



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO.: 14-08-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 5
EFFECTIVE DATE: 02-25-14	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 10-15-DPP
SUBJECT: STATE CONTRACT MANAGER		
ATTENTION: DIRECTORS OF ADMINISTRATION AND EXECUTIVE BRANCH PROCUREMENT OFFICERS		
FOR INFORMATION CONTACT: ASSISTANT DIRECTOR, CONTRACT COMPLIANCE AND AUDIT UNIT		PHONE: (609) 292-5400 E-MAIL: <a href="mailto:ccau@treas.state.nj.us">ccau@treas.state.nj.us</a>

#### I. PURPOSE

Pursuant to N.J.S.A. 52:34-10.7, the Director, Division of Purchase and Property (Director), is to designate a State Contract Manager who "is responsible for the overall management and administration of a State contract". The purpose of this Circular is to establish the duties and responsibilities of the State Contract Manager.

This Circular is to be used in conjunction with the other Treasury Circulars and policy directives referenced herein. This Circular applies to all State Contract Managers appointed by the Director.

#### II. CONTRACTS COVERED BY THE REQUIREMENT FOR A STATE CONTRACT MANAGER

The Director shall designate a State Contract Manager for all State contracts awarded through the Division of Purchase and Property (Division). A State Contract Manager shall be designated for both advertised and waiver of advertising contracts and for statewide and agency-specific contracts. A statewide contract is a contract that is awarded by the Director on behalf of more than one State using agency. The terms "State agency" and "using agency" are defined as "any of the principal departments in the Executive Branch of State Government, and any division, board, bureau, office, commission, or other instrumentality within or created by such principal department, and any independent State authority, commission, instrumentality, or agency." N.J.S.A. 52:34-10.11.

#### III. DESIGNATION OF THE STATE CONTRACT MANAGER

For agency-specific contracts or contracts that are awarded on behalf of a single using agency by the Director, at the time a proposed scope of work is submitted to the Division for an advertised procurement, the using agency shall recommend, to the Director, an individual to be the State Contract Manager. The Director may accept the agency's selection or, in consultation with the using agency, appoint a different individual to be the State Contract Manager. This State Contract Manager shall work with the Division to develop the scope of work and Request for Proposal. In particular, the State Contract Manager will be responsible for coordinating, managing, and advancing efforts within the using agency to complete specification development and public advertisement.

Prior to the award of an agency-specific contract to be awarded without advertisement (Waiver of Advertising contract), the using agency shall recommend a State Contract Manager who the Director may accept. If the Director does not accept the agency's choice, in consultation with the using agency, the Director shall appoint a State Contract Manager.

The Director may designate a State Contract Manager from a using agency to perform State Contract Manager duties for contracts that are not limited in use to one agency or that are statewide contracts. The Director will consult with the primary using agencies before making such a designation. Any participating using agencies may recommend a candidate for the position to the Director. In these instances, the Director will make an effort to appoint the State Contract Manager as soon as practicable prior to the beginning of the procurement process.

It is acknowledged that the time allocations will vary widely among State Contract Managers depending on the nature of each contract, including whether services are provided, the breadth of products offered under a single contract, etc. For statewide contracts with either no dominant using agency or a large number of users, and when it is not practical for the Director to designate a State Contract Manager, then the Fiscal Officer of each using agency shall be the State Contract Manager for the contract for that using agency.

All State Contract Managers must pass an on-line test offered through the State LMS training module. State Contract Managers must contact CCAU to sign up for the required test and on-line training, as well as in person contract manager training, if desired. In addition, it is the Director's intent to supplement formal contract management training for State Contract Managers with training in State procurement law, policy, procedure, and efficient and effective procurement practices to be provided by the Division's Contract Compliance and Audit Unit (CCAU) within the Division, upon request.

#### **IV. NOTIFICATION TO CONTRACTOR(S) OF STATE CONTRACT MANAGER**

Before the commencement of the Director's designee, State contract, statewide or agency-specific, the contractor(s) shall be provided, by the Director or the State Contract Manager, with the State Contract Manager's name, department, division, agency, address, phone number, fax number and email address, and any other information that is deemed by the Director, the Director's designee or State Contract Manager necessary to facilitate communications between the contractor(s) and State Contract Manager.

#### **V. DUTIES AND RESPONSIBILITIES OF THE STATE CONTRACT MANAGER**

##### **A. State Contract Manager (Agency-specific Contracts)**

1. Prior to the beginning of the State contract, the using agency State Contract Manager shall provide the Director with the following information:
  - The plan to manage the contract, which shall include a schedule of deliverables with associated costs;
  - The budget for the contract, if applicable.

The State Contract Manager shall also provide a copy of the plan and budget to CCAU.

In addition, prior to the start of the contract, the State Contract Manager will arrange a meeting with CCAU to discuss State contract management and the formal CCAU complaint process.

2. The State Contract Manager must seek the consent of the Division of Purchase and Property Procurement Supervisor, before entertaining a discussion with the contractor(s) concerning potential scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes. Only with the consent of the Division of Purchase and Property may such discussion move forward between the State Contract Manager and the contractor(s), and only the Director or his/her designee may agree to changes to the contract.
3. With respect to the contract, the State Contract Manager shall be responsible for the following:
  - Daily management of the contract, including monitoring and administering the contract on behalf of the using agency;
  - All communications with the contractor;

- Attempting to resolve all contract issues and problems within the contract terms;
- Attempting to resolve all contract issues with the contractor;
- When necessary, working in conjunction with CCAU to resolve contract issues with the contractor;
- Ensuring that all tasks, services, products, quality of deliverables, and timeliness of all services and deliverables are satisfied within the contract requirements;
- Reviewing all contractor billing and assuring that the contractor is paid only for services rendered and goods delivered;
- Attempting to recover any and all over-billings from the contractor;
- When necessary, filing formal complaints as provided under N.J.A.C. 17:12-4.1 et seq. with CCAU;
- Working with the Division to prepare contract extensions and the Request for Proposal in anticipation of a rebid for the contract services or products;
- Recommending to the Director, when necessary, contract amendments and/or additional work or reduction of work under the contract;
- Timely completion and filing with CCAU all required Project Performance Assessment forms.

