

CONTRACT MANAGEMENT PROCESSES ACROSS THE COUNCIL

PROGRAM EVALUATION AND AUDIT



June 2013

INTRODUCTION

Background

From the 4th Quarter of 2011 through the 3rd Quarter of 2012 the Metropolitan Council expended \$287,785,306 for individual procurements above \$2,500. Over that same time period, \$232 million has been dedicated to 221 active contracts. The Council has established policies and procedures for the initiation and execution of contracts, the primary responsibility for which rests with the Contracts and Procurement Department. However, the primary oversight responsibilities for contract management once a contract has been awarded reside with project/contract managers throughout the Council.

In 2012, two procurement reviews were conducted at the Council; an internal review by Program Evaluation and Audit, the *Procurement Systems Approval and Permission Processes for WAM/TXbase Evaluation* and an external review, the *FTA Procurement System Review*. These two reviews, pertaining to procurement approvals and procurement systems, respectively, highlighted the importance of the solicitation and execution phases of contract actions. They also touched upon the importance of confirming the controls in place for procurement expenditure approvals. During these evaluations, concerns were expressed about contract management after the contract has been executed and the notice to proceed has been issued.

Contract management processes vary across the Council as was documented in the procurement reviews conducted in 2012. The lack of Council-wide contract management processes increases both economic and reputational risk to the Council. For some time, the federal Office of Management and Budget (OMB) has worked to promote Executive department and agency adoption of performance based service contracting (PBSC) for contract solicitation and administration. PBSC turns the focus of a contract from concentrating on the manner in which the work is completed towards emphasizing the purpose of the work. To that end, PBSC promotes precise statements of work that are supported by the contract's objective, performance based outputs, and definitions to support the appropriate measurement of performance quality.

Implementing PBSC at the national level has led to reductions in cost and increased satisfaction with the work of contractors, predominantly through stressing the importance of both initial contract procurement and contract administration.

Purpose

The purpose of this review is to evaluate contract management processes across the Council to ensure that terms and conditions are met. In addition, the audit identifies potential risks and weaknesses in contract management, as well as best practices to mitigate risks and strengthen contract management practices.

Assurances

This audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the U. S. Government Accountability Office's *Government Auditing Standards*.

Scope

This evaluation focuses on contract management throughout the Council's five divisions for contracts awarded during the 12 month period from September 2011 through August 2012. The review assesses the extent to which contract managers across the Council employ contract management best practices. Compliance with specific individual contract requirements and clauses is outside the scope of this review.

Methodology

To gain an understanding of contract management, the following methods were used:

A judgmental sample of 22 contracts was reviewed.

A study of Office of Federal Procurement Policy (OFPP) best practices in contract management was conducted.

Contract documents for the sample were analyzed.

Staff involved in contract management was interviewed.

Council and divisional policies, procedures, and/or work instructions were reviewed.

Contract management processes in each of the Council's five divisions were logged.

Construction of the judgmental sample included criteria to ensure that the sample included contracts from across the Council's five major divisions while still sampling contracts from various departments within each division. Initially, a random sample of 50 contracts was drawn to mitigate bias in constructing the sample. A judgmental sample of 22 contracts was then drawn from the random sample to ensure breadth and depth of the review. These contracts range in value from \$13 thousand to \$28 million. Examples of the types of contracts include background investigation services, Council website redesign, security officer services, wastewater treatment plant improvements, groundwater flow modeling, occupational medicine services and ADA transportation. A summary of various dollar values follows:

Contract Type	Number	Total Value	Low	High	< 500k	500k – 1 Million	> 1 Million
Professional Services	13	32,062,598	\$34,225	27,885,940	9	2	2
Construction	2	18,498,058	586,231	17,911,827	0	1	1
Miscellaneous	7	1,969,716	12,500	786,245	5	2	0
	22	\$52,530,372			14	5	3

Best Practices in Contract Management

The Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget has published *Best Practices for Contract Administration* Guide. The contract administration practices and recommendations from that report have informed the observations in this review.

The Guide states that:

- Contract manager training is a key component of successful contract management and the successful development of PBSC.
- Contract administration starts with a comprehensive statement of work (which includes a scope of work).
- A performance based statement of work includes a contract administration plan, which incorporates metrics for contractor performance while providing documentation for pay according to performance.
- A quality assurance plan is necessary to ensure the quality of the contract deliverables. Documentation for the contract is an important control in the quality assurance plan
- A contractor orientation conference or letter should be utilized to establish common understanding of the statement of work. This should establish the authority restrictions of those administering the contract while establishing communication processes.
- Roles and responsibilities in contract administration must be understood by both the contractor and the government official administering the contract.
- Voucher and Invoice review processes are integral to contract performance.
- Contract closeout processes must be established and comprehensive to ensure contract performance.

