#)- (if applicable) (attach approved vendor/contractor agreement)

Note: Corporate Board Resolution: If the contractor is a corporation, profit or non-profit, contract must be accompanied by a Board resolution from the Board of Directors of the corporation authorizing the signature for the corporation.

CONTRACTUAL ADMINISTRATION POLICY**E. GENERAL GUIDELINES FOR CONTRACT ADMINISTRATION AFTER APPROVAL PROCESS**

1. The Contract Administrator is responsible for ensuring edits suggested are incorporated into contracts. The Contract Administrator should contact the Purchasing Department or University of Compliance regarding any concerns/questions.
2. After all edits are completed, they must be verified by the Purchasing Department and University Compliance.
3. Purchasing Department and University Compliance regarding any concerns/question about edits.
4. Contracts exceeding \$74,999 must be sent to the Louisiana Division of Administration, Office of Contractual Review (OCR) for approval. Contract Administrators should allow an additional 3-4 weeks for contracts requiring OCR approval.
5. The Contract Administrator is responsible obtaining signatures from Contractor and University's delegated authority (unless previously signed during the review process) on the actual contract.
6. Contracts requiring OCR approval should be brought to Purchasing Department after being signed by the Contractor and the University's delegated authority.
7. The Purchasing Department will ensure that the contract is sent to OCR.
8. The completed *GSU Contract Monitoring / Approval Forms* are kept in the Purchasing Department.
9. Contract Administrator will have access to the complete *GSU Contract Monitoring / Approval Form* when needed.

F. GENERAL GUIDELINES FOR POST-AWARD CONTRACT ADMINISTRATION

1. The Purchasing Department will maintain hard copies of all approved contracts for the University.
2. In the event that the contract requires changes after approval and initiation the Contractor Administrator must fill out a ***Contract Amendment Form***. The form must be signed by the Contractor, Contract Administrator, and Purchasing Department. A copy of the approved, signed form must be submitted to the Purchasing Department to be filed with the contract.
3. The Contract Administrator will ensure that all terms and stipulations in the contract are being met by both GSU and the Contractor.
4. The Contract Administrator will be responsible for completing the ***GSU Performance Evaluation Form*** when either requested by the Purchasing Department or within 30 days after the contract is terminated.
5. Contract Performance Reviews can be requested on a random basis from the Purchasing Department as well as during the "closeout" of a contract/agreement. Hardcopies of all performance reviews will be filed with the approved contract in the Purchasing Department.

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6. Contract Performance Reviews, at a minimum, will seek to ensure the following:
 - a. The contractor is in compliance with the terms, conditions, and requirements of the contract/agreement.
 - b. GSU is in compliance with the terms, conditions, and requirements of the contract/agreement.
 - c. Purchase orders issued under the contract/agreement are in compliance with the terms, conditions, and requirements of the contract/agreement, if applicable.
 - d. Payments are in compliance with the terms and conditions of the contract/ agreement.
7. All contracts and subscriptions will be reviewed by Purchasing Department for compliance with the Regulations for the Procurement of Professional, Personal and Consulting Services.
8. The *GSU Performance Evaluation Form* will be submitted prior to final payment. Unexpended funds will not be released until the Purchasing Department receives the completed *GSU Performance Evaluation Form*. A copy of the audit and documentation of any action taken, if applicable, will be documented in the “contract file” and forwarded to the contractor.
9. The Contract Administrator will be responsible for forwarding all performance evaluations to the contractor.

G. CONTRACT COMPLAINTS

1. In the event, that any campus constituent (student, faculty, and/or staff) has a complaint regarding any contractor providing services on campus they must submit a formal letter in writing containing the following information:
 - a. Name of the Contractor
 - b. Name/Position of Complainant
 - c. Date of the Incidence
 - d. Nature of Complaint/Description of the Events
 - e. Recommendation of Resolution of Complaint
2. The complaint letter should be emailed and/or sent to the Purchasing Department.
3. Upon receiving the letter of complaint, the Purchasing Department will send a copy of the complaint letter to the Contract Administrator and the Contractor.
4. The Contract Administrator and/or Contractor have seven (7) working days to respond to the complaint letter. The Contract Administrator and Contractor should forward all responses to the Purchasing Department.
5. The Purchasing Department will send a copy of the complaint response to complainant, file the complaint and provide responses with the approved contract.

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6. Attached to the termination of the contract form will include, all complaints, the *GSU Performance Evaluation Form* and the approved contract.
7. All complaints will be considered during approval process, when request for renewals and new contracts by Contractor when submitted to the Purchasing Department.

