

Contract Management Handbook



Texas Department *of* Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

Version 3.0

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REVISION HISTORY

Version	Date	Description
3.0	9/1/2018	Original Release

1 Introduction

The 84th Texas Legislature in 2015 amended Texas Government Code Chapter 2261, State Contracting Standards and Oversight, to require:

“Each state agency shall publish a contract management handbook that establishes consistent contracting policies and practices to be followed by the agency and that is consistent with the comptroller’s contract management guide. The agency’s handbook may include standard contract provisions and formats for the agency to incorporate in contracts.”

The Texas Department of Motor Vehicles (TxDMV) Contract Management Handbook (CMH) was developed by TxDMV employees from the Finance and Administrative Services Division (FAS), Enterprise Project Management Office (EPMO), Information Technology Services Division (ITSD) and the Office of General Counsel (OGC) in consultation with Internal Audit Division (IAD). The intent of the handbook is to establish consistent contract management policies and procedures for TxDMV employees involved in procuring and management of contracts.

The CMH is not intended to cover all requirements or issues, and is to be applied in conjunction with applicable TxDMV policies, state and federal statutes, laws, rules, policies, and best practices.

Any suggestions should be directed to the Director of Purchasing or the Purchasing & Contract Coordinator.

2 Definitions

- Board Members – The body of appointed members who jointly oversee the activities of TxDMV.
- Best Value – Factors to be considered in determining lowest overall cost and value in making certain purchases.
- Contractors – Non-TxDMV employees who have been hired to perform specific tasks.
- Contract Monitor – Individual(s) assigned to manage or oversee a purchase order or contract.
- Contract Administrator – An individual in the FAS Division, Purchasing Section who conducts the procurement process.
- Executive Sponsor – A senior executive that supports a project’s viability and defensibility from an agency perspective. This role is responsible for overseeing a project.

3 Purchasing Section Organization

The Purchasing Section is responsible for overseeing, coordinating, facilitating, and managing all procurement and contracting related activities for all TxDMV offices. Purchasing staff are available to assist TxDMV employees with procurement and contracting related questions. Purchasing’s efforts are focused on the procurement and contracting activities to obtain the best value for the agency.

Purchasing employs certified staff that assist, review, recommend, approve, and record procurements of goods and/or services in accordance with statute, law, regulations and internal policies.

4 State and Agency Ethical Standards

TxDMV employees, Board Members and Contractors participating in procurement and contracting processes are subject to a high standard of ethics, and must adhere to TxDMV ethics policies, as set forth in the TxDMV Human Resources Manual. Those that violate these standards are subject to disciplinary action, as described in the TxDMV Human Resources Manual.

TxDMV employees, Board Members and Contractors participating in the procurement and contracting processes are responsible for ensuring the proper disposition of public funds. TxDMV employees, Board Members and Contractors must avoid acts that are improper or give the appearance of impropriety, as it relates to the procurement and contracting process.

The appearance of impropriety may be defined as the absence of circumstances that would cause a reasonable and informed third party, having knowledge of the relevant information, to reasonably conclude that the integrity or objectivity of a TxDMV employee, Board Member or Contractor has been compromised.

State personnel must adhere to the highest level of professionalism in performing their official duties. Employees of agencies who perform procurement functions are required (34 Texas Administrative Code §20.157) to adhere to the same ethical standards required of the Comptroller of Public Accounts (CPA) employees:

“State officials and state employees are entrusted with the safety and welfare of the citizens of Texas. In return for their confidence in state government, citizens expect that state employees’ private interests will not conflict with public business. The nature of purchasing functions makes it critical that all participants in the process remain independent, free of obligation or suspicion, and completely fair and impartial. Maintaining the integrity and credibility of a purchasing program requires a clear set of guidelines, rules and responsibilities to govern the behavior of purchasing employees. Credibility and public confidence are vital throughout the purchasing and contracting system.”

