

Texas Commission on Environmental Quality - Contract Management Handbook

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Who should review this handbook?

Per Government Code Sec. 2261.256, TCEQ has created a Contract Management Handbook to be used by those employees that manage contract functions. However, within TCEQ, many of the contract management functions are performed by different individuals within each of the offices, divisions and program areas. The employees who participate in these functions can have various titles and classifications other than “contract manager.” Thus, this handbook is designed to provide a general overview of contract management for all the employees who participate in managing a contract.

Source Guides

The following are the source guides for this handbook:

- **Statutory Sources**
 - Competitive Sealed Proposals (RFP) Gov’t Code 2156, Subchapter C
 - Scientific & Technical Environmental Services (RFP) Section 5.2291 (b) Texas Water Code, Chapter 2254 Gov. Code, Subchapter A
 - Purchase of Automated Information Systems (RFO) Gov’t Code 2157
 - Professional and Consulting Services (RFQ) Gov’t Code 2254
 - Authority to Award Grants (RFGA) Texas Water Code, Chapter 5, Section 5.124
 - Biddable Goods and Services (IFB) Gov’t Code 2155
- [CPA Contract Management Guide](#)
- **Agency Guidance**
 - OPP 3.12 Contracts
 - OPP 12.08 Employee Ethics
 - Guide for Administrative Procedures (GAP) Chapter 2.N Procurements and Contracts
 - Multiple User Manuals found on the TCEQ Contract and Purchasing Webpage
- Agency approved contract terms and conditions

Chapter 1: Overview of Contract Management

Contract Management Responsibilities

The primary functions of contract management include:

- Participating in developing the solicitation and writing the draft statement of work, identifying specifications for and deliverables to be required, identifying needs unique to the contract that may require special terms and conditions and other contract documents .
- Determining during solicitation development if the Contractor's compensation structure is appropriate for the work.
- Serving as the point of contact for disseminating the instructions regarding the work to the Contractor.
- Receiving and responding to communications between TCEQ and the Contractor.
- Managing, documenting, and ensuring appropriate approval of any changes to the contract.
- Managing any state property used in contract performance, e.g., computers, telephones, identification badges, etc.
- Identifying and resolving disputes with Contractor in a timely manner.
- Implementing a quality control/assurance process.
- Maintaining appropriate records.
- Documenting significant events.
- Monitoring the Contractor's progress and performance to ensure goods and services conform to the contract requirements.
- Exercising state remedies, as appropriate, when a Contractor's performance is deficient.
- Monitoring the budgeting and accounting process to ensure sufficient funds are available
- Verifying accuracy of invoices and authorizing payments consistent with the contract terms.
- Performing contract closeout process ensuring the contract file contains all necessary contract documentation, formal acceptance is documented, and lessons learned are documented.

Contract management functions generally do not include the following:

- Instructing the Contractor to start work before the contract or work order is fully executed.
- Changing the scope of the contract without doing so through the formal amendment process.
- Directing the Contractor to perform work that is not specifically described in and funded by the Contract.
- Extending the time period of the contract without execution of an approved amendment.

- Allowing the Contractor to incur any additional costs over the stated value of the contract, work order, or task order unless such contingent or emergency costs are specifically identified in the contract.

Contract management and oversight includes seven (7) general processes, which are discussed in this handbook:

1. Planning
2. Monitoring Performance
3. Change Management
4. Payment Approval
5. Dispute Resolution
6. Records Management
7. Contract Closeout

What is my Role?

Contract Management refers to the entire contracting process from planning to closeout. This includes tracking tasks: monitoring vendor performance, invoice payment processing, negotiating amendments, assessing penalties, and updating contract data. At TCEQ, the Procurements and Contracts section staff, Legal, Program Area and the HUB staff work together during the planning phase for a solicitation and/or contract development. Once the contract has been awarded, it is the responsibility of the Program Area to administer the contract.

Roles and Responsibilities

1. Program Area

- a. Understands Contract
- b. Manages Contractors
- c. Manages the operational aspects of the contract
- d. Receives goods and processes receiving reports in BAMS
- e. Reviews and processes invoices in BAMS
- f. Verifies costs are within approved budgets
- g. Manages financial obligation of vendor
- h. Ensures insurance and bonding requirements are being met
- i. Requests contract and budgetary amendments
- j. Requests amendments to HUB Subcontracting Plan (HSP) when necessary
- k. Initiates and manages work orders and task orders
- l. Completes contractor/vendor performance evaluations and submits them to P&C
- m. Notifies Legal and P&C of performance issues and monitors corrective action plans
- n. Performs risk based routine and enhanced monitoring
- o. Periodically perform risk assessments throughout the life of the contract
- p. Monitors funding
- q. Monitors contract budget

2. Procurements and Contracts (P&C)

- a. Facilitates and provides technical assistance on state procurement law and options for contracting for the Agency
- b. Works with Program Areas and Legal to create procurement documents such as solicitations and contracts
- c. Creates and maintains official procurement file (hard copy and/or PACE automated)
- d. Processes contract amendments and change requests
- e. Reviews and approves work orders and task orders documentation

- f. Requests Program Area to provide vendor performance documentation
- g. Enters vendor performance evaluations into CPA portal
- h. Partners with Legal to review and approve insurance and bonding requirements
- i. Publishes and reports contract information to the public and state oversight agencies
- j. Provides training on procurement requirements and contract management functions to the Agency.
- k. Partners with Legal to determine risk factors during the solicitation process
- l. Provides guidance during the solicitation process

3. Legal

- a. Provides legal assistance on procurement laws and regulations to P&C and the Program Areas
- b. Assists in the development, review and approval of solicitation, contract and amendment documents
- c. Provides legal support for contract negotiations
- d. Provides legal assistance for vendor performance concerns, including initiating remedies and defending disputes
- e. Assists in the development, review and approval of subsequent contract documents such as amendments, work orders and task orders
- f. Partners with P&C to review and approve insurance and bonding requirements
- g. Partners with P&C to determine risk factors during the solicitation process

4. HUB

- a. Reviews and approves program area identified HUB opportunities for contracts
- b. Reviews and approves HUB Subcontracting Plan (HSP) and HSP amendments

Communication

Key factor to a successful contract is communication. It is essential individuals engaged in contract management activities to understand the provisions of the contract, have the ability to communicate contract obligations to all parties involved, and maintain control over the performance of the contract.

Good contract management include ensuring that the contract requirements are satisfied, that the goods and services are delivered in a timely manner, and that the financial interests of TCEQ are protected. Individuals engaged in contract management activities must have sufficient knowledge of contracting principles as it relates to their responsibilities in administering the contract. It is the Contractor's responsibility to perform and meet the requirements of the contract. To do so, Contractors sometimes need technical direction and approval from TCEQ personnel. Individuals engaged in contract management activities must provide this technical direction and approval in a timely and effective manner established by each Program Area. All guidance provided to a Contractor must be within the scope of the contract. The individuals engaged in contract management activities must be careful to not impose additional requirements upon the Contractor or manage the Contractor's operations to the extent that the Contractor is relieved of their responsibility to perform. It is important to document all communication with your Contractor.

If there are any unresolved issues, please contact P&C and Legal for guidance on working with the Contractor on a solution.

Chapter 2: Ethics

Conflicts of Interest and Required Disclosures

The standards of conduct that apply to all state government employees includes,

“It is the policy of this state 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.”

See OPP 12.08, *Employee Ethics*, for more information on the standards of conduct.

State law specifically prohibits employees who participate in the procurement process from having an interest in or receiving benefits from a contract or bid for a purchase of goods or services. Moreover, employees of agencies who perform purchasing functions under delegated authority shall adhere to the same ethical standards as the Comptroller’s employees, and shall avoid all conflict of interest in their purchasing activities. TCEQ’s purchasing staff annually certify compliance with these provisions on a Conflict of Interest form, which is maintained by P&C.

To ensure the integrity of TCEQ’s procurement processes, TCEQ employees who are involved in the development, award and management of contracts with private vendors must disclose any known or potential conflicts of interests. An employee may not work on a contract knowing that the employee, or member of the employee’s immediate family, has an actual or potential financial interest in the contract, including but not limited to, prospective employment. The term “participate” includes, but is not limited to, decision making, approval, disapproval, recommendation, giving advice, investigation or similar action.

Employees who participate in the procurement process will be asked to make these disclosures and sign a Procurement Ethics Form. For major contracts for the purchase of goods and services, state law also requires the completion of a Disclosure Statement for Purchasing Personnel, which is also referred to as the Nepotism Disclosure form.

Additionally state law prohibits contracts over \$25,000 with private vendors for goods and services where certain agency officials have a financial interest. Accordingly, TCEQ’s Commissioners, Executive Director, General Counsel and chief procurement officer will regularly review and disclose any known financial interests with the agency’s private vendors to ensure that the agency does not contract with those vendors.

Vendors

Vendors may not offer, give or agree to give a state employee anything of value. Any gift or benefit must be declined by a state officer or state employee.

During the procurement process, TCEQ requires potential vendors to certify and disclose any known conflicts of interest, including any proposed personnel who are former TCEQ, employees, related to any current employees of TCEQ, and any known financial interest of, or foreseeable financial benefit to, any TCEQ commissioner, executive director, deputy executive director, general counsel or chief procurement officer, and their family members.