The Guide points out that a common problem among federal contracts is that often contracting officials allocate most of their time to awarding contracts and less time and attention on administering them. This can lead to poor contract performance, overruns in cost, as well as unclear roles and responsibilities in contract administration.

The following *Best Practice Glossary* further defines the OFPP recommendations and details the components of best practices within a contract management system:

Budget Analysis: Budget analysis is an important function of contract management. Not only must contract managers be aware of how many funds have been expended, they must also be aware of how many contract funds remain available for the contract. Budget analysis entails keeping a monthly budget analysis document, confirming that payments to the vendor have processed, and confirming budget expenditures and remaining funds with a central, independent finance tally of the contract ledger.

Contract Administration Plan: Constructed by the Contract Officer Technical Representative (C/CM), this plan takes the scope of work to be performed, aligns it with the schedule of work and uses the success criteria from the statement of work to monitor the deliverables. This plan ensures that time and resources are saved by focusing on contract deliverables rather than monitoring specific steps in executing tasks. The contract administration plan should break the expected deliverables into contract performance periods, where a performance period lists the dates on which various deliverables are expected to be received. This links deliverables to a timeframe that can be compared to vendor

invoices. This performance period schedule also insures that indirect costs and direct costs are tied to specific deliverables at specific times.

Contract Closeout: Contract Closeout happens when all contract deliverables have been received, all contract services rendered and all work performed. Contract closeout requires effective coordination by the C/CM between the vendor and the Council's Finance and Procurement offices. The process involves the final invoice review, to ensure that all costs were incurred, allowable, and adequately supported. Final payment should not be rendered until the contract closeout review is completed. The size and scope of the final closeout review and/or audit should be informed by previous vendor performance and Council procedures.

Contract Manager Training: OFPP recommends that a Contract Administration Training program be instituted, requiring a minimum of 8 hours of training every three years, to ensure that contract managers are equipped to administer contracts. This training should be devoted to keeping up to date with changes in the procurement and contract administration fields, including those items listed above.

Contract Officer's Technical Representative: Within the Council's context, this person is the Council's Authorized Representative (CAR) or Contract Manager (C/CM) designated in the notice to proceed (NTP). The judgment of the C/CM is critical to ensuring the performance of the contract. The CAR should be a competent individual with technical expertise or special qualifications to both understand the work and administer the contract.

Contract Orientation: After the contract is awarded and the NTP is issued, the C/CM and the contractor/consultant or vendor should establish the process through which the contract will be administered. Typically, the communication process to be employed during the contract's administration should be established and roles and responsibilities communicated. Items that should be established at the orientation meeting include the authority of government and vendor (i.e. the constraints they must operate under) personnel, quality control and testing mechanisms to be employed during contract administration, specific contract deliverable requirements, and the procedures that the government will be employing to monitor and measure performance, contractor billings, and payment approval processes.

Documenting the Contract: In monitoring the contract, the C/CM should keep a contract file containing the following:

- Contract (with any modifications)
- Contract correspondence (all correspondence, including emails or logs of conversations with the contractor that occurred in-person or over the phone)
- Inspections
- Memos
- Invoices/vouchers
- C/CM appointment letter (for the Council, this is the NTP)
- Trip reports (travel expense records, or travel reimbursement requests)
- Final inspection or closeout audit documentation, including a review/approval of reports.

Invoice Review Process: A clear and precise process must be in place to ensure that the Council's quality requirements are met and the vendor receives the correct payment on time. Particularly for cost reimbursement contracts, it is imperative that the invoice review ensure that costs aren't being incurred prematurely or unreasonably and that the costs relate to progress under the contract. Often, an invoice checklist or payment review checklist can remind a contract manager to review the major cost categories.

Good communication between finance, the vendor, and the C/CM is essential to ensuring effective payment review processes. Likewise, invoice formatting and contractor progress reporting inform the payment review process and oversight monitoring plans. Payment request review processes should be discussed at the vendor orientation meeting.