The CPA’s State of Texas Procurement Manual, Section 1.2

4.1 Conflict of Interest

TxDMV employees, Board Members and Contractors are prohibited under Texas Government Code §572.051 and Texas Government Code §2155.003 from having an interest in or receiving benefits from a contract or bid for a purchase of goods and/or services. Perception plays a key role in maintaining the highest level of integrity, which includes avoiding the appearance of impropriety.

“It is the policy of the State of Texas that a state officer or state employee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in

substantial conflict with the proper discharge of the officer's or employee's duties in the public interest."

Government Code 572.001

4.2 Disclosure

Under Texas Government Code §2261.252, each state agency employee or official who is involved in procurement or in contract management for a state agency must disclose to the agency any potential conflict of interest specified by state law or agency policy that is known by the employee or official with respect to any contract with a private vendor or bid for purchase of goods or services from a private vendor by the agency.

A state agency may not enter into a contract for the purchase of goods and/or services with a vendor with whom any of the following agency employees or officials has a financial interest:

- A member of the agency's governing body;
- The Governing Official, Executive Director, General Counsel, Chief Purchasing Officer or Purchasing Director of the agency;
- A family member related to an employee or officials described above within the second degree by affinity or consanguinity;
- Having a "financial interest" in this section is defined as a state agency employee or official that:
 1. Owns or controls, directly or indirectly, an ownership interest of at least 1% in the person including the right to share in profits, proceeds, or capital gains, or;
 2. Could foresee that a contract with a person could result in a financial benefit to the employee or official.
- A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than 1% in a corporation.

Under Texas Government Code §572.069, state officers and employees who participate in a procurement or contract negotiation are prohibited from accepting employment with a vendor for 2 years after the officer's or employee's service or employment with the agency have ceased.

TxDMV has extended these requirements to include contractors.

4.3 Required Forms

All TxDMV employees, Board Members and Contractors involved in procurement or contract management activities must disclose to the agency any conflict of interest with respect to any contract with a vendor or bid for the purchase of goods and/or services. A Non-Disclosure and Conflict of Interest form (PUR-014) will be provided by the responsible purchaser and must be signed by any employee who participates in the development of a specification, solicitation document(s), evaluation, negotiation, or contract monitoring activities. Those that violate this provision are subject to discipline, in accordance with the TxDMV Human Resources Manual. Contract Monitors

will be required to sign a Non-Disclosure and Conflict of Interest form once assigned to a contract or major purchase order. TxDMV employees, Board Members and Contractors are responsible for immediately reporting a potential conflict of interest if identified at any time during the year to the assigned Purchaser.

Under Texas Government Code §2262.004, TxDMV employees, Board Members and Contractors involved in the specification development or an award determination must sign a State Auditor's Office State Agency Uniform Nepotism Disclosure form before a state agency may award a major contract (a contract with a value of \$1 million or more) for the purchase of goods and/or services to a business entity.

Each TxDMV employee, Board Member and Contractor involved in procuring or managing a contract must disclose in writing any financial interest in the prospective vendor. The agency may not enter into a contract if a covered employee, Board Member or Contractor or any of their family members within a degree described by Texas Government Code §573.002 has a financial interest. For any prospective vendor or business entity for contracts valued more than \$25,000, and TxDMV employee or Board Member regardless if authority to execute has been delegated to the Executive Director who has a relationship with an employee, a partner, a major stockholder, or a paid consultant of that entity must also report that relationship. This is documented by using the Employee/Official Disclosure Statement form (PUR-015) which will be provided by the responsible purchaser.

Texas Government Code §2252.908 prohibits agencies from entering into contracts over \$1 million or contracts that require action by the government body without submitting a Disclosure of Interested Parties Form (Texas Ethics Commission form 1295.) Before fully executing a contract valued at \$1 million or more, TxDMV must obtain a copy of the Disclosure of Interested Parties form from the proposed business entity (vendor). TxDMV Purchasing must include the form with the procurement file and the vendor must submit the form to the Texas Ethics Commission within 30 days of receipt of the disclosure.