TCEQ's contract terms also address conflicts of interest and require vendors to provide notice to TCEQ of any actual, apparent, or potential conflict of interest regarding Contractor or any entity or individual performing any portion of the Work. TCEQ retains sole discretion to determine the existence and remedies for any conflict.

Suspected Fraud Waste and Abuse

Employees who are involved in the procurement process or contract management have the duty to report any potential fraud, waste or abuse by a vendor in accordance with *OPP 3.10, Reporting Allegations of Fraud, Waste and Abuse*.

Revolving Door

There are two statutes that place some limits on the future employment of state employees who worked on contracts. The first is the general subject matter statute that prohibits an employee from working on the same particular matter after leaving state employment. The second is a broader restriction on working for a vendor. An employee who, during the period of employment, participated on behalf of TCEQ in a procurement or contract negotiation, may not accept employment with that vendor the two years following the date the contract is signed, or the procurement is terminated or withdrawn. See *OPP 12.08, Employee Ethics*, and the Ethics Sharenet page for more information on these revolving door statutes.

Chapter 3: Planning

Chapter 3 Overview

Planning is important to a successful contract. A successful contract is one where the contract is satisfactorily performed and the responsibilities of all parties are completed by the end of the contract. That success starts with the initial plan for the contract and a draft statement of work.

The initial statement of work is a clear description of the goods and services that TCEQ will require the Contractor to deliver, the acceptability standards for those goods and services, the delivery dates, and the cost of those goods and services. The SOW ultimately becomes the roadmap for managing the awarded contract. Thus, the individual(s) that will be responsible for managing the contract are important partners in the development of a good SOW. By participating in planning, the individual(s) responsible for managing a contract know and understand the contract provisions, can communicate those contract obligations to the Contractor and maintain appropriate oversight and control over the contract performance.

Chapter 3 lists the different types of procurement methods used to award a contract, different types of contracts, and outlines how to create a statement of work.

Types of Solicitations and Contracts

Solicitation:

A solicitation is a document requesting submittal of bids or proposals for goods or services in accordance with the advertised specifications. When advertising a solicitation, the agency announces the need for a good or service on the Electronic State Business Daily (ESBD). Advertising allows TCEQ to try and obtain the best product, service, quality, quantity, delivery and pricing to meet or exceed our needs through the competitive process.

For more information on the solicitation process, you can review the CPA's [Contract Management Guide](#).

What Kind of a Solicitation Should I Choose?

It is important to determine the procurement method as it will be a major factor in the planning process. For example, the procurement lead time for an Invitation for Bid and a Request for Proposal differ significantly. The different types of solicitations are listed below:

Invitation for Bids (IFB) - The IFB uses the competitive sealed bid method. This method is used when the requirements are clearly defined, negotiations are not necessary and price is the major determining factor for selection. Best value considerations can also be used with the IFB method. Use when lots of competition exists, and the product or service is available from more than one source.

- **Advantage:** Award process is simpler, and award is made to the lowest responsive, responsible bidder meeting the bid qualifications. This provides the best value to the state.
- **Disadvantage:** Defined specifications may be difficult to develop and does not encourage innovative solutions.
- **Planning/Management:** When developing the IFB solicitation document, think about the following:
 - What are the minimum qualifications or criteria for the vendor, i.e. number of years of experience or has done this type of work in the past.
 - Are there any other best value or preferences that would be used in the solicitation?
 - Are there any deliverables? What is the format of the deliverable?
 - How do you want to be invoiced for the work?
 - How are you going to monitor your contract or purchase order?
 - What are the performance measures that are going to be used in the contract or purchase order to know if the contract or purchase order was successful?

Request for Information (RFI) - Requests for Information are used primarily as a planning tool. The RFI is an optional method that may be used to gather information in order to prepare a complete and accurate solicitation document when the agency does

not have the necessary information needed. RFI's are used to identify industry standards, best practices, potential performance measures, cost or price structures, or to generally ascertain the level of interest of prospective respondents. A preliminary solicitation document which provides an initial description of the program objectives and specifications usually accompanies an RFI for review by potential respondents. TCEQ may use the information derived from the responses to finalize their solicitation document. However, TCEQ is not required to incorporate the comments or suggestions made by the respondents to the RFI, but the hope is that the respondents to the RFI will provide useful information in the development of a new solicitation. Use when there is insufficient information to write specifications for any procurement method.

- **Advantages:** Provides information to prepare a complete bid or proposal document that allows the business community to have input into the agency's solicitation document based on current industry practices and market factors and informs the agency of any potential problems early in the procurement.
- **Disadvantages:** Lengthens the procurement process because a contract cannot be awarded from an RFI.
- **Planning/Management:** When creating an RFI, think about the following:
 - What is the final result of the project?
 - Do you want a software program that produces a particular report with certain criteria?
 - Do you want a contract in place that allows your program area to meet a Legislative requirement?
 - What information do you want to gather?
 - Pricing
 - Technical Approach
 - Interest

Request for Offer (RFO) – Generally used for IT Commodity Purchases exempt from the DIR's Cooperative (Co-op) Contracts program. The process is generally the same as the RFP process. Request for Offer purchases include the purchase of automated information systems and are covered under Texas Administrative Code, Title 34, §20.391. Use when factors other than price are evaluated. When negotiations are desired and/or vendor is expected to provide innovative ideas.

- **Advantages:** Allows factors other than price to be considered, allows for customized proposals suggesting different approaches to the same business need and allows for negotiations in order to obtain the best value for the state.
- **Disadvantages:** Lead times for procurement are much greater. Evaluations are more complex and subjective.
- **Planning/Management:** An RFO has an inherent higher risk than most solicitations. When creating an RFO, think about the following:
 - What is the final result of the project?
 - Do you want a software program that produces a particular report?
 - What information must be used to obtain the final product?
 - Can the project be done in phases?
 - What are the acceptance criteria?

- What is your change management process?
- What is your communication plan?
- Are there reporting requirements?
- What are the assumptions for this project?
- Are there any deliverables? What is the format of the deliverable?
- How do you want to be invoiced for the work? Is this a deliverable based project; a time and material based project; or a progress based project? And how do you know what has been invoiced has met acceptance and performance criteria?
- How are you going to monitor your contract or purchase order's performance?
- How frequently are you going to audit the Contractor's work?
- What are the performance measures that are going to be used in the contract or purchase order to know if the contract or purchase order was successful?
- What happens if the Contractor does not perform to the contract standards?

Request for Proposal (RFP) – Used when competitive sealed bidding is not practicable or advantageous. Generally this is when factors other than price are to be considered or when objective criteria cannot be defined. One of the key differences between an IFB and an RFP is that negotiations are allowed in an RFP and not allowed in the IFB. Discussions are allowed with the respondents and best and final offers may be solicited. Unless otherwise exempted, agencies may need to submit their RFPs to CPA for review prior to solicitation and this will add additional time in the procurement process. Please get with your P&C contact to see if this is necessary. Use when factors other than price are evaluated. When negotiations are desired and/or vendor is expected to provide innovative ideas.

- **Advantages:** Allows factors other than price to be considered, allows for customized proposals suggesting different approaches to the same business need and allows for negotiations in order to obtain the best value for the state.
- **Disadvantages:** Lead times for procurement are much greater. Evaluations are more complex and subjective.
- **Planning/Management:** When creating an RFP, think about the following:
 - What is your change management process? Is there a need for a SACR clause?
 - What is your communication plan?
 - Are there reporting requirements?
 - Are there any deliverables? What is the format of the deliverable?
 - How do you want to be invoiced for the work? And how do you know what has been invoiced has met acceptance and performance criteria?
 - Do you need a special condition for adding like and similar work?
 - How are you going to monitor your contract performance?
 - How frequently are you going to audit the Contractor's work?
 - What are the performance measures that are going to be used in the contract to know if the contract was successful?
 - What happens if the Contractor does not perform to the contract standards?
 - What are the risks in this contract and how can you mitigate them?

Request for Qualifications (RFQ) – Generally used for Professional Services wherein the respondents are evaluated based solely on their qualifications. Price is not

considered until after selection is made by the agency based on qualifications. Professional Services are covered under Texas Government Code §2254. Use when selection is made solely on the skills and qualifications of the Contractor. Price is not a factor until after the vendor is selected.

- **Advantages:** Emphasizes the competency of the proposed Contractors.
- **Disadvantages:** Contractor is selected before a price is negotiated.
- **Planning/Management:** When creating an RFP, think about the following:
 - How will you evaluate a company's qualifications?
 - What documentation do you need to evaluate to know if the company is well qualified?
 - Financial Statement
 - Key Personnel Resumes
 - Copies of licenses or certificates
 - References

Proprietary Contract

Proprietary product or service is one that is manufactured or offered under exclusive rights of ownership, including right under patent, copyright, or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic that is not shared or provided by competing or similar products or services. A sole source product or service is available through only one source or vendor.

A [justification](#) for a proprietary purchase is required when an agency needs to purchase a non-state contract item costing \$5,000 or more and the specification limits consideration to one manufacturer, one product that may be available from many sources, or one service provider.

The proprietary purchase process should be used sparingly. TCEQ Program Areas should consult with P&C staff prior to beginning any proprietary purchases. P&C staff will consult with Legal as appropriate.

For more information you may refer to the [Proprietary Purchase User Manual](#) found on the TCEQ Purchasing and Contracting ShareNet page and the CPA Procurement Manual, Section 2.15.