H. GENERAL GUIDELINES FOR RENEWAL CONTRACTS

1. For contracts previously approved by University Compliance and Purchasing Department, departments must submit the *GSU Contract Monitoring / Approval Form* and a copy of the previously approved contract. The department is responsible for tracking the signatures on the *GSU Contract Monitoring / Approval Form*. Please note on *GSU Contract Monitoring / Approval Form* that the contract is a renewal; and was previously approved by University Compliance and Purchasing Department.
2. All renewal contracts not previously reviewed through the University's approval process must be submitted to University Compliance and Purchasing Department.
3. Departments must submit a copy of the contract with the *GSU Contract Monitoring / Approval Form*. Please note on the *GSU Contract Monitoring / Approval Form* that the contract is a renewal. If applicable, University Compliance and Purchasing Department is willing to assist with negotiating terms with vendors/contractors if adjustments are being made to the original/master agreement.
4. Once the renewal is approved, the Contract Administrator will route contracts to university officials for signature and to vendors/contractors.

I. RESPONSIBILITIES OF CONTRACT ADMINISTRATOR

1. The Contract Administrator's responsibilities include, but are not limited to:
 - a. Assisting in developing contract specifications
 - b. Monitoring contractor's progress and performance
 - c. Managing any university property used in the contract performance
 - d. Authorizing payments consistent with contract documents
 - e. Exercising remedies, in conjunction with the Purchasing Department when a contractor's performance is deficient
 - f. Resolving disputes in a timely manner
 - g. Documenting any significant events or complaints regarding the contract
 - h. Maintaining appropriate records

J. RESPONSIBILITIES OF THE INITIATING DEPARTMENT

1. Departments must ensure that all federal, state and local purchasing and procurement policies are followed prior to submitting contracts for approval.
2. Departments must assign a Contract Administrator to each contract.

CONTRACTUAL ADMINISTRATION POLICY**K. RESPONSIBILITIES OF REVIEWERS**

1. Reviewers included in this policy are designated officers from the following departments:
 - a. Department Vice-President
 - b. Purchasing Department
 - c. University Compliance
 - d. Finance and/or Administration
 - e. Title III Office (if applicable)
 - f. Sponsored Programs (if applicable)
2. Reviewers must ensure that the contract is aligned with policies & procedures associated with their area of responsibility and to provide additional assurance that the contract is accurate and complete.
3. Reviewers are responsible to process and approve contracts within 2 business days of receipt of the contract.
4. Any recommendations for additions/deletions should be noted on the DocuSign form before forwarding to the next department.
5. By signing the document, reviewers are verifying that they have reviewed the contract and made any additions/deletions to the contract.

L. RESPONSIBILITIES OF UNIVERSITY COMPLIANCE AND THE PURCHASING DEPARTMENT

1. The University Compliance and Purchasing Department responsibilities include, but are not limited to:
 - a. Review contracts for institutional risks
 - b. Verifies that contracts are in compliance with Louisiana state laws
 - c. Submit contracts for legal review, as deemed necessary. University Compliance requests to have thirty (30) days to review pending contracts.
 - d. Assist departments with the approval/routing process.
 - e. The Purchasing Department notifies the State of Louisiana Procurement Office when contracts are in excess of \$75,000 for review and approval purposes.
 - f. Notify departments on the status of the contracts as they progress through the review process if not routed electronically.
 - g. Disseminate contracts to the department after review.
 - h. Assist with ensuring contracts are reviewed and signed by the appropriate personnel
 - i. Verify that bonds and insurance are provided as required by the contract or university policy. This process is also supported by the Safety and Risk Department.

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- j. Assist departments with negotiating contract terms and conditions.
 - k. Assist departments with the *GSU Performance Evaluation Form* in accordance with the terms and conditions of the contract.
 - l. Notify departments when contracts are expiring and require procurement or renewal.
 - m. Close out agreements upon completion.
 - n. Serve as the repository for all university contracts, except for contracts managed by the Louisiana Office of Facilities Planning and Construction. The Purchasing Department is the office of record for all GSU contracts and agreements. This responsibility requires that the Finance Department maintain files of all contracts executed by GSU.
 - o. Report non-compliance of contracting policies to the Office of Internal Auditing.
 - p. The Purchasing Department manages all major contracts, amendments, modifications, renewals, extensions, requests for proposals, invitations to bid or comparable solicitations related to major contracts.
2. The Purchasing Department will keep track of contract information, such as name of vendor/contractor and purpose of contract, beginning and ending dates, contract amount, and date to begin renegotiation of the contract (the renegotiation date will be determined based upon the amount and/or the complexity of the contract).

IV. REVISION/REVISED HISTORY