Quality Assurance Plan: A subsidiary portion of the Contract Administration plan, the Quality Assurance Plan systematizes and structures the method of reviewing the contractor outputs. This plan provides the method through which the C/CM will evaluate the quality of the services or products/work that the vendor is required to produce. OFPP states the plan could make the use of pre-planned or random inspections. Here, inspections should be taken to include physical inspections (as in construction work) or as a review of reports and/or services rendered by the consultant (as in a professional services contract). The focus here is again on the quality of the deliverable, not on the steps or procedures utilized to produce the deliverable. In contracts where large amounts of work are being completed, creating a sampling plan and reviewing a sample of work is an option. The sampling plan employed must consider how critical the deliverable is and the monitoring resources available.

Role and Responsibility definition: This process includes developing a communication plan, communication norms and conflict resolution norms with the vendor. It is ideal if the C/CM works with the contracting officer/end user to ensure that the vendor has a better idea of the mission of the program. It is also a best practice for the Council to issue a letter defining the C/CM's role and list specific duties and tasks that the Council expects the C/CM to complete, along with tasks he/she should not perform. Examples of C/CM duties include informing the vendor of technical or contractual difficulties, developing the contract administration plan, ensuring cost effectiveness throughout the administration of the contract, and monitoring contract performance.

Statement of Work/Services: The statement of work should define the project or work to be completed under the contract by establishing the contract objective, the deliverables expected of the vendor, and the success criteria which tie deliverables to contract objectives.

Scope of Work: This is an element of the statement of work that specifies the tasks the C/C and C/CM will employ to meet the objectives of the contract. The scope of work produces measurable outcomes while considering what is excluded from the work of the contract, along with the constraints and assumptions underlying the contract.

OBSERVATIONS

The Council does not have unified contract administration policies or procedures to guide contract administration.

Training

The Contracts and Procurement Department conducts a four hour training class. The training covers state and federal contract regulations, ethics, the procurement process, the contracting process at the council, and what to do after the notice to proceed is issued. Attention is also paid to the bid evaluation process, and training is offered every time there is a bid evaluation panel. The training is also offered to groups of Council employees requiring assistance with contracting. Contracts and Procurement also conducts one-on-one training upon request. Contracts and Procurement is currently working toward offering this training twice a year through Learning and Organizational Development, but the plans have not been finalized.

Processes across the Council

In Environmental Services (ES), clear and consistent processes were employed to define the roles and responsibilities of contract managers and vendors. Their Information Systems, Engineering and Construction projects utilized contract language and project plans/construction plans to ensure that expected responsibilities were communicated. Comparably, MTS, CD and RA were working almost exclusively with service contracts, where roles and responsibilities are sometimes more difficult to establish, given the service area and the needed expertise of the contractor. In these instances, the three departments were adept at utilizing contract objectives, deliverables, and scoping to support quality reviews of the work completed in the contract.

For Contract closeouts, Community Development and Regional Administration were generally better at utilizing the Finance department for budget analysis and confirming if final funds were available before approving the final payment. However, MTC/CD/RA still had the same procedural shortfalls with closeout procedures in some contracts that lead to their lower scoring in this best practice area. The lowest score related to ES was the result of an overreliance on procurement software for budget analysis that made closeout procedures prone to possible cost overruns.

Finally, procurement software is less frequently utilized by CD and RA contract administrators. Therefore, their budget procedures more frequently relied upon work in PeopleSoft Financials or work completed directly with Council Finance. The lower MT score was the result of greater reliance on data in the Txbase procurement system, which can be less accurate than PeopleSoft Financials.

Analysis

The following table lists a summary score for sampled contracts by division (see Exhibits I, II & III for details). Each contract is scored against the best practices as described above. A score of 3 was awarded each time contract management was proactive, a score of 2 was awarded where contract management was active, while a score of 1 was assigned when contract management was reactive in a given best practice area.

Proactive policies are employed by contract managers in practices surrounding the construction and utilization of the Statement of Services, Roles and Responsibilities definition, Contract Orientation

practices, and the Scoping of Work. Predominately reactive contract management practices were identified in the areas of Budget Analysis, Contract Closeout procedures and Contract Manger Training.