Emergency Contract

Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to avert an actual or potential public threat. If a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest, an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state. Notwithstanding the immediate nature of an emergency, all procurements conducted as emergencies should be made as competitive as possible under the circumstances. If an emergency exists, a written determination of the basis for the emergency and for the selection of a particular vendor shall be included in the procurement file in accordance

with this section. Emergency purchases of goods or services should not exceed the scope or duration of the emergency. If this type of situation arises, a [justification for emergency purchase](#) may be warranted to prevent hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state. Refer to CPA's Procurement Manual, Section 2.12.

Multiple Contracts (Awards) from One Solicitation

In some cases, the agency may want to award to multiple vendors from one solicitation. We call this a multiple award solicitation. The process starts out the same as a regular solicitation, but we announce in the documentation that we are planning on awarding more than one contract/PO.

Umbrella Contract

TCEQ uses umbrella contracts frequently. They are a good tool if you will be doing a lot of the tasks with the same Contractor over a long period of time. An Umbrella contract commits the Contractor to TCEQ without obligating any funds until a work order is issued. Under an umbrella contract, work cannot begin (except for development of a work plan in response to the work order) until a Notice to Proceed (NTP) or Work Order has been issued on a particular work order.

TCEQ may have umbrella contracts in place which are available for Agency-wide use. Two major benefits of opening umbrellas contracts to the whole Agency are to reduce Agency costs and minimize the procurement process. Please consult with your assigned P&C representative when considering the use of an existing umbrella contract as additional approvals will be required.

Work Orders:

To issue a work order you must have a contract/PO that specifically states that it is an umbrella and that work orders will be issued to obtain the service. Work orders can be phases of work, tasks that build upon one another or individual services related to the overall umbrella. A benefit to an umbrella contract is that you can control the progress of the Contractor.

The work order process is as follows:

- TCEQ will send a work order request to the Contractor and direct it to provide a work plan in response. In most cases, the work order request must have prior approval from P&C and Legal before being sent.
- You will want to include a statement or scope of work (SOW) that you want the Contractor to perform. To help you create the SOW, please refer to the section on Statement of Work.

- The Contractor will send TCEQ a work plan that outlines the tasks to be performed, how the tasks are to be completed, the time it will take to complete the tasks, and the amount of money to complete all the work in the work order.
- TCEQ and Contractor can negotiate the terms and items within the work plan.
- Once there is an approved work plan, TCEQ will issue a Notice to Proceed (NTP). No work can begin without a notice to proceed.

The work order process for an existing Umbrella Contract not managed by your program is as follows:

The process will ultimately be the same as stated above but a few things must happen prior to a Work Order being sent to the Contractor:

- Contact your P&C representative to discuss the possibility of issuing work order(s) using an existing umbrella contract managed outside your program.
- P&C will coordinate the communication between you and the contract/project manager for the umbrella contract.
- The contract/project manager will provide written approval of your work order request once they've determined the funding of the current umbrella contract can support the additional work orders.
- If the additional work order(s) exceed TCEQ's maximum obligation, an amendment is necessary before moving forward.
- Please be sure to include a copy of the approval as supporting documentation when routing the work order. P&C will not provide sign off without this approval.

Please note that there are times that the Work Order, Work Plan and NTP are created as one document. This is done when TCEQ knows what work needs to be accomplished, how the work is to be accomplished, and the duration for the work to be completed. This type of document will have dual signature and the work can begin as soon as both parties sign and execute the document.

Statement of Work (SOW)

The Basics

A statement or scope of work (SOW) includes all the information needed for a particular project to be carried out systematically and successfully. Essentially, it is the description of all goods and services required to fulfill the project.

Definition

Statement of Work is a detailed description of what is required of the Contractor to satisfactorily perform the work. The success or failure of a contract can usually be linked to the adequacy of the planning, analysis and thoroughness of the statement of work. Time spent planning, analyzing, and drafting the statement of work will result in saving time, resources, money and will improve the quality of the goods or services provided.

When preparing the statement of work, it is important to:

- Secure the best economic advantage utilizing best value
- Be clearly defined
- Be contractually sound
- Be unbiased and non-prejudiced toward respondents
- Encourage innovative solutions to the requirements described, if appropriate
- Allow for clear, open and constructive communication

Organization of the Statement of Work

The statement of work and all deliverables should include:

- A clear description of the work.
- An unambiguous standard for performance.
- A method/process to monitor progress on delivery of the good/service.
- A delivery date for the work
- Explicit test conditions, method or procedure to verify that the deliverable meets the performance standard.
- A method or process to monitor and/or ensure quality in the deliverable.
- An acceptance process for each deliverable.
- A compensation structure that is consistent with the type and value of work performed.
- A contractual remedy, if appropriate.

The Statement of work should provide a clear and thorough description of the goods or services to be provided. If appropriate, provide the relevant environment where the product/service will be used. In certain types of procurements, it may be critical to describe the existing business processes. If the existing business process will change as a

result of the procurement, then also describe what the business process will be after the procurement objectives are completed.

Elements of the Statement of Work

The following list will help you in getting the most value from the SOW:

- Elements of a Deliverable
- Contract Term
- Historically Underutilized Business (HUB) Requirements
- Payment Types
- Define the Agency's Role
- Quantity
- Quality
- Established Standards
- Contractor Qualifications
- Bonding Requirements
- Evaluation Criteria
- Best Value Considerations
- Proposal Submission Requirements
- Monitoring
- Reporting
- Inspection and Testing
- Financial Acceptance and required documentation
- Open to allow maximum competition
- Lessons learned from previous vendor performance on this type of work

Additional Issues to Consider

Listed below are additional issues which agencies should consider when writing the statement of work:

- Licenses or permits required
- Use of state agency equipment
- Storage space for Contractor materials/supplies
- Intellectual property/copyright issues
- Subcontractor requirements
- Insurance requirements
- Conflict of interests/organizational restrictions

These items may affect pricing, so it is important that respondents are aware of these requirements. The statement of work answers – who, what, when, where, why and how.

If these questions are answered, it is a reasonable assumption that the statement of work is complete.

Chapter 4: Post-Award Conference

Post Award Conference

Once the contract has been awarded, it is recommended that the contract manager schedule a post award conference. A post award conference is a meeting of the TCEQ and the Contractor's contract and project managers who are responsible for administering the contract to help plan the execution of the contract. The list of individuals may include the contract administrator, the project manager(s), key personnel, individuals who create or submit invoices, administrative staff. The conference serves as an excellent tool to review expectations, affirm communication plans, and resolve any potential misunderstandings early on.

Not every contract requires a formal in-person post award conference. For less complex, low risk, low-dollar value contracts, a telephone call to the Contractor may be sufficient. During the telephone conversation, TCEQ should review the major points of the contract with the Contractor (e.g.; amount of contract, major performance milestones, deliverables, reports, meetings) and time and place of delivery.

Factors used to determine the need for a post award conference include:

- Type of contract
- Level of risk associated with the contract
- Contract value and complexity
- Length of contract, period of performance and/or delivery requirements
- Procurement history of the supplies or services required and expertise of the Contractor
- Urgency of delivery schedule
- TCEQ's prior experience with the Contractor;
- Any special or unusual contract requirements
- Any special or unusual payment requirements.

Post Award Conference Agenda:

The purpose of this meeting is to review and explain contract requirements, confirm deliverables and dates, and other important details for successful performance under the contract. The post award conference is not an opportunity to renegotiate the contract. A typical post award conference agenda may include the following:

1. **Introduction.** Introduce all participants and identify TCEQ and Contractor key personnel.
2. **Scope.** Discuss the scope of the contract (i.e., what TCEQ is buying). Although this may seem overly simplistic, a total and complete meeting of the minds on this point will avoid problems during the life of the contract.
3. **Terms.** Summarize contract terms and conditions, particularly any special contract provisions. This can avoid any misunderstandings later on, and allows the Contractor to gain a better understanding of the terms prior to beginning work.

4. **Requirements and Deliverables.** Discuss the expected deliverables and schedule, the quality and acceptance standards, and reporting requirements of the contract.
5. **Administration.** Applicable contract management procedures, including contract monitoring and progress measurement should be discussed.
6. **Rights.** The rights and duties of both parties and the Contractor performance evaluation procedures should be reviewed. TCEQ should explain that Contractor will be evaluated on their performance both during and at the conclusion of the contract and that such information may be considered in the selection of future contracts.
7. **Potential Obstacles.** Potential contract problem areas and possible solutions should be addressed. Any issues or contract areas that TCEQ believes may lead to a problem later on, or may be subject to differing interpretations, should be discussed.
8. **Payment.** Invoicing requirements and payment procedures should be reviewed and clarified, especially if the payment will be made according to milestones achieved by the Contractor.
9. **Authority.** The roles and responsibilities of the parties' contract managers, contract administrators, project managers, key personnel leads, and any other key staff should be identified. TCEQ personnel should explain the limits of their authority and obtain the same information regarding Contractor personnel.

After the conference, the TCEQ contract manager shall prepare a summary of the meeting for the contract file which details the topics covered. The summary shall include areas requiring resolution, a list of participants, and in particular, those individuals assigned responsibilities for further action and the due dates for those actions. Copies of the meeting summary shall be distributed to all conference participants.