The State Contract Manager shall file a report detailing the final deliverables of the contract with the CCAU.

4. For agency-specific contracts where the contract's estimated value exceeds \$1 million, the State Contract Manager must file a biannual report to the Division of Purchase and Property identifying overall project status, schedule adherence or slippage, budget adherence or overage, and any other contract performance or fulfillment issues. The first report is due six (6) months after the contract start date and an updated report is due every six (6) months thereafter for the duration of the contract.

**B. State Contract Manager (Statewide Contracts)**

1. Prior to the start date of a State contract that is awarded on behalf of more than one using agency by the Director; either option (a) or (b) below shall apply.
  - (a) The Director will designate a State Contract Manager who shall be responsible for the overall management and administration of the contract. In this case, the State Contract Manager notice on the contract's web page will list the specific individual designated by the Director.
  - (b) For very large statewide contracts, where no single agency representative can realistically be the State Contract Manager because the time demanded by the State Contract Manager function would supplant an individual's other assigned job duties, the Director shall designate the using agency's fiscal manager as the State Contract Manager for that agency. In this case, the State Contract Manager notice on the contract's web page will reflect that the using agency fiscal officer has been designated by the Director. In this scenario, the fiscal officer's responsibilities involve only items B. 3. (e), (f), (g), (i), (j), (k) and (l) as they pertain only to that agency for which the fiscal officer has authority.
2. The State Contract Manager must advise the Division of Purchase and Property buyer before entertaining a discussion with the contractor(s) concerning potential scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes. Only with the consent of the Division of Purchase and Property may such discussion move forward between the State Contract Manager and the contractor(s).

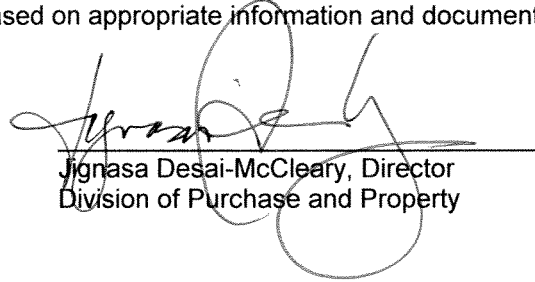
## 3. The State Contract Manager for statewide contracts shall be responsible for the following:

- (a) Meeting with the using agencies at the time of contract award to discuss contract terms and conditions, unique contract issues, how to use the contract, contract deliverables and pricing, and any other relevant issues concerning the contract;
- (b) Meeting with the contractor(s) at the time of contract award to review contract terms and conditions, unique contract issues, contract deliverables and pricing, and any other relevant issues concerning the contract;
- (c) Acting as the primary contact with the contractor(s) and using agencies on contract issues and contract interpretation;
- (d) Coordinating and overseeing contractor(s) performance for all using agencies;
- (e) Working with contractor(s) and using agencies to resolve contract issues and problems;
- (f) Acting as the initial arbiter of contract disputes, including but not limited to, all billing issues between using agencies and contractor(s);
- (g) When necessary, working in conjunction with CCAU to resolve contract issues with the contractor(s);
- (h) Advising using agencies on contract deliverables and payment for contractor(s) services and goods;
- (i) Attempting recovery of all contractor(s) over-billings under the contract;
- (j) The daily management, monitoring, and administration of the contract;
- (k) All communications with the contractor(s);
- (l) When necessary, filing formal complaints with CCAU, as provided under N.J.A.C. 17:12-4.1 et seq.;
- (m) Working with CCAU on audits of the contracts;
- (n) Timely completion and filing, with CCAU, of all required project performance assessment forms;
- (o) Conducting State contract training in conjunction with CCAU for using agencies; and
- (p) Working with the Division on the reprocurement of contract services and/or commodities, which work shall include, but not be limited to developing the Request for Proposal and proposing changes and appropriate modifications thereto.
- (q) Recommend to the Director, when necessary, contract amendments and/or additional work or redaction of work under the contract, but not agree to any changes without the approval of the Director or his/her designee.

**VI. FAILURE OF THE STATE CONTRACT MANAGER TO PERFORM THE REQUIRED DUTIES AND RESPONSIBILITIES**

Fulfillment of the duties and responsibilities of the State Contract Manager position is essential for effective and efficient State contract management. Responsible contract management assures that the State receives all goods and services pursuant to the contract requirements. Furthermore, responsible contract management assures that the State does not overpay for goods and services, which ensures that the State is not wasting taxpayer dollars but is spending them prudently.

To assure responsible State contract management, it is the Director's intent to monitor State Contract Manager performance from such sources as the audit findings of CCAU, State Auditor of the Office of Legislative Services, and State Comptroller. In instances of deficient performance, the Director may propose remedial action such as recommending that the using agency take appropriate action against the State Contract Manager. Any such determination by the Director shall be in writing and based on appropriate information and documentation.



Jignasa Desai-McCleary, Director  
Division of Purchase and Property