Best Practice Component	ES Average	MT Average	MTS/CD/RA Average	Council Average
Statement of Services	2.67	2.57	2.67	2.63
Contract Manager Roles and Responsibilities	2.83	2.43	2.33	2.53
Contract Orientation	2.33	2.57	2.44	2.45
Scope of Work	2.33	2.57	2.33	2.41
Contract Administration Plan	2.17	2.43	2.33	2.31
Documenting the Contract	2.33	2.29	2.00	2.21
Quality Assurance Plan	1.83	2.00	2.22	2.02
Invoice/Voucher Review and Approval	2.17	1.86	2.00	2.01
Contract Manager Training	1.83	1.43	1.67	1.64
Contract Closeout	1.17	1.43	1.78	1.46
Budget Analysis	1.33	1.14	1.78	1.42
Average Score	2.09	2.06	2.14	2.10

Contract managers were adept at constructing and utilizing the contract’s Statement of Services section.

The Statement of Services was usually found in Exhibit A of the contract. In each of the 22 contracts reviewed, Council staff included a section in the body of the contract or in Exhibit A that noted the objective and/or mission and how it would be met through the work of the contract. In 11 instances, contract deliverables were tied to each step of the work being completed to meet the objective. Generally, criteria were established in the contract to link deliverables, contract goals and objectives. At times the success criteria were implicit, though explicit questions or expectations were built into the contract language to ensure the deliverables met the Council’s needs. When the contract was a professional services contract and the contractor’s expertise was pivotal to defining the end-deliverables, contract managers spelled out specific questions or necessary outcomes to ensure that the deliverables were anchored by measurable expectations that met Council needs.

Contract managers were proactive in defining Council and vendor Roles and Responsibilities

Having clearly defined responsibilities for the vendor and the contract manager is essential to any best practice set. Council contract managers were proactive at establishing communication norms and communications plans with vendor staff on 10 of 22 contracts. All contracts stated the mission of the project, but when appropriate the contract managers for these 10 contracts stated extra roles and responsibilities for the vendor to support its understanding of the contract mission.

The contract orientation meeting was utilized to define roles and responsibilities for the contract manager and the vendor. When roles needed to change, the most proactive contract managers set new responsibilities. Per discussions with contract managers, 19 of them effectively established the basic responsibilities around communication and invoice submission at the orientation meeting.

Contract Orientation meetings were held to establish communication and process norms for Council and vendor personnel.

Pre-proposal and post-award meetings were the most common mechanism employed by contract managers to orient vendor staff and Council staff to the work of the contract. Usually this meeting was used to review the statement of work, scope of work, and invoice submission and payment processes. Contract managers also used this meeting to establish a communication plan with the vendor, vendor roles and vendor responsibilities in invoicing. The statement of services and scope of work were also covered in the orientation meeting. Contract constraints were reviewed at the orientation meeting when applicable. However, generally contract constraints were spelled out in the statement of work and the scope of work and made explicit during the request for proposal (RFP) phase. In 20 of the 22 contracts sampled, communication norms and process norms were established before work began, thus meeting OFPP best practice recommendations.

Contract managers were proactive in developing Scopes of Work with measurable outcomes linked to contract deliverables.

In a proactive scope of work, the deliverables are assigned to scheduled tasks which are completed for each work item in the contract. Specifically, the scope of work uses measurable outcomes to link the deliverables to the objectives of the contract. Contract managers often used unit pricing for deliverables, thus creating constraints around the amount of money to be spent on specific deliverables. Contracts for professional services were particularly proactive when they used unit pricing, breaking down the work of the contract into specific tasks and deliverables per task. The billing for each deliverable could then be traced to the number of hours worked to construct each deliverable and to the number of hours worked by the consultant's staff. Thus the deliverable was limited in two important ways; by the overall number of hours the consultant could bill for the deliverable, and the number of hours worked on each deliverable by a specific staff member of the consultant. Scoping the work by task, deliverable and hours worked per deliverable is an important first step to constructing and maintaining a quality assurance plan. Additionally, by scoping a contract with unit pricing, contract managers could also support their invoice review processes and make invoice review manageable and efficient. In 19 contracts, success criteria linking deliverables to contract objectives were available with contract managers employing adequate work scoping.

Contract Manager Training focuses on solicitation and award processes and not on subsequent administration.

All contract managers involved in the RFP process did receive four hours of Contract and Procurement training if they were on a Bid Review Panel for the contract they administered. This training is generally only concerned with contract solicitation and bid review processes. Some attention is paid to contract processing at the Council, along with federal and state regulations and procurement integrity issues. From the perspective of contract administration, contract manager training did not include information on preparing statements of work, contract administration plans or quality assurance plans. Those contract managers who had taken the Project Manager training had received training in project administration which informed their contract administration. Per interviews conducted during fieldwork, three contract managers in the sample had attended the year long project manager training. Another seven utilized informal information requests with Finance and Contracts and Procurement to gain information on contract processes or budget information. Contracts and Procurement will reach out to offer assistance to those requesting it, however, its training focuses on contract solicitation and not contract administration.