Chapter 5: Monitoring Performance

Risk Assessment

Risk: Assessment and Mitigation

When planning a contract, it is important to identify the risks involved and whether or not those risks can be mitigated. The level of risk can be generally defined as a function of ‘potential risk times the likelihood of occurrence.’ Risk analysis, as a minimum, include assessing the risk of fraud, abuse or waste in the procurement process, the contract provisions, and payment and reimbursement rates and methods for the different types of good and services. Identifying specific potential risks involve considering factors such as the project complexity, inherent process/project risk and the value of the procurement. The likelihood of a potential risk happening involves considering matters such as the assessed ability of the procurement team to manage solicitation issues and the nature of the market place. For example, a complex, high-value solicitation/contract may be assessed as having an inherent high risk. However, if the project consists of an extremely capable project manager, contract manager, procurement team, legal advisers and other experienced subject matter experts , who are fully aware of the contracting process, the ‘likelihood’ of risk arising may be minimal. In this case, the overall risk to the agency may be assessed as low.

Risks are inherent in all the stages of the procurement process. An effective risk assessment model will help focus monitoring resources on Contractors with the highest risk of noncompliance. First, the risk factors must be identified. Risk factors are indicators that assess the risk of the contract or project objectives not being achieved.

A [risk and needs assessment tool](#) has been developed by P&C and Legal, which can be found on the TCEQ internal forms page of ShareNet. This document is required to be completed by the Program Area and returned to P&C for every solicitation and contract. P&C and Legal will assist the Program Area to identify potential areas of risk and develop a risk mitigation plan including, but not limited to:

- Type of procurement
- Insurance and bonding requirements
- Management and resource allocation
- Enhanced Monitoring

Risk assessment is an on-going process as risk factors may change during the life of the contract. Your monitoring plan, discussed in the next section, incorporates both the initial risk assessment and the risks that arise through performance and during the close out process. To ensure your monitoring plan addresses the known risks and is flexible to address new or changed risks, consider using a risk management tool. A simple sample is below:

Risk Factor	Likelihood (L) [1 =high, 2 = medium, 3 =low]	Impact (I) [1= high, 2 = medium, 3= low]	Result (L x I)	Risk Mitigation Strategy or Control
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Vendor loses key supplier	3	1	3	Confirm vendor's alternate sourcing of supplies
Vendor is late providing data	2	1	2	Schedule delivery dates with sufficient lead time for reporting or use financial incentive for timely delivery

Monitoring

What is Monitoring?

The expectations for a successful contract are set forth in the contract. TCEQ may use several methods to monitor the Contractor's performance during the contract period.

The methods and amount of monitoring should be of adequate type, scope and frequency to meet TCEQ's business operations and address the risks associated with the contract. In addition to using the risk and needs assessment tool from the planning stage, evaluate the risks associated with the vendor(s) and the contract(s) awarded in developing your monitoring plan. Monitoring activities for both TCEQ and the Contractor should not unnecessarily increase costs. Overly restrictive oversight can also interfere with the Contractor's ability to accomplish the work.

Once the contract is awarded, the particulars of the contract including how it will be monitored should be discussed at the Post Award Conference as described in Chapter 4. In addition, a check list has been developed to ensure the individuals engaged in contract management activities have included all the necessary monitoring criteria for the solicitation and/or contracts (see Appendix 1).

Standard Monitoring

First, read the contract. How will you know that the TCEQ is receiving what is being paid for? How will you know that the Contractor is complying with the terms of the contract?

The statement of work defines specific deadlines for completion of tasks and a schedule for submittal of deliverables, required meetings, presentations or other activities. The contract terms also define how the Contractor is to meet those deliverables. You will need to determine what you will be monitoring. Consider the following questions when determining what to monitor:

Some common monitoring areas are:

- Invoices
- Deliverables
- Contractor Performance
- Close-out Documentation

Invoices

In addition to agency standard forms, each Program Area should develop an invoice review and approval procedure that will be included the solicitation or/contract document. Samples of program specific procedures are included in Appendix 2. See also Chapter 6 on Payment Approval for how to read an invoice.

Deliverables

For the deliverables identified in your contract, you will want to monitor the deliverable due dates, the configuration or formatting of the deliverable, and the established frequency and quality of the deliverable. Was your deliverable complete? Did the deliverable meet the established acceptance criteria?

For IT projects, it is important that there be an established code review with written acceptance criteria that will need to be monitored throughout the duration of the contract.

Contractor Performance

An established communication plan will help ensure a successful contract. Following the communication plan allows both parties to maintain current awareness of whether the Contractor is on schedule with meeting the deliverables. The Contractor's ability to follow that plan is part of performance. Do not wait until the end of a contract term before addressing any unresolved issues. P&C and Legal are available to assist when the Contractor's performance is not meeting expectations.

The Program Area will complete a vendor performance evaluation at renewal of a contract as well as at the end of the contract. Some Program Areas conduct interim vendor performance evaluations as a means of enhanced contract monitoring.

Monitoring Methods

Desk Review

Typically these are reviews of reports submitted by the Contractor to TCEQ. Examples of the types of review are as follows:

- Compare the actual performance against the contract requirements. Is the Contractor performing in accordance with the contract requirements?
- Compare actual expenditures to the approved budget. Is the Contractor following their approved budget plan?
- Compare the current period to prior periods. Are there any unexplained trends? Is the Contractor performing work significantly different from the last period or the last year?
- Compare what the current Contractor is doing in comparison with other Contractors performing similar work.
- Compare the relationships between key components of the report such as:
 - The cost per unit of service or the percentage of the fees charged to the program;
 - The change in variable costs compared to the units of service provided; and
 - Reported salaries match staffing plan.
- Compare the report with what is known about the Contractor's operating environment. Did a weather emergency in the area recently increase the cost of

construction supplies? Did the contractor provide a justification for a temporary reduction in services provided?

Documentation of your findings are maintained in the Program Area contract or project files. Where needed, address corrective actions with your management and the Contractor.

Expenditure Document Review

These are reviews of Contractor invoices and expenditure draw requests to determine if the rates and services are the same as allowed by the contract. Determine if the supporting documents such as cost reports, third party receipts for expenses, detailed client information, etc. adequately support the request for payment. If the Contractor consistently provides incorrect invoices and/or the supporting document is insufficient to support the request, then additional monitoring such as an on-site visit may be necessary.

Site Visit

Site visits are typically scheduled visits to the Contractor's place of business. They are based on risk assessment and can cover a broad range of contract compliance or specific performance issues. Examples of some typical reasons for considering a site visit include but are not limited to:

- Contractor is responsible for administering funds from two sources and one source has noted serious problems with the way the Contractor used the funds.
- Other Contractors have experienced problems in a specific area and there is an indication that this Contractor might be experiencing the same problem.
- Inconsistencies in the expenditure draw requests are identified and clarification from source documents is necessary.
- Contractor has provided a corrective action plan for a problem, but the agency is not certain that the proposed solution is being adhered to, or will resolve the problem.

When you are on site, you will monitor the Contractor's business practices. In addition, below is a list of items that you will want to verify. This list is not an exhaustive list and there may be other areas you will want to monitor as well:

- Method of approving contract expenses, and collecting and maintaining back up documentation for invoices
- Timekeeping policies and procedures for labor costs
- Back ground checks for key personnel, if required by the contract
- E-verify participation, if required by the contract
- Property and equipment management policies and procedures
- Travel policies, including mileage log
- General record keeping procedures
- Any other compliances mandate required by the contract

For IT contracts, in addition to the list above, you will want to verify the following:

- Testing procedures (written as a deliverable up front)
- Testing results
- More in-depth code review
- Stricter quality assurance review

Documentation of your findings and site visit report should be maintained in the Program Area's contract/project files and reported in accordance with internal procedures.

Using Monitoring Review Results

Measures that may follow monitoring reviews and site visits may include:

- Developing and implementing corrective actions plans;
- Identifying common problem areas that might require a revised communication plan or training ; and
- Actions to improve future contracts.

The goal of these measures is to bring the Contractor back into compliance with the contract requirements. Follow up is essential as the problem will not correct itself simply by identifying it and including it in the monitoring report.

Monitoring results should also be used to improve the contract requirements for future contracts. If there are unnecessary restrictions or insufficient controls, this is the time to make a note of the recommended changes so future contracts can incorporate the changes.

Enhanced Monitoring

Enhanced monitoring is an increased level of monitoring, which may include, but is not limited to: scheduled or more frequent Contractor meetings, increased reviews or site visits, and specific documentation requirements. Enhanced monitoring is designed to assess the Contractor's progress toward and ability to successfully complete the contract.

Criteria for Enhanced Monitoring

Some contracts inherently call for enhanced monitoring due to the type of work that is being performed. These types of contracts would be:

- Time and material contracts
- Emergency response contract
- Information technology contracts
- Umbrella contracts where the risk lies within each of the work orders associated with the contract

Enhanced monitoring may be required from the outset when there are high risk factors, such as:

- The contract's initial value is \$1,000,000.00 or more, or otherwise defined as a "major contract"
- Risk factors such as inexperienced contract or project managers within TCEQ or the Contractor
- New work that TCEQ has not purchased via a contract before
- The Contractor is new to the industry and/or to TCEQ
- TCEQ is outsourcing a program or function to a contractor

Enhanced monitoring may be triggered by:

- Requests to modify the work, schedule or costs
- Past performance history under a similar contract
- Recurring performance issues with current Contractor
- Budget issues, such as progress payment invoice was higher than expected

Another example of a situation that would require enhanced monitoring is when there is strong legislative or media focus. If your contract has either a strong legislative or media focus, you will need to ensure there is a robust communication plan between you and the Contractor, an escalation plan in place, and frequent status reports provided by the Contractor.

