


MODULE 5
CONTRACT ADMINISTRATION

1

Award or Purchase Leads to a Contract

Contract is...

- Always in writing
- The contract form is may be made part of the solicitation
- Level of detail depends on circumstances



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Awarding a Contract

- Award to responsive and responsible bidder with lowest bid or highest scored offeror
- Compare with cost/price analysis
- Comply with Indian and tribal preferences
- Carefully scrutinize and document
- Apply all standards evenly
- Cannot negotiate
- Can reject any and all bids or proposals for good reason

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Contracts

- Can use conventional contract forms and invoices
- Use Recipient approved contract form or get legal advice before signing
- Procurement Officer transfers contract administration to contract or project manager

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Purpose and Importance of Contracts



- Clearly define expectations & timelines for all parties of the contract
- Incorporates terms that protect your right to get goods or services delivered promptly and properly
- Dispute avoidance
- Dispute resolution provisions

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Contract

- Ensure all solicitation and pre-contract terms have been complied with
- Contract may be one-page Invoice or Purchase order for micro-purchase or small purchases
- Use recipient-approved contract form (e.g., by AIA, AGC, HUD) or get legal advice before signing for construction or other professional services
- Executed by Contracting Officer for Recipient organization



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Award and Contract for Competitive Sealed-bids:



- Award and Contract:
 - Only to responsive and responsible bidder
 - Reasonable price
 - May not be the lowest bidder
- Use appropriate contract forms and methods after obtaining legal advice

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Award of Competitive Proposal Contract:



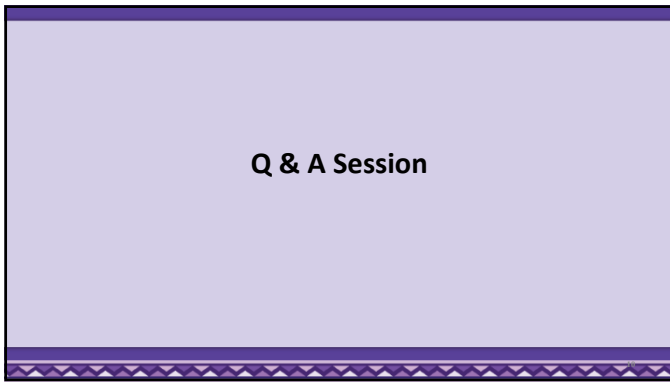
- Can reject any and all proposals for sound and documented reason
- Negotiations of a contract are allowed under certain circumstances
- Cost or price analysis required

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Competitive Proposal Contracts

- Professional services contracts often based on hourly rate and Not-To-Exceed price
- § 200.318 (j)(1-2): Time and Materials Contracts:
 - Provides no positive profit incentive to the contractor for cost control or labor efficiency, therefore each contract must set a ceiling price that the contractor exceeds at its own risk.
 - Requires a high degree of oversight by non-Federal Entity.

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