A Major Contract/Purchase Order is defined as:

- A Contract/Purchase Order with a "High" or "Important" risk classification based on the outcome from use of the Risk Assessment Worksheet;
- The total value of the Contract/Purchase Order not including optional renewals, is \$200,000 or more;
- A Contract/Purchase Order for Temporary Personnel; or
- The Contract/Purchase Order is based on a Time and Materials fee payment structure.

5 State Procurement and Contracting Statute and Rules

Below is a list of procurement statutes, rules, manuals, and guides that the CPA provides on their website. All procurements and/or contracts must adhere to the following: documents.

- Governing statutes and rules:

<http://comptroller.texas.gov/procurement/procedures.html>

- The State of Texas Procurement Manual:
<http://comptroller.texas.gov/procurement/pub/manual/> and;
- The Contract Management Guide:
<http://comptroller.texas.gov/procurement/pub/contractguide/>

6 TxDMV Board Approval Requirements

Proposed procurements, contracts or agreements with a value of \$200,000 or more require TxDMV Board approval unless specifically excluded through the “Contract Approval Procedures. Specific exclusions are:

- Grants or contracts which do not obligate the department to pay;
- Statewide Procurement Division (SPD) contracts;
- Department of Information Resources (DIR) contracts;
- Council on Competitive Government (CCG) contracts;
- Hardware/software maintenance;
- Vehicle registration renewal notices;
- Vehicle titles;
- Interagency/Inter-local agreements¹;
- Texas Multiple Award Schedule (TXMAS) contracts²;
- Registration stickers
- Equipment maintenance;
- Temporary staff services;
- Lawn services;
- Janitorial services;
- Vehicles;
- Leased copiers;
- Copier maintenance;
- Trash disposal;
- Software – “off-the-shelf”;
- Set-aside contracts³; and
- Postage.

- ¹ However, the interagency contract between TxDMV and the Texas Department of Transportation (TxDOT) pursuant to House Bill 3097 from the 81st Regular Legislative Session and/or Senate Bill 1420 from the 82nd Regular Legislative Session is excluded from this exclusion. The department must obtain Board approval for this contract prior to execution of such contract, to the extent the dollar amount triggers the requirement for Board approval.
- ² Texas Multiple Award Schedule (TXMAS) contracts are contracts that have been developed from contracts awarded by the federal government or any other governmental entity of any state.
- ³ Set-aside contracts are a specific set of contracts for which a competitive procurement is not required, such as contracts for commodities or services that are available from Texas Correctional Industries (TCI) and any central nonprofit agency under contract with the Texas Workforce Commission (TWC). Currently, TIBH Industries (TIBH), Inc. is the only central nonprofit agency under contract with the Commission.

7 Need Assessment

The requesting Division is responsible for completing a Need Assessment Form ([PUR-010](#)) and obtaining approval from the Executive Director, or their designee, for all procurements that are equal to or exceed \$200,000, or all procurements of temporary personnel of any value for the term of the procurement prior to the submission of a requisition in Centralized Accounting and Payroll/Personnel System (CAPPS). A copy of the approved Need Assessment Form ([PUR-010](#)) must be submitted along with the requisition and retained in the procurement file. The Division should retain the original.

8 Approvals and Signature Authority

All requisitions for goods and/or services must be submitted and approved through the Centralized Accounting and Payroll/Personnel System (CAPPS). TxDMV has established dollar thresholds designating management level approval for requisitions:

- No more than \$500.00 – Lead Worker/Team Lead
- No more than \$4,999.99 – Section Manager
- No more than \$99,999.99 – Division Director/Deputy Division Director
- \$100,000 or more - Division Director, Chief Financial Officer or Assistant Chief Financial Officer and Executive Director or Deputy Executive Director (unless delegated.)

Only the Executive Director or Deputy Executive Director (unless delegated) may execute a contract or amendment that expends funds.

Only certified purchasers within the FAS Division Purchasing Section may execute purchase orders or purchase order change notices within approved dollar thresholds that expend appropriated funds.

No other TxDMV employee may sign a contract or purchase order binding the agency without a delegation of authority to do so.