Different Ways to Perform Enhanced Monitoring

Enhanced contract monitoring may include:

- A more detailed communication plan with the Contractor with a formal escalation procedure to address issues
- Additional documentation requirements with invoices, such as labor costs or specifying certain receipts for expenses like equipment or travel
- Review of the Contractor's procedures for complying with HUB requirements
- More frequent reporting of work initiated, progress and completed
- More frequent desk reviews or site visits
- Detailed training or refresher training on procedures
- Real time reporting of work initiated and completed to assist with verifying later submitted invoices
- Sending the contract or project manager to be onsite while work is being performed to observe adherence to contract terms and Contractor's procedures.

Identifying Contracts/POs that need Enhanced Monitoring

As mentioned before a preliminary [risk assessment](#) should be conducted to make an initial determination about the level, type and amount of management, oversight and

resources required to plan and implement the contract from beginning to end. As the risk associated with a particular procurement increases, the level and degree of sponsorship, participation and oversight should be increased by a corresponding level. Risk assessment is an ongoing process. Risk should be reviewed and re-evaluated by the contract manager on a continual basis until the contract is fully performed and final payment is made.

P&C will work with Legal and the Program Area to identify possible risks and determine if enhanced monitoring is necessary. In determining if a contract requires enhanced contract monitoring, TCEQ will consider the following factors, to the extent applicable:

1. **Total Contract Price.** TCEQ will consider the estimated dollar amount of the contract. Contracts with a higher dollar amount may require enhanced contract monitoring.
2. **Total Contract Duration.** The TCEQ will consider anticipated overall contract period including renewal options. Longer term contracts are more likely to require enhanced contract monitoring.
3. **Funding Source.** TCEQ will consider the complexity of and restrictions associated with funding sources for the contract. Contracts funded from multiple types or sources of funding or federally funded with additional reporting and monitoring requirements are more likely to require enhanced contract monitoring.
4. **User Impacts.** TCEQ will consider the extent and number of persons impacted by this contract. Contracts with wider impacts may require enhanced contract monitoring.
5. **Criticality of Deliverable Timing.** TCEQ will consider the impact to the agency if contract deliverables are delayed. Contracts for which timely completion is critical may require enhanced contract monitoring.
6. **Impact of Contract Failure.** TCEQ will consider the impact to the agency and the state if the contractor fails to deliver as required in the contract. Contracts for which failure would have agency or statewide impacts, would result in violation of state or federal mandates, or would result in the loss of substantial funds are more likely to require enhanced contract monitoring.
7. **Locations Impacted.** TCEQ will consider the number of locations impacted by the contract. Contracts that will be implemented in multiple locations around the state may require enhanced contract monitoring.
8. **Availability of Resources for Contract Management.** TCEQ will consider the extent of resources readily available to manage the contract. Contracts for which resources are limited to manage the contract are more likely to require enhanced contract monitoring.
9. **Complexity of Project.** TCEQ will consider the complexity of requirements and resources to be managed. Contracts with more complex requirements involving external experts or evaluators are more likely to require enhanced contract monitoring.
10. **Health and Safety Risk.** TCEQ will consider how the contract would impact the health and safety of TCEQ employees and the general public. Contracts that are required to reduce or eliminate health and safety risks are more likely

to require enhanced contract monitoring.

11. **Business Process Impact.** TCEQ will consider the level of impact to the TCEQ's business processes. Contracts that will have agency-wide business impacts are more likely to require enhanced contract monitoring.
12. **Payment Methodology Risks.** The TCEQ will consider the complexity of the methodology for calculating and making payments under the contract. Contracts with more complex payment methodology or advanced payment methods are more likely to require enhanced contract monitoring.
13. **End Users' Training Needs.** TCEQ will consider the extent of training required for end-users as a result of the contract. Contracts requiring extensive training by a vendor or external trainers may require enhanced contract monitoring.
14. **Software Technology Customization.** TCEQ will consider the level of customization required for software technology contracts. Software technology contracts inherently require enhanced contract monitoring.
15. **Impact on Existing Technology.** TCEQ will consider the extent that implementation of a technology application or infrastructure contract will impact existing agency systems. Contracts for a technology service or product that will impact existing applications or infrastructure inherently require enhanced contract monitoring.
16. **Interface Connectivity.** TCEQ will consider the number of existing technology applications that will be impacted by a technology application or infrastructure contract. Technology contracts that will interface with multiple TCEQ systems inherently require enhanced contract monitoring.

TCEQ may determine, after considering the factors listed above or other factors, that certain types of contracts are low risk and have a low likelihood of serious issues. These contracts will require to be individually monitored by the Program Areas for enhanced contract monitoring triggers that are outlined in previously.

The Procurement Director in conjunction with OLS staff will notify the TCEQ's executive director who will notify the TCEQ's Commission regarding any serious risk or issue identified in connection with a contract that may be subject to enhanced contract monitoring through the quarterly significant contracts report for contracts that are \$1 million or more.

Vendor/Contractor Performance Evaluations

Why and When should You Complete a Vendor/Contractor Performance Evaluations?

The Comptroller's Office (CPA) is responsible for statewide contracting through its Texas Procurement and Support Services (TPASS) division. Tracking vendor performance is one of the main functions of TPASS to ensure best value on state contracts. Tracking good and bad vendor performance enables all state agencies to gauge a vendor's ability to handle contracts being awarded. Use of the system for all contracts and purchases over \$25,000 is mandatory pursuant to 34 TAC §20.108. TCEQ contract files are audited for this requirement.

Program Areas are responsible for completing the evaluation and submitting it to P&C for posting to the CPA TPASS Vendor Performance Tracking System. The evaluation must be completed at: (1) renewal of a contract; and (2) within 30 days from the end date of the contract. You can find a copy of a [vendor](#) and a [contractor](#) evaluation form on the TCEQ ShareNet.

Chapter 6: Payment Approval

Are We Receiving What We Paid For?

The costs incurred by the contractor should be in accordance with the contract rate schedule. Invoices should be reviewed to ensure that the contractor's billing coincides with the contract's progress. This requires that the contractor's progress be measurable. Just because the Contractor incurred a cost and/or submitted an invoice is not a sufficient indicator of the Contractor's progress or that the charges should be paid.

Invoices must be approved by Program Area staff prior to payment. Payments must be made in accordance with the Texas Prompt Payment Act, which requires that correct invoices be paid within 30 days from the date the correct invoice was received or the services/goods received, whichever is later.

When monitoring invoices, make sure the invoice is the format described in the contract. Also, verify you are you receiving the invoices by the due dates outlined in the contract?

The invoice should be reviewed to ensure:

- The contractor is billing only for goods or services received by the agency
- The goods or services have been inspected and accepted
- The invoice is correct and complies with the pricing, terms, and conditions of the contract
- The total payments do not exceed the contract limits

Understanding Payment Terms and Rates

If you have been tasked to track, approve, or process invoices for a contract, it is important that you read the contract to understand:

- The frequency of when the Contractor will be invoicing TCEQ
- How will Contractor invoice TCEQ
- What format should the invoice be submitted
- What supporting documents are required
- What are the pay rates
- What are the pay items and deliverables
- What is the acceptance criteria for pay items and deliverables
- Who is responsible for approving pay items and deliverables
- What is the policy on changes to the contract terms
- If a pay item is eligible for payment
- Is there are process for disputing an invoice outlined in the contract

How To Read the Invoice

When you receive an invoice, it will be important that you compare what TCEQ is being invoiced for with the deliverables and tasks that are outlined in the contract. If it is a deliverable or a report, was the deliverable or report approved and accepted? Do you have documentation stating that the deliverable or report was approved and accepted? Do the charges on the invoice match the pay rates listed in the contract?

If you have an issue with a contract or questions about a line item, be sure to know who you should go to for clarification. Be sure that you and the Contractor understand the procedure for disputing and invoice. This should be a topic at your post award conference meeting where you and the Contractor both agree to the invoicing process.

Remember, TCEQ is obligated to pay invoices within 30 days due to the Prompt Payment Act. You only have 21 days from the receipt of an invoice to dispute the invoice.

Allowable Expense

When you are tasked with reviewing and processing invoices, it is important to know if a pay item listed on the invoice is an allowable pay item or expense under the contract. A common cost that is found on the invoice that may or may not be allowable is travel. Did the contract state that travel was allowed? What are the travel reimbursement rates? What are the required supporting documents? Did the contract set up a per diem for travel? Do the invoiced costs match those outlined in the contract?

Equipment is another example of an item that may or may not be allowed under the contract. If the equipment purchase was an allowable expense, what are the reimbursement terms for the purchase of equipment? Not only should the payment/reimbursement terms be outlined in the contract, but the disposition of the equipment at the end of the contract should be clearly stated as well.

Supporting Documentation

Sufficient supporting documents are critical for payment approval. Some possible additional supporting documentation may be, but is not limited to, the following:

- Time sheets
- Receipts or invoices from subcontractors or suppliers
- Affidavit of Payment
- Acceptance of Deliverable Memo, or other acceptance documentation
- Notice of Completion
- Budget Revision Request Form

- If the Contractor has subcontractors, did they develop a HUB Subcontracting Plan (HSP)? Are they following the HSP? Do they need to amend or revise the HSP due to a new subcontractor? Are you receiving the necessary documentation such as a PAR form?

