

**COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

Subject: CONTRACT ADMINISTRATION FOR SPECIAL PROJECTS	Policy Number B-13	Page Number: 1 of 4
	Date Adopted: July 12, 2005	Revised Date:

BACKGROUND:

It is the intention of the County to ensure that the performance of any service or function by a private entity under contract is monitored for quality and compliance with the contract provisions. This policy is intended to provide direction for the administration of contracts by which departments receive services for special projects with a defined starting point and a defined product. Examples of such services include subject-specific studies (i.e. user fees, customer satisfaction survey), and the establishment of an automated system (i.e., agenda system).

The El Dorado County Charter, Article VI, Section 602, requires that each contract entered into by the County with a private entity for the performance of any service or function identify the County officer or employee with responsibility for administering the contract. This policy sets forth the duties and responsibilities of the officer or employee charged with the successful completion of the special project, which shall be known as the "Project Administrator".

POLICY:

Each contract entered into by the County with a private entity for the performance of a service or function related to a special project will identify the County officer or employee with responsibility for ensuring that the County receives the product or service committed to by the private entity. The Project Administrator must be familiar with the type of work being performed through the contract.

The Project Administrator will:

- coordinate the flow of information between the contractor and the department,
- respond to requests made by the contractor,
- monitor disbursements against the contractual budget,
- monitor the work progress against the work schedule,
- coordinate the delivery of data or services to the contractor, and
- accept all contract deliverables.

Each Department Head shall be responsible for assuring that all employees within his/her department who are designated as Project Administrators are thoroughly aware of and comply with this policy.

To ensure compliance with this policy, each department shall provide information on the status of its contracts for special projects to the Chief Administrative Officer through a centralized database to be developed by the CAO's Office. The Chief Administrative Officer will provide a status report to the Board of Supervisors on a quarterly basis. The status reports shall include information concerning progress towards meeting contract deliverables, the balance remaining on the contract, and the contract expiration date.

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PROCEDURES:

1. The Project Administrator shall work with department staff, the contractor, and County Counsel to ensure that the provisions and the requirements of the contract are specific and stated in clear and unambiguous terms so they are fully understood by the contracting parties. It is important the contract clearly specify what is expected of both the contractor and the County. The terms of the contract should include, but not be limited to:
 - a. The scope and purpose of the contract;
 - b. The description of the services to be performed;
 - c. The location where the work is to be performed;
 - d. The standards to be used to measure performance (for example, units of service, number and nature of clients served, or target dates);
 - e. The frequency and manner by which the contractor's performance will be monitored;
 - f. The level of expertise that is required to perform the tasks;
 - g. The cost and the method payment of the contract;
 - h. The levels of insurance requirements for the contract;
 - i. The types of licenses required to be held by the contractor, such as a County business license or a State contractors license;
 - j. The starting date and the contract period;
 - k. The major milestones, including the due dates for all contract deliverables;
 - l. The finished product or the services to be delivered;
 - m. The procedures by which the County will inspect and accept contract deliverables; and
 - n. The record keeping and reporting requirements, including a right to audit the contractor's records by the County.

2. Written documentation pertaining to contractor performance, such as progress reports, site visit reports, payment and expenditure data, memoranda of verbal discussions, and written correspondence, shall be maintained and reviewed by the Project Administrator and the Department Head on a periodic basis.

3. The Project Administrator must regularly monitor the contractor's work performance against the terms of the contract and evaluate the services provided under the contract for quality and adherence to the project schedule, including the completion of project milestones and deliverables. To facilitate performance monitoring, the contractor shall provide regular progress reports that describe actual progress during the current reporting period, deviations from planned progress, and problems anticipated in the next reporting

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period. Progress reports shall also explain any reasons for these deviations (current and expected); outline what is being done to correct them; and indicate what assistance, if any, is required from the department. The Project Administrator will enter information concerning the progress reports and the departmental response into the contract database within 20 working days of receiving the progress reports.

4. In providing financial monitoring of the contract, the Project Administrator must:
 - a. Review invoices for accuracy and compliance with the cost and payment schedule so that the maximum amount allowed under the contract is not exceeded;
 - b. Ensure that no payment is made unless the work is satisfactory and in accordance with the terms of the contract; and
 - c. Ensure that the work performed under the contract is compliant with any separate funding agreement providing funds for the contract.

5. The Project Administrator must verify that the contractor maintains current certificates of insurance, meeting the requirements set forth in the contract throughout the term of the contract.

6. The Project Administrator must ensure that any amendments are completed prior to the expiration of the original contract to avoid retroactivity.

7. The Project Administrator must immediately notify the Department Head concerning performance that is below expectations or established standards. All deficiency reports should be specific and in writing. The Department Head should review deficiency reports and take appropriate action as set forth in the contract. The Project Administrator and Department Head are encouraged to refer any unresolved matters of contract compliance or interpretation to County Counsel for review as soon as a deficiency is noted.

8. All or part of the contract may be terminated for cause whenever the contractor refuses or clearly fails to meet contractual performance requirements. Common causes for default include failure to deliver acceptable products or services; failure to meet scheduled delivery dates or contractual milestones; failure to resolve disputes or offer explanations on disputed terms, conditions or requirements; or demonstrated lack of progress that is harmful to the County. *Prior to terminating a contract for cause, the Project Administrator shall consult with the Department Head and County Counsel.*

The contractor shall be warned that he/she is in default before work is actually stopped. This warning shall consist of a formal letter from the County specifying how the contractor is in default and suggesting that these problems be corrected within a specified time frame. This warning provides the contractor with an

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opportunity to correct the problems or dispute the County's claims before a Stop Work Order is issued. Depending upon the response the County may:

- Authorize the contractor to proceed under the original or a revised schedule.
- Allow the contractor to continue if he/she agrees to subcontract specified portions of the work to a reliable outside source.
- Issue a Stop Work Order.

If a Stop Work order is required, it shall be a formal letter signed by the Project Administrator and reviewed by County Counsel. The letter shall state:

- The effective date of the Stop Work Order;
- The portion of the contract covered by the Stop Work order;
- Instructions for stopping work and canceling any purchase orders; and
- A request that the contractor acknowledge receipt of the Stop Work Order.

If the contract provides for termination without cause, notice shall be given as provided by the contract. A formal Stop Work Order is not necessary.

Outstanding Contract Obligations

When a contract is terminated, the contractor may or may not be due any money and the County may or may not be due any monetary damages, materials, equipment or partially complete work. The Project Administrator should make every effort to determine the status of contract obligations prior to terminating the contract.