9 Enhanced Contract Monitoring Program

Texas Government Code §2261.253 requires each state agency by rule to establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit documentation of possible contract risks identified to the agency governing body. The Chief Financial Officer or Director of Purchasing shall immediately notify the department's governing body of any serious issue or risk that is identified with respect to a contract monitored under this section.

Under 43 TAC Section 210.3, TxDMV has established rules to apply risk assessment factors to agency contracts/purchase orders as defined in Texas Government Code §2261.253. TxDMV staff must consider the following factors when assessing risk:

- Dollar amount of contract/purchase order;
- Total contract/purchase order duration;
- Vendor past performance;
- Risk of fraud, abuse or waste;
- Business process impact due to failure or delay; and
- Board or Executive Director's request for enhanced contract or performance monitoring.

9.1 Risk Assessment Worksheet

All procurements with a value of \$200,000 or greater require a completed "Risk Assessment Worksheet form" (PUR-016) which will be provided by the responsible purchaser at the time of award of the purchase order/contract. Analysis is to be completed, at a minimum, by the requesting Division Director (or designee) and the assigned Contract Monitor, in coordination with other appropriate personnel, with approval of the responsible Division Director. The original completed Risk Assessment Worksheet form shall be sent to the Director of Purchasing.

At the discretion of the Contract Monitor, in coordination with other appropriate personnel, with approval of the responsible Division Director, procurements less than \$200,000 may also be subjected to risk assessment analysis.

9.2 Enhanced Guidance for Contracts over \$1 million

Under Texas Government Code §2261.254, for all contracts over \$1 million, the agency shall develop and implement contract reporting requirements that provide information on:

- Compliance with financial provisions and delivery schedules;
- Corrective action plans required under the contract and the status of those plans; and
- Any liquidated damages assessed or collected under the contract or purchase order.

In accordance with Section 7.12 of the General Appropriations Acts, TxDMV must provide 10 business days-notice to the Legislative Budget Board (LBB) before payment can be made on any contract that is \$10 million or more or, \$1 million or more that was awarded outside of the competitive process,

or as a result of an emergency or following an emergency procedure. This notice is completed with the Legislative Budget Board Attestation template signed by the Executive Director certifying that the purchase complies with the State of Texas Contract Management Guide, State of Texas Procurement Manual, TxDMV Procurement Manual and all applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure.

TxDMM Purchasing staff utilize a “Peer Review” process to ensure that procurements meet the requirements described above and the “Peer Review” documentation is to be retained in the procurement file.

9.3 Enhanced Guidance for Contracts or Solicitations over \$5 million

Under Texas Government Code §2261.255, for all contracts over \$5 million, the Director of Purchasing must verify in writing that the solicitation, procurement methods and contractor selection process comply with state law and agency policy and submit information to the TxDMV Board on any potential issue that may arise in the solicitation, procurement, or contractor selection process.

Under Texas Government Code §2262.101, all solicitations expected to result in contracts valued at \$5 million and greater must be submitted to the CPA’s Contract Advisory Team for review before the solicitation can be posted. The contract value is determined without regard to source of funds or payment mechanism.

10 Contract Management

TxDMM will adhere to the TxDMV Procurement Manual in executing the contract management and monitoring process. Contract management activities include administering and monitoring the contract/purchase order after the award and during contract implementation. This shall be completed by measuring completed work, computing and approving payments, monitoring contract performance, incorporating necessary changes and modifications to the contract, and actively interacting with the Contractor to achieve the contract objectives. In addition, TxDMV shall adhere to CPA’s State Contract Management Guide adopted by the Contract Advisory Team. The TxDMV Contract Management Guide was developed to standardize an agency-wide guide for managing contracts and purchase orders.

10.1 Contract Monitoring

Each purchase order and contract will have a designated Contract/Purchase Order Monitor from the requesting division and a purchaser to assist in the contract management process. Each division or office of TxDMV has established their specific method of monitoring in accordance with Section 11.1 of this Handbook. For division process specifics, please contact the appropriate division staff.