Budget

In addition to monitoring invoice pay items and pay rates, it is also important that when approving an invoice, you are also monitoring the contract budget. This is especially important if you are responsible for processing progress payments.

If the contract or project manager believes that the requested payment exceeds the contractor's progress, an explanation should be requested from the contractor prior to approval of the invoice. Payment should be withheld pending TCEQ's contract or project manager's satisfaction with the contractor's progress. For example, if the Contract is invoicing you on 50% of the total project, have you received 50% of the deliverable? Does the project timeline and project budget match to the amount that is being invoiced?

Chapter 7: Change Management

Change Management Process

Throughout the term of the contract it may become necessary to make changes to the contract. These changes can be minor, administrative changes such as a change of address, or they can be substantial changes that affect the price and delivery. The terms and conditions in the original contract set forth the criteria under which a contract manager may exercise a right to modify the contract.

Failure to manage and control changes can result in an unintentional modification to the scope of work, extension of the schedule, increase in the contract cost, circumvention of management controls and diminished contractor accountability.

An effective change management process includes but is not limited to:

- Formal, written approval of all changes prior to the change taking place. Do not verbally authorize the vendor to begin working on a change before the formal process is fully analyzed, documented and approved in writing.
- Document who will be approving changes. This process should be discussed and documented at the post-award conference.
- Evaluation of the impact of each change to the contracting objective, the corresponding deliverable and/or products, the schedule, cost, and increase in program area budget resulting from the change, impact to work in progress/completed work, standards, and acceptance criteria.
- Documentation of all changes, no matter how small. Do not allow any informal undocumented change to be implemented.
- Establishment of a single point of contact to recommend or authorize any change. This is usually a contract manager or project manager.
- Documented approval or disapproval for all changes. For approved changes, documented impact to the scope of work through a contract amendment or purchase order change notice, whichever is applicable

Administrative Changes:

These are changes that are within the scope of the contract and do not affect or alter the rights of the parties. These may also include notices of contract interpretations or clarifications. These changes may be executed via a unilateral amendment, if stated in the original contract.

Examples of administrative changes include:

- Changes in billing instructions or address;
- Corrections of typographical errors not affecting the substance of the contract;
- Changes as permitted by the specific contract language;
- Changes in agency personnel assigned to the contract.

Substantive Changes:

These are contractual changes that affect the rights of both parties. Such changes generally require bilateral amendments (agreement by both parties).

Examples of substantive changes include:

- Change in the price of the contract
- Change in the delivery schedule
- Change in the quantity
- Change in or nature of deliverables (i.e. the specifications)
- Change of key personnel
- Change of any terms and conditions

Contract Changes and Solicitations:

Whether or not a contract may be changed, depends upon certain principles. State law requires a competitive process in most situations. The specific method of competition depends upon the type of goods or services needed. If competitively solicited, the resulting contract must be consistent with what was asked for during the competition. This information is contained in the solicitation document. Inconsistency with the solicitation document can violate the competitive process requirements and possibly render the solicitation and/or any awarded contracts as null and void.

If a change is needed to a contract, the change has to be within the scope, or range, of what was provided in the solicitation. A significant change in the scope of services would not be allowed because the change was not subsequently subject to fair competition.

A proposed change which alters the solicitation specifications after receipt of responses denies an opportunity for others to participate in the solicitation. Therefore, any contract amendments are required to be within the scope of the original contract and the competitive process underlying the original contract.

Chapter 8: Dispute Resolution

Understanding Dispute Resolution

Effective dispute resolution is essential to successful contract management. The goal of any dispute resolution process is to resolve problems at the lowest level and as promptly as possible to keep the contract on a successful path. Many concerns can be resolved with good communication and informal tools. Formal contract remedies may be enforced when disputes cannot be resolved. Termination is the last resort in resolving contract disputes. A contract termination is a failure by BOTH parties to a contract.

Dispute Resolution Process

- Identify the concern. Gather information to clarify the issues.
- Specify the contract requirement or term that supports the concern
- Notify the Contractor of the issues in accordance with the established communication plan.
- Request a response from the Contractor. Be specific about the type of response that may be needed (either action or correspondence) and set a reasonable deadline.

You may need to communicate several times or using different methods to fully identify the issue and fully inform the Contractor. You may progress through phone calls, emails, formal demand letters and in-person meetings to escalate both attention and importance to the issue. It is important to note that as you escalate an issue with the contractor, that you also escalate the issue through the management chain of both TCEQ and the Contractor's company. In addition, it is important to notify TCEQ Legal and P&C Section Manager of the unresolved issues.

Corrective Action Plan (CAP)

By implementing a formal demand letter or in-person meeting, it may become necessary to also include a CAP. The process for developing a CAP may include the following steps:

- TCEQ identifies the deficiency/failure that must be addressed
- The Contractor will create a CAP and send it to TCEQ for approval.
- The CAP will include actions required by the Contractor and the deadlines to perform the necessary action.
- TCEQ will review the proposed CAP to insure all deficiencies are fully documented and that the CAP addresses all TCEQ reporting and monitoring necessary for Contractor compliance.
- TCEQ will have the opportunity to approve or disapprove those changes.
- Once TCEQ as approved the CAP, the contract/project manager will be responsible for monitoring the Contractor on the status and execution of the CAP.
- TCEQ retains the right of final approval of a CAP.

Corrective Action Plans for contracts of \$1M or more are reported by the P&C Manager to TCEQ's Executive Director, Tex. Gov't Code Section 2261.254. Thus, contract managers are encouraged to report all potential disputes to P&C and Legal early in the dispute resolution process. P&C and Legal must be consulted in the development of a CAP. Once a CAP is in place, the contract or project manager is responsible for reporting the status on a monthly basis to P&C. A preliminary reporting form is attached in Appendix 3.

Chapter 9: Records, Maintenance and Retention

Contract Administration Documentation

The [CPA/TPASS Contract Management Guide](#) has specified certain records to be maintained as procurement records. P&C is responsible for creating and maintaining the official procurement files for TCEQ. The Program Areas are also responsible for maintaining certain records for contracts managed by the Program Area.

The following procurement records are located in the Financial Administration Division (FAD) database BAMS/PACE:

- Executed contract and all modifications and change requests
- The solicitation document and list of Contractor submittal requirements
- The Contractor's responses and evaluation determinations
- Best and final offer correspondence and responses
- Ethics related forms such as the Procurement Ethics Form and Nepotism forms
- all Contractor invoices, information relative to discount provisions for prompt payment, letters pertaining to contract deductions or fee adjustments
- Backup documentation required to be submitted for Contractor payment or progress payment, and any other supporting documentation
- work order requests, work plans and work order notice to proceed, if applicable
- all notices to proceed, to stop work, or to correct deficiencies
- Vendor performance evaluations, along with any correspondence and corrective action plans that were issued to the vendor
- A reference list or a list of prior contracts with this specific vendor (if they offer valuable historical data)

The following will be found in the Program Area Contract File:

- A copy of all specifications, drawings or manuals incorporated into the contract by reference, such as a QAPP
- A list of TCEQ furnished property or services, if applicable
- A list of all information furnished to the Contractor, or copies thereof
- A schedule of compliance review, internal correspondence, if applicable
- A copy of all general correspondence related to the contract
- The hard copy or electronic originals of all Contractor data or report submittals
- A copy of all routine reports required by the contract such as progress reports, pricing schedules, approval requests, and inspection reports
- A copy of all letters of approval pertaining to such matters as materials, the Contractor's quality control program, prospective employees, and work schedules
- The records/minutes of all meetings after award of contract, both internal and external, including sign-in sheets and/or agendas
- Correspondence and corrective action plans that were issued to the vendor

It is important that the program areas develop Standard Operating Procedures (SOPs) for managing contracts, reviewing and approving invoices, and monitoring contractor performance. These SOPs should also include how the program area will retain their contract files. It is recommended to use the agency's [Records Retention Schedule](#)

pertaining to each Division's specific records requirements, including the length the records are required to be retained.

Chapter 10: Closeout of Contracts

Closing a Contract

The contract close-out process is usually a simple but detailed administrative procedure. The purpose is to verify that both parties to the contract have fulfilled their contractual obligations and there are no responsibilities remaining. In addition, contract close-out is the time to assess the success of the contract and determine if there are any lessons learned for future contracting.

A contract is ready for close out when:

- All deliverables, including reports have been delivered and accepted by the agency. Individuals engaged in contract management activities should compare actual performance against performance measures, goals and objectives to determine whether all required work has been completed.
- All monitoring issues have been resolved.
- All property inventory and ownership issues are resolved including disposition of any equipment or licenses purchased under the contract.
- Final acceptance from the Project/Contract Manager has been received (if applicable).
- Contractor is aware of and in compliance with records retention requirements and a plan has been developed for contract file maintenance.

Contract Closeout Process

Step 1: Close-out Letter - Process Initiation

When a contract ends, the Program Area initiates the close-out process by issuing a Close-out Letter to the contractor. A sample letter can be found in the [Close out Manual](#) on the TCEQ Purchasing and Contracting webpage as Attachment A. However, an e-mail from the TCEQ project/contract manager will be sufficient. The Close-out letter notifies the vendor that the contract is complete; all deliverables have been received and requests the final invoice.

