

Administration & Closeout In a Nutshell

- ◆ As soon as a contract is awarded, contract administration starts.
- ◆ A Post-award orientation kicks off the actual administration process.
- ◆ Before work is initiated, a workplan is established.
- ◆ Systematic quality assurance methods are defined to monitor the contract and to evaluate contractor's performance.
- ◆ A quality assurance surveillance plan is put in place by the Government's representative.
- ◆ Monitoring contractor performance is an on-going task performed during contract administration.
- ◆ Performance problems should be verified and documented. The contracting officer should be involved to seek resolution or corrective actions for poor performance.
- ◆ Contractors generally bill the Government on a monthly basis.
- ◆ Invoices should be reviewed carefully and timely and submitted for payment according to the agreed schedule.
- ◆ When the contract is complete, the official contract closeout begins.
- ◆ Closeout is only considered complete when all administrative actions are finalized, all disputes settled, and final payment is made.

Understanding FEDERAL ACQUISITIONS

Administration & Closeout

The fourth phase in the acquisition lifecycle is **administration & closeout**. Once a contract is awarded and a post-award orientation meeting takes place, the day-to-day oversight begins. During this period, any contract modifications are administered by the contract specialist. **Closeout** is the last stage of contract **administration**, and it occurs when the period of performance has ended, and the final bills are being agreed upon between the Government and the contractor.



Who We Are

The Acquisition Services Directorate (AQD), a Federal shared-service provider within the U.S. Department of the Interior's National Business Center (NBC), offers acquisition support to all Federal agencies. We help managers in both civilian and military organizations fulfill their missions by crafting appropriate procurement solutions.

We use proven business practices while delivering cost-effective contracts. Our Contracting Officers will handle the complete acquisition lifecycle, utilizing innovative technology and value-added benefits.

How We Can Help You

We will handle your acquisitions from project inception through closeout; serving you efficiently, quickly and professionally.

We monitor contracts to ensure compliance with Federal regulations and agency-specific rules.

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Where We Are

On the web at www.aqd.nbc.gov; via email to acquisition@aqd.nbc.gov; or by phone at 703.964.8800.





Contract **administration** begins as soon as a contract is awarded. A post-award orientation meeting (by teleconference, in-person or some other form of communication) should kick off the actual process of contract administration. The collaboration between the program manager, the contracting officer's technical representative (COTR) and the contracting officer (CO) is one of partnership. Since COTRs will be in constant dialog with the contractor, they must read the contract thoroughly to know the details of what the Government is buying, whether it is a service or product or both. COTRs cannot give direction outside the scope of the contract. Any contract changes will require the input and agreement by the contracting officer, which will then be issued as a contract modification. The official **closeout** process only begins when the contract is complete.

Contracting Officer's Technical Representative

The Contracting Officer's Technical Representative (COTR) is a key position in the management of Federal contracts.

As the Government's representative, the FAC-C (Federal Acquisition Certification in Contracting) certified COTR plays a critical role not only in providing technical direction, but also in setting up systems

and processes to assure all terms and conditions of the contract are met. The proper monitoring of a contract greatly reduces the risks of problems. What governs in a contract is what is written in the contract, not what is assumed, discussed, or otherwise agreed upon.

A quote often heard is that "the COTR is the eyes and ears of the contracting officer" and his/her responsibility is to make sure the work performed is in accordance with the terms of the written contract.

Monitoring Performance

When monitoring the performance of the contractor, the COTR should keep in mind the following performance elements: delivery of specific items; avoidance of wasting time and money; performance that increases the benefit of the contract; good quality, time constraints and budget. Monitoring actually takes place by reviewing the contractor's workplan, adhering to any inspection clauses that allow site visits, and closely reviewing progress reports. Monitoring gives the COTR a "good visual" of the progress of the contractor.

Invoicing

Contractors generally bill the Government on a monthly basis. The COTR is responsible to immediately review the invoices submitted – carefully. If there are any questions or clarifications, the contractor should be contacted before the invoice due date. It is important that the Government pay the contractors promptly, because in some cases, the Government may have to pay penalties when payment is not timely.

Corrective Actions

The COTR should accurately verify and document performance problems encountered during the administration of the contract. Without proper monitoring, the COTR will not be able to begin **corrective action** as soon as it may be required. The COTR should identify the problem with the contractor and seek their commitment to take remedial action. If there is disagreement about the issue, and the contractor is not being cooperative, the COTR shall immediately involve the contracting officer for resolution.

Disputes & Appeals

All contracts contain a **disputes** clause, which is the basis for proceeding to resolve situations where a contractor will contest some contract issue. When the COTR recognizes differences of opinion as to obligations of the contractor or the Government, he/she must discuss this openly to understand the contractor's position, and hopefully find agreement. Without agreement, **disputes** can become claims, and claims can go to court through the appeals process.

Termination

When a contract is cancelled prior to its completion of performance, it is called **termination**. **Termination** can be for convenience or for default. **Termination** can be in whole or in part.

Contract Closeout

At the end of the contract period of performance, when services have been performed and products required have been delivered, contracts must be administratively closed out. There are specific steps that are taken during contract **closeout** to document any outstanding contractual issues, resolve the problem and document the contract file. As a valuable member of the contracting team, the COTR has a specific role to play in the **closeout** process, which includes from review of deliverables to verification of all contract modifications. Contractor performance evaluation may be required as part of the closeout process.