10.2 TxDMV Major Contracts/Purchase Orders

All contracts/purchase orders, regardless of the dollar amount, are formally monitored. A contract is a written document containing the written agreement upon terms for which the law establishes enforceable duties and remedies between a minimum of two parties. A contract, amendment, modification, extension, purchase order, purchase order chance notice (POCN), statement of work

(SOW), interagency cooperative agreement (IAC), inter-local agreement (ILA), and memorandum of understanding (MOU) are all considered contracts.

10.3 Contract Change Control

A key aspect for effective contract management regardless of its dollar value or scope is the ability to manage change and have sufficient oversight to prevent scope creep, unauthorized work from being performed, and over billing. The Contract Monitor, Contract Administrator, and the Executive Sponsor (if applicable) equally have a responsibility to ensure all contract changes are recorded in the form of a modification, amendment, or POCN. Changes not addressed through a written formal process are considered non-compliant with the procurement policy (reference section 2.2 of the Procurement Manual).

Contract Monitors should implement a change control system for contracts and keep a log of all requested changes. A PO-Contract Change Request Log template ([PUR-016](#)) is available on the Finance and Administrative Services intranet page. The change control system should account for evaluation of requested changes and approvals/disapprovals of requested changes, and the date change was executed, if applicable.

All changes must be within the scope of the original contract/purchase order. Types of changes include, work orders, administrative changes, substantive changes, and constructive changes.

Contract Changes:

- Must be addressed in writing as verbal agreements are not binding and must go through Purchasing to be authorized.
- May require Executive Director and/or Board approval.
- Are not considered authorized until both parties have signed-off and purchasing has identified the items as being fully executed.

Only staff from the Finance and Administrative Services Purchasing Section are authorized to execute a modification, amendment, or POCN to an existing purchase order.

10.4 Contract Issue/Risk Management

The Contract Monitor is typically the first person to have knowledge and attempt to resolve any issues related to the performance of the contract. Contract Monitors should keep a log of all issues that arise during the life of the contract and document the timeline of the issue along with the resolution.

To prevent disputes, Contract Monitors must:

- Maintain regular communication with contractors as necessary.
- Respond promptly to all contractor inquiries regarding contract concerns.
- Notify Purchasing promptly of any issues.

- Work with Purchasing to develop a strategy to resolve disputes and document any issues related to contract performance.
- Thoroughly document all issues and communications pertaining to contract issues.

Per Texas Government Code §2261.256, each state agency must develop and comply with a procurement accountability and risk analysis procedure that provides for:

- Assessing the risk of fraud, abuse or waste in the contractor selection process, contract provisions and payment and reimbursement rates.
- Identifying contracts that require enhanced contract monitoring or immediate attention of the contract management staff.
- Establishing clear levels of purchasing accountability and staff responsibilities related to procurements.

Performing a risk assessment helps to determine the level or degree of oversight and participation from the Executive Sponsor. Executive sponsorship participation increases when the risk is higher. The Agency developed a Risk Assessment worksheet to determine the risk level of each contract. Based upon the classification of risk, enhanced levels of reporting may be required

This assessment is completed to anticipate risks, mitigate or manage risks, and avoid or transfer risk in order to protect the agency. Performing risk assessment is an ongoing process throughout the life of the contract/purchase order. The Risk Assessment is conducted at the time of award, monitored and updated throughout the life of the contract, as needed, based on current circumstances.

Risks to the contract must be reviewed and re-evaluated by the Contract Monitor on a continual basis until the contract/purchase order is completed and final payment has been made.

In addition to using the Risk Assessment worksheet, Contract Monitors should keep a log for all contracts and purchase orders. This log should identify all risks to the contract/purchase order, the mitigation plan or strategy for addressing the risk, and the outcome. This log should be available for review upon request by Purchasing or other agency staff.

Under Texas Government Code, Section §2261.253, and other provisions of Senate Bill 20 (84th Regular Legislative Session) and the General Appropriations Act, Article IX, Rider 7.12 adopted by the 85th Regular Legislative Session, the Purchasing Director has responsibilities relative to serious issues or risks on certain contracts. The Purchasing Director shall notify the agency's governing body, through the Chief Financial Officer, of any serious issue or risk on certain contracts/purchase orders.