Step 2: Release of Claims Form

The [Release of Claims form](#) is sent to the vendor to be signed and returned to the TCEQ Contract/PO Manager. The Release of Claims form certifies that the vendor has paid all subcontractors and suppliers; completed all tasks and deliverables; and requests release of any retainage. This form must be submitted with the final invoice. A blank Release of Claims form can be found on the ShareNet in internal forms.

Step 3: Vendor Performance Form (34 TAC §20.108)

The Comptroller's Office (CPA) is responsible for statewide contracting through its Texas Procurement and Support Services (TPASS) division. Tracking vendor performance is one of the main functions of TPASS to ensure best value on state

contracts. Tracking good and bad vendor performance enables all state agencies to gauge a vendor's ability to handle contract/POs being awarded. Use of the system for all contracts and purchase orders over \$25,000 is mandatory pursuant to 34 TAC §20.108.

It is the TCEQ project/contract manager's responsibility to complete the form and send it to P&C. The completed form must be returned to P&C before a contract is renewed and within 30 days from the end date or termination of the contract. The Vendor Performance form can be found on the TCEQ ShareNet internal forms.

Step 4: Contract/PO Completion in PACE

After P&C verifies that a release of claims, a close out letter and the Vendor Performance have been completed, P&C completes the contract in PACE. Copies of these form will be included with the contract requisition in PACE.

Step 5: Unencumber balance of funds

- Program Area sends vendor a Close-Out Letter
- Program Area and Financial Administration receive/approve final invoice from vendor
- Program Area/Financial Administration receive vendor "Release of Claims"
- Program Area request Financial Administration to unencumber remaining budget

Step 6: Lessons Learned

After the contract has been closed out, P&C will set up a meeting with the contract team, which includes P&C, Legal, and the Program Area to discuss the contract. During this meeting, the team will discuss and answer the following type questions:

- How did the process go?
- Were there any challenges?
- What could have been done better?
- Do we need to develop a special term and condition to help manage the contract?
- Do we need to re-write the scope of work to address any management issues?

Additional Resources

BAMS

BAMS Questions and Recommendations

Please see additional resources located on the [Financial Administrations Divisions Financial Operations webpage](#). All technical questions should be sent to [BAMQUES](#). Questions are reviewed by a team comprised of staff from Budget & Planning and the Financial Administration Divisions. Questions will be answered in a timely manner and added to a frequently asked questions page. Recommendations for improvement and enhancements should be provided to your Office Budget Liaison. The Office Budget Liaisons bring items for consideration through the BAMS/PACE Change Control Board (CCB) quarterly meetings.

System related issues and automated email issues i.e., BAMS emails going to junk mail, should be reported to the IRD Help Desk.

Historically Underutilized Businesses

The statewide [HUB Program](#) facilitates the use of HUBs in state procurement and provides them with information on the state's procurement process.

In accordance with [34 TAC §20.13](#), each state agency shall make a good faith effort to utilize HUBs in contracts for construction, services (including professional and consulting services) and commodities purchases.

It is the contract and/or project manager's responsibility to ensure that the Contractor is in compliance with the approved HUB Subcontracting Plan (HSP). It is also the contract and/or project manager's responsibility to ensure an HSP amendment is processed in applicable. For guidance on monitoring the HSP, please contact the TCEQ HUB program.

Recommended Standard Operating Procedures (SOP) for Contract Management within the Program Areas

- Routing process
- Invoice Review Process
- Record Keeping
- Auditing of contract deliverables and performance measures
- How to perform desk reviews and/or site visits
- Fiscal Monitoring
- Training
- Basic Procurement Outline
- Authority and Responsibility Designations
- Record of Negotiation
- Cost\Price Analysis
- Work Order Review (if work orders used)
- Work Order Creation (if work orders used)
- Funding Change\Approval – i.e. the Grant Manager may want to be on the signature for any funding changes internally that do not require an amendment

If you need assistance creating an SOP for your program, please contact your P&C representative and they will help guide you.

Appendix

Appendix:

Appendix 1: Check List for the Monitoring Contracts

Appendix 2 Example of Invoice Processing SOP

Appendix 3: Corrective Action Plan Monthly Status Report

Appendix 4: Definitions

Appendix 5: Acronyms

Appendix 1: Check List for the Monitoring Contracts

Planning For Monitoring Check List

This check list has been created to help contract/project managers ensure they have included all the necessary monitoring criteria in their solicitation and/or contract.

Have you included or outlined the following:

- A Communication Plan, including an escalation plan for disputes
- A dispute resolution and corrective action plan process
- An invoice procedure that includes the following information:
 - Format
 - Frequency
 - Necessary supporting documents
- The roles and responsibilities for both TCEQ and the Contractor
- The performance measures
- A deliverable/reporting process that includes the following:
 - Format
 - Due dates
 - Frequency
 - Acceptance criteria
- Standards for monitoring practices
- Enhanced monitoring practices and why they would be necessary
- A close-out process
- The final acceptance criteria of all contractual obligations
- A contractor evaluation process

Appendix 2 Example of Invoice Processing SOP

SAMPLE ONE

Invoice Review Process

Project Manager:

1. Receive invoice package from mail room or via email
 - a. Record date received on Financial Status Report (FSR), if applicable (FSR are needed for most Interagency or Intergovernmental contracts).
2. Review the invoice and supporting documentation
 - a. Verify expenses add up correctly and are within the approved budget
 - b. Ensure expenses are allowable:
 - (1) Personnel/Salary: personnel are on the latest PEL
 - (2) Travel: pre-approved in Work Plan or by correspondence; personnel traveling are on the PEL; use State of Texas rates; expense information should include costs for: meals, lodging, transportation, purpose, location of travel
 - (3) Supplies: list out items purchased and number purchased where applicable
 - (4) Equipment, Subcontracts: receipts attached, updated equipment inventory
 - (5) Fringe and indirect charges are consistent with those specified in the contract.
 - c. Verify deliverables are received and approved for the applicable quarter (exceptions can be made for deliverables under review or when delayed due date has been pre-approved).
 - d. FSR and HUB PAR forms (when applicable) are signed & dated.
 - e. For final invoice, make sure check box is correctly checked on FSR and Release of Claims letter is attached.
 - f. Project Manager will resolve incomplete deliverables or questionable expenses with contractor prior to forwarding invoice for payment.
3. Send invoice for processing in BAMS
 - a. Scan invoice and supporting documents (including envelope w/ date stamp), and send scanned document to Division staff for entry into BAMS.
 - b. Invoices will be routed for approval in BAMS through the Budget Analyst and the Contract Manager.

Budget Analyst:

1. Receive invoice in BAMS
 - a. Review invoice and ensure invoice is using the correct PCA(s)

Contract Manager:

1. Receive invoice in BAMS
 - a. Review all invoice documents in BAMS
 - (1) Ensure invoice documentation is complete and numbers add up
 - (a) FSR & Supporting documents match; contract budget matches FSR
 - (b) Receipts for equipment and contractual expenses

- (c) HUB Par Form (if required) is signed and dated, and matches FSR
 - (d) Final invoice should have Release of Claims
- b. Update contract tracking spreadsheet to indicate amount of funds expended

SAMPLE TWO: INVOICE REVIEW SOP EXAMPLE

Appendix 3: Corrective Action Plan Monthly Status Report

Corrective Action Plan Monthly Status Report

Date: _____

Contractor	Contract Number	Term of Contract	Amount of Contract	Date entered into a Corrective Action Plan	Reason for Corrective Action Plan	Status of Corrective Action Plan

Appendix 4: Definitions

Common Terms Defined

Addendum: An addition, change, or supplement to a solicitation document issued prior to the opening date.

Advertise: To make a public announcement of the intention to purchase goods or services.

Amendment: Written addition or change to a contract.

Appropriation: Legislative authorization to expend public funds for a specific purpose.

Assignment: Transfer of contractual rights from one party to another party. This will require an amendment to the agreement.

Best Value: Factors to be considered in determining lowest overall cost and value in making certain purchases. Ref. Texas Government Code, Section 2155.074 (Non-Information Technology Related) and Texas Government Code, Section 2157.003 (Information Technology Related).

Bid: An offer to contract with the state, submitted in response to a bid invitation. Bids are usually non-negotiable.

Bid Deposit: A deposit required of bidders to protect the state in the event a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the state. Acceptable forms of bid deposits are limited to: cashier's check, certified check, or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on the United States Department of the Treasury's listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

Bid Opening: The public opening of bids, in which the names of the bidders responding to a bid solicitation and prices of the bidders are publicly read and recorded. See Proposal Opening.

Bid Tabulation: The recording of bids and bid data submitted in response to a solicitation. The bid tabulation is used for comparison, analysis and record keeping.

Bidder: An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees and representatives.

Bidders List: A list of potential Contractors who have expressed an interest in doing business with the State of Texas. See Centralized Master Bidders List.

Biennium: The two (2) year period in which the Texas Legislature appropriates funds. The biennium begins on September 1st of odd numbered years.

Bond: Note or other form of evidence of obligation issued in temporary or definitive form, including a note issued in anticipation of the issuance of a bond and renewal note.

Change Order: A document which is used when it becomes necessary that amends, clarifies, changes, or cancels contract issues and/or provisions.

Centralized Master Bidders List (CMBL): The CMBL is a list maintained by the Texas Comptroller of Public Accounts (CPA) containing the names and addresses of prospective bidders and catalog information systems vendors.