10.5 Contract Disputes

Despite best efforts, there is always the potential for a contract dispute. Contract Monitors will follow these steps in order to informally address disputes:

- Identify the Problem – many times what may appear to be a problem can be resolved by providing the contractor with information or clarification.

- Research Facts – obtain all the information regarding the potential problem from relevant sources.
- Evaluation of Contract Terms – review all of the facts in conjunction with the requirements and terms and conditions of the contract/purchase order. The agency should then determine the appropriate course of action.
- Documentation of Communication – identification of problems early in the performance period, effectively communicating, addressing the problems and the agreed upon solutions in writing via an official letter or document to the vendor, is essential.

Document all information related to the informal dispute in the Contract Monitoring file and provide copies to the assigned purchaser.

If the steps above do not resolve the dispute, the steps below are to be followed:

- Contract Monitor shall email the assigned Purchaser and include division management. The email should contain an overview of problem(s) and action(s) taken towards resolution to date.
- Purchasing will provide guidance and assistance and escalate to OGC, if necessary.
- Purchasing will facilitate resolutions with all parties.
- Purchasing will facilitate completion of a Notice to Cure, if necessary.
- As requested by purchaser or contract monitor, OGC will provide guidance and direction on appropriate legal action if the vendor is non-compliant.

10.6 Contract/Purchase Files

Purchasing is responsible for maintaining an official contract/purchase order file for all contracts/purchase orders that include but is not limited to, the CAPPs requisition, solicitation, responses, scoring, Best and Final Offer, award documents, performance documentation and change documents.

The Contract Monitor is responsible for maintaining a working file that captures documents pertaining to the contract/purchase order, issues, changes, risks, expenditures and correspondence and be able to provide that file if issues arise.

10.7 Posting Contracts/POs and Contract/PO Documents

TxDMV will also comply with all procurement and contract posting requirements, including those described by Texas Government Codes §2157.0685, §2261.253 and §2261.256. Purchasing is responsible for compliance with posting requirements.

11 Contract Management Roles

Per Texas Government Code §2261.256, each state agency must develop and comply with a purchasing accountability and a risk analysis procedure that provides and establishes clear levels of purchasing

accountability and staff responsibilities related to procurement and contract monitoring. Provided below is a high-level description of key differences between the Contract Monitor and the Purchaser.

11.1 Contract Monitor

A Contract Monitor must be assigned to every contract/purchase order by the responsible Division. The Contract Monitor is responsible for continuous monitoring and day-to-day management of the performance of the contract. The Contract Monitor must ensure compliance with terms and conditions, as well as the forecasting and planning for contract/purchase order renewals, changes, and close-outs. The Contract Monitor must understand the procurement process, timelines associated with renewals, solicitations, and transitions to ensure that those actions are initiated and planned by the Division in a timely manner.

Contract Monitors Are:

- Appointed by the requesting Division's management.
- Required to attend Contract Monitor Training offered by the agency annually.
- Expected to monitor the contract for the life of the contract.
- Required to review vendor performance and complete a Vendor Performance Form to be provided by the Purchaser. The completed form should be submitted to the Purchaser to be entered into the Vendor Performance Portal.
- Responsible for contract monitoring duties and may not delegate those duties to other personnel.
- Responsible for compliance with the TxDMV Procurement Manual and Contract Management Guide.

Contract Monitors are typically appointed through information contained within the requisition, but other alternative methods such as via e-mails from Division management are also acceptable. Changes in a Contract Monitor for a contract/purchase order must be formally requested by the Contract Monitor's Division management to Purchasing.

Contract Monitor Responsibilities:

- Continuous monitoring and day-to-day management of the contract's/purchase order's performance to ensure its compliance with terms and conditions as well as the forecasting and planning for contract/purchase order renewals, changes, and close-outs.
- Understanding of the procurement process and timelines associated with renewals, solicitations, and transitions and ensure that those actions are initiated and planned by the Division so as to start and finish within constraints.
- Be familiar with the entire contract/purchase order file. The written contract/purchase order defines both parties' obligations and responsibilities. Understand the requirements, provisions, and deliverables of the procurement documents.

- Serve as the point-of-contact for disseminating the instructions regarding the work to the contractor/vendors. Communicate, track, and escalate (as needed) work to be performed by Agency staff that impacts contract/purchase order performance.
- Meet with the contractor and stakeholder divisions on a regular basis to review progress, discuss problems and consider necessary changes.
- Monitor the budgeting/accounting process to ensure sufficient funds are available, verify accuracy of invoices, and authorize payments consistent with the contract/purchase order terms (enters receipts into CAPPs).
- Ensure that contract/purchase order requirements are satisfied and the goods and/or services are delivered in a timely manner within the conditions specified in the contract/purchase order.
- Monitor the contractor's progress and performance to ensure goods and/or services conform to the contract/purchase order requirements (specifications) and document contractor activity to identify problem areas. Coordinate with Purchasing and impacted divisions to document vendor performance.
- Facilitate and coordinate with Purchasing and impacted divisions to identify any requested or needed changes to the contract/purchase order or requesting work through Purchasing for implementation.
- Coordinate with division(s) stakeholders to plan, evaluate, and approve work for contracts/purchase orders that impact multiple divisions.
- Work with Purchasing to provide information necessary for proper contract close-out.
- Retain thorough documentation of communication with vendors and progress reports of contract performance.
- Always follow what is in the written contract/purchase order along with all terms and conditions and report contract/purchase order disputes immediately.
- Ensure compliance with the contract and procurement documents. Monitor to ensure avoidance of non-compliance.
- Document all contract/purchase order related communication.
- Report on progress to ensure completion of work.
- Review invoices prior to payment approval.
- Identify inconsistencies between planned and actual performance.
- Immediately report to the Director of Purchasing any conflicts of interest or potential conflict of interest, fraud or potential fraud or any incident that is an ethical concern or that may lead to ethical questions.

Contract Monitors must not:

- Communicate with vendor(s) in regards to upcoming or active solicitations.
- Accept gifts from vendors.
- Agree to changes in the contract without written authorization from Purchasing.
- Authorize work outside of the current, approved version of the contract/purchase order.
- Attempt to take adverse action against the vendor without consulting with Purchasing and OGC.

Beware of the following:

- Failure to have adequate supporting documentation for reports and summary data.
- Invoice(s) with no physical address for vendor.
- Undocumented and/or unapproved adjustments, credits, and write-offs.
- Invoices for services/goods not rendered or received.
- Multiple remittance addresses for the same vendor.
- Duplicate invoices.

11.2 Contract Administrator

TxDMV Contract Administrators are defined as Purchasing personnel responsible for facilitating the procurement and contract management processes to ensure compliance with all applicable state laws, policies, and guidelines. Contract Administration involves the administrative activities associated with contracts/purchase orders. The role of a Contract Administrator is to complete the procurement, oversee the management of the contract/purchase order, ensure the customer needs are met, and confirm the Contractor is fully compensated for the goods and/or services rendered per the contract/purchase order terms and conditions. Contract Administrators must receive formal training and are required to be certified by the State of Texas.

Contract Administrator responsibilities include but are not limited to:

- Provide guidance and support to the Contract Monitor.
- Facilitate/Coordinate escalations between internal stakeholders.
- Determine Solicitation and Procurement Method.
- Facilitate the procurement process and adhere to all State procurement rules, policies, and laws, as well as, TxDMV procurement policies and procedures.
- Lead solicitation evaluation teams and negotiations with vendors, if needed.
- Communicate awards with the vendor.
- Communicate with vendor during planned or active solicitations.