Competitive Sealed Bidding: Process of advertising an invitation for bids (IFB), conducting a public bid opening and awarding of a purchase order/contract to the lowest responsive, responsible bidder in accordance with state law.

Competitive Sealed Proposals: Process of advertising a request for proposal (RFP), the evaluation of submitted proposals and awarding of the contract.

Consultant: A person that provides or proposes to provide a consulting service.

Consulting Services: Practice of studying and advising a state agency in a manner not involving the traditional employer/employee relationship per Texas Government Code, Section 2254.021 (See Major Consulting Services Contract).

Contract: A written agreement where a Contractor provides goods or services and the agency pays for such goods and services in accordance with the established price, terms and conditions.

Contract Advisory Team (CAT): The team created to assist agencies in improving contract management practices. The team consists of four (4) members, one from each of the following offices: 1) Office of the Attorney General, 2) Comptroller of Public Accounts, 3) Department of Information Resources, and 4) Office of the Governor per Texas Government Code, Section 2262.101.

Contract Management: This refers to the entire contracting process from planning through contract administration.

Contract Manager: A person who is: 1) employed by a state agency, 2) has significant contract management duties for the state agency as determined by the agency in consultation with the Texas Comptroller of Public Accounts referenced in Texas Government Code, Section 2155.078, and the Commission's rule 113.

Contractor: A business entity or individual that has a contract to provide goods or services to the State of Texas. Used interchangeably with the term "vendor".

Deliverable: A unit or increment of work required by the contract, including such items as goods, services, reports, or documents.

Electronic State Business Daily: The electronic marketplace where State of Texas bid opportunities over \$25,000 are posted. See [Procurement Manual](#)

Emergency: A purchase made when unforeseen and/or a sudden unexpected occurrence creates a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Executive Sponsor: A high level individual with primary responsibility for implementation and operation of the project. In some instances, the executive sponsor may be the executive head of the agency. In other instances, the executive sponsor may be the division or program director with overall project responsibility.

Goods: A transportable article of trade or commerce that can be bartered or sold. Goods do not include services or real property.

Grant: The term “grant” is found in two distinct situations involving a state agency: where an agency provides grants to other entities and where an agency uses grant funds for procurements. In the first situation, a state agency is responsible for awarding grant funds to other entities such as other state agencies, local governments, non-profit organizations or private entities, with the state agency as the grantor agency; those other entities are the grant applicants. In the second situation, a state agency has received grant funds and is using those funds to make a procurement for that agency.

Historically Underutilized Business: A minority or women-owned business as defined by Texas Government Code, Title 10, Subtitle D, Chapter 2161. See [Historically Underutilized Business](#) on the State Comptroller’s website.

Independent Contractor: A person working for an entity under contract and not an employee of the contracting entity. The contracting entity does not pay unemployment, disability, or worker’s compensation insurance or withholding taxes from payments to the person. An independent Contractor normally follows the contracting agency’s direction on the results of the work but not on the means of accomplishing the work.

Invitation for Bids (IFB): Procurement process used when the requirements are clearly defined, negotiations are not necessary and price is the major determining factor for selection. The IFB uses the competitive sealed bid method.

Liquidated Damages: A specified contract provision which entitles the state to demand a set monetary amount determined to be a fair and equitable repayment to the state for loss of service due to vendor’s failure to meet contract requirements.

Major Consulting Services Contract: A consulting services contract for which it is reasonably foreseeable that the value of the contract will exceed \$15,000.

Major Contract: A contract that has a value of at least one (1) million dollars during the original term of the contract, not including any renewal periods.

Negotiations: A consensual bargaining process in which the parties attempt to reach agreement on a disputed or potentially disputed matter. In a contractual sense, negotiation means the “dealings conducted between two or more parties for the purpose of reaching an understanding.”

Opening Date: The day and time, after submission of proposals, when sealed bid responses are opened.

Payment Bond: A bond executed in connection with a contract which secures the payment requirements of the Contractor.

Performance Bond: A surety bond which provides assurance of a bidder’s performance of a certain contract. The amount for the performance bond shall be based on the bidder’s annual level of potential monetary volume in the state purchasing program. Acceptable forms of bonds are those described in the definition for “bid deposit.”

Posted Date: The date a procurement document is made available to the public.

Professional Services: Services directly related to professional practices as defined by the Professional Services Procurement Act (Government Code, Section 2254.002) or services authorized by rule by the Department of State Health Services pursuant to Health and Safety Code, Section 12.0121. These include services within the scope of the practice of: accounting; architecture; optometry; medicine; land surveying; and professional engineering. Services provided by professionals outside the scope of their profession, e.g., management consulting services provided by accounting firms, are not considered professional services.

Proposal: An executed offer submitted by a respondent in response to a Request for Proposals (RFP) and intended to be used as a basis to negotiate a contract award.

Proposal Opening: The public opening of proposals, in which the names of the respondents to a solicitation are publicly read and recorded. No prices are divulged at a proposal opening as these types of solicitations are subject to negotiation. See Bid Opening and the Procurement Manual.

Proprietary Purchase: A purchase request of a product that is proprietary to one vendor and does not permit an equivalent product to be supplied as defined in Texas Government Code, Section 2255.067.

Purchasing Department: The office designated to purchase goods and services for a state agency.

Renewal: When an existing contract is renewed for an additional time period in accordance with the terms and conditions of the original contract.

Request for Information (RFI): A general invitation to Contractors requesting information for a potential future solicitation. The RFI is typically used as a research and information gathering tool for preparation of a solicitation.

Request for Offer (RFO): A solicitation for automated information systems (which may include a request for hardware, software and other information technology goods and services) requesting the submittal of an offer in response to the required scope of services, including a cost proposal. Negotiations are allowed between a proposer and the issuing agency.

Request for Proposal (RFP): A solicitation requesting submittal of a proposal in response to the required scope of services and usually includes some form of a price proposal. The RFP process allows for negotiations between a proposer and the issuing agency.

Request for Qualifications (RFQ): A solicitation document requesting submittal of qualifications or specialized expertise in response to the scope of services required. No pricing is solicited with an RFQ.

Request for Quote (RFQ): An informal solicitation document requesting pricing on small dollar purchases.

Responsive: The respondent has complied with all material aspects of the solicitation document, including submission of all required documents.

Respondent: An entity submitting a proposal in response to a solicitation. (See Bidder)

Responsible: The respondent has the capability to fully perform and deliver in accordance with the contract requirements. The agency may include past performance, financial capabilities and business management as criteria for determining if a bidder or proposer is capable of satisfying the contract requirements.

Service: The furnishing of labor by a Contractor which may not include the delivery of a tangible end product. In some cases, services and goods may be combined such as film processing. In these instances, agencies determine whether labor or goods is the primary factor. In the case of film processing, the labor to process the film is the primary factor, therefore film processing is considered a service.

Solicitation: A document requesting submittal of bids or proposals for goods or services in accordance with the advertised specifications.

Solicitation Conference: A meeting chaired by state agency personnel which is designed to help potential bidders/respondents understand the requirements of a solicitation. Also known as a pre-bid or proposal conference

Specification: Any description of the physical or functional characteristics or of the nature of supplies or service to be purchased. It may include a description of any requirements for inspecting, testing, or preparing supplies or services for delivery.

State: The State of Texas.

State Agency: An agency of the State of Texas as defined in Texas Government Code, Section 2056.001.

Statewide Contract: A legal and binding instrument between the state and a vendor(s) which is made available to multiple state agencies to purchase frequently used commodities and services. State agencies are required to use these contracts, which are competitively bid, awarded, and maintained by the appropriate procurement agency.

Statute: A law enacted by a legislature.

Strategic Sourcing: A concept of purchasing with the objective to purchase goods or services that will minimize costs, increase managerial effectiveness and improve operational efficiency.

Sub-recipient: A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency.

Surety: A person or entity providing a bond to a Contractor to indemnify the State against all direct and consequential damages suffered by failure of the Contractor to perform the contract and to pay all lawful claims of subcontractors, materials suppliers and laborers as applicable.

Term Contract: A Contract that addresses the estimated requirements for a number of agencies for supplies or services that are used repeatedly or in significant quantities over a period of time. Agencies place orders directly with term contract vendors for the quantity needed.

Vendor: A business entity or individual that has a contract to provide goods or services to the State of Texas. Used interchangeably with the term "Contractor."

Appendix 5: Acronyms

Common Acronyms

BAMS: Budgeting, Accounting, and Monitoring System

CAP: Corrective Action Plan

CAT: Contract Advisory Team

CMG: Contract Management Guide

CO-OP: Cooperative Purchasing Program

CSB: Competitive Sealed Bid

CSP: Competitive Sealed Proposal

GSA: General Services Administration (Federal)

HSP: HUB Subcontracting Plan

HUB: Historically Underutilized Business

IFB: Invitation for Bid

NIGP: National Institute of Governmental Purchasing

NTP: Notice to Proceed

PACE: Purchasing and Contracts Enterprise

P&C: TCEQ Procurements and Contracts Section

PO: Purchase Order

REQ: Requisition

RFI: Request for Information

RFO: Request for Offer

RFP: Request for Proposal

RFQ: Request for Qualifications

SOP: Standard Operating Procedure

SOW: Statement of Work

WO: Work Order

WP: Work Plan