- Provide oversight to ensure that the State of Texas Contract Management Best Practices are adhered to and are able to withstand an external audit.
- Work with Contract Monitors to address changes and issues.
- Validate scope and terms of contract/purchase order against requested work orders, changes, performance reporting, etc.
- Administer, approve, and document any changes to the contract identified by the Contract Monitor; Process Modifications, Amendments, and Change Orders are not authorized unless formally issued to the vendor through Purchasing.
- Facilitate resolving disputes with contractor in a timely manner.
- Facilitate exercising state remedies, as appropriate, when a contractor's performance is deficient.
- Aid divisions in developing plans for new solicitations and/or renewals, modifications, and changes.
- Collect, review and submit Vendor Performance reviews.
- Provide guidance on contract/purchase order formation and pricing.
- Maintain appropriate and required records in the official procurement file.
- Report to Contract Monitor and stakeholder divisions on status of contract/purchase order or contract administration activity related approvals.
- Ensure compliance with posting and reporting requirements.
- Facilitate compliance with all procurement rules and policies.
- Perform contract/purchase order closeout process ensuring the contract/purchase order files contain all necessary contract documentation and ensuring formal acceptance is documented.
- Assist Contract Monitor with conducting Risk Assessments.
- Ensure the required reviews and approvals are conducted and obtained prior to solicitation, award, and/or prior to executing changes or amendments.
- Immediately report to the Director of Purchasing any issues or risks to a contract/purchase order.
- Immediately report to the Director of Purchasing and Procurement & Contract Coordinator any of the following:
 - Conflict of interest or potential conflict of interest.
 - Fraud or potential fraud.
 - Any incident that is an ethical concern or that may lead to ethical questions.

- Failure of a peer, self, contract monitor, or customer to abide by required purchasing and contracting rules, laws, or policies.

11.3 Office of General Counsel (OGC)

As requested, OGC provides guidance, direction, and review to assist the agency in ensuring that the contracting and procurement activities are compliant with applicable state laws, policies, and guidelines.

Upon Request, Other OGC Responsibilities, Include but are not limited to:

- Provide guidance and direction through the solicitation, award, monitoring, and closeout processes to help ensure the agency is protected.
- Help to ensure that TxDMV contracts are monitored and measurable.
- Identify opportunities to improve clarity of responsibility and expectations documented in the contract.
- Provide challenges, solutions, instructions and any educational feedback to determine where TxDMV can improve contract language to mitigate agency risk moving forward.
- Review and recommend Executive Director Approval on two party contracts.
- Provide guidance and direction on dispute resolution.
- Identify state remedies, as appropriate, when a vendor's performance is deficient.

11.4 Other Contract Stakeholders

Finance

- Ensure compliance with Texas Government Code, Chapter 2251, Subtitle F, and the Texas Prompt Payment Act.
- Validate and approve use of funds identified on requisition.
- Complete receipt validation before issuing payments.
- Perform two or three way match before issuing payment.
 - A two-way match is when the quantity on the invoice are matched to the quantity and amount on the corresponding purchase order.
 - A three-way match is when an invoice is matched to the corresponding purchase order and amount and to the receiving information.
- Immediately report to the Director of Purchasing and the Procurement & Contracts Coordinator any of the following:
 - Conflict of interest or potential conflict of interest.
 - Fraud or potential fraud.

- Any incident that is an ethical concern or that may lead to ethical questions.
- Failure of a peer, self, contract monitor, or customer to abide by required procurement and contracting rules, laws, or policies.

Other Divisions

- Responsible for evaluating request and determining if they need to contribute or approve specifications.
- Responsible for identifying to what extent and how the division will be impacted by the contract.
- Responsible for completing “Need Assessment” and obtaining Board approval where required.
- Responsible for reviewing and approving or disapproving, and for providing reason(s) for disapproval as appropriate.
- Responsible for adhering to all procurement and contracting rules, policies, and procedures.
- Responsible for supporting the Contract Monitor and team.
- Immediately report to the Director of Purchasing and Procurement and Contract Coordinator any of the following:
 - Conflict of interest or potential conflict of interest.
 - Fraud or potential fraud.
 - Any incident that is an ethical concern or that may lead to ethical questions.
 - Failure of a peer, self, contract monitor, or customer to abide by required procurement and contracting rules, laws, or policies.