Some contract managers did not apply adequate cost control processes to ensure timely Contract Closeout. Contract closeout problems generally surrounded entering contract closeout without confirmed, accurate information about how many funds remained in the contract. While contract managers did utilize individual contract log spreadsheets to track budgets, most did not confirm remaining contract funds with Finance before approving payment for the final invoice. One contract in the sample exceeded its not-to-exceed amount by 8.6 %, and did not have a proper contract amendment approving the expenditure. On five other contracts cost overruns or other increases in costs were identified by the contract manager prior to closeout. In each instance the contract was delayed in close out due to the time added for processing an amendment.

Contract managers have not applied adequate Budget Analysis tools to effectively monitor contract performance.

Contract managers commonly kept a contract log spreadsheet or relied upon Council procurement software, including WAM and Txbase, to keep track of account debits and remaining funds. TxBase and WAM are reliable sources of information to track procurements, but not overall budget information. If a purchase order (PO) is incorrectly entered into Council procurement software or incorrectly approved, often it is difficult to correct the account ledger to reflect the actual remaining funds in the contract. Using additional tools such as earned values reporting, process maps, WAM business objects reports, divisional work instructions and CPU contract expiration notices, during the length of the contract to coordinate project task completion with associated line item budgets can add accuracy to the contract management process. In this sample, only 4 of 22 contracts utilized reports from other sources (Finance or PeopleSoft Financials) to confirm budget information. In addition, only 7 contracts utilized success criteria and work scoping tools to produce proactive budget analysis review processes that ensured timely completion of tasks

CONCLUSIONS

The intent of this review was to provide a broad-based evaluation of the extent to which practices employed by Council contract administrators reflected best practices as identified by the Office of Financial Procurement Policy. Audit did not identify any practices which would indicate that Council policies were not complied with. However, Audit did identify some practices that did reflect, and some that did not reflect, OFPP best practices.

Council contract development and solicitation practices generally reflect Office of Financial Procurement Policy best practice recommendations. Contracts were produced with comprehensive statement of services and scope of work components, including success criteria. In addition, a majority of contract managers used orientation meetings to clearly define vendor roles and responsibilities, including those regarding communication and invoice submission. However, contract administration practices that are employed once a contract has been executed, including training, continuous budget analysis and contract closeout processes, are less in line with OFPP best practices.

Currently, Council contract manager training practices ensure that contract solicitation needs are met, while paying less attention to contract management skills to ensure success in contract administration once a contract has been executed. The CPU provides classroom training for personnel involved in contract processes up to contract award, with minor emphasis on contract administration thereafter. However, CPU recently began offering one-on-one training for contract administrators responsible for overseeing contract performance. In addition, LOD provides classes and peer support gatherings to continuously train project managers. However, little of the LOD training reflects OFPP contract administration best practices.

The use of available contract administration tools is inconsistent. The most common tool used to track contract cost and performance was procurement software such as WAM and Txbase. Contract administrators also employed personally developed spreadsheets. However, additional tools are available that can enhance the efficiency and effectiveness of managing Council contracts including personalized WAM business objects reports, process maps, earned values reporting, periodic input from CPU and divisional work instruction guidance.

RECOMMENDATIONS

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

Essential – Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council’s Audit Committee.

Significant – Adds value to programs or initiatives of the Council, but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council’s Audit Committee.

Considerations – Recommendation would be beneficial, but may be subject to being set aside in favor of higher priority activities for the Council, or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.

Verbal Recommendation – An issue was found that bears mentioning, but is not sufficient to constitute a control risk or other repercussions to warrant inclusion in the written report. Verbal recommendations are documented in the file, but are not tracked or reported regularly.

1. (Significant) A Contract Manager training program that includes best practices that support procurement integrity and contract administration should be developed to ensure contract managers fully understand their responsibilities.

Contracts and Procurement Unit (CPU) training consists of a four hour session on procurement integrity, pertinent regulations, and contract processes at the Council. In addition, CPU has attempted to meet with contract managers on a one to one basis upon contract execution since April of 2013, but with mixed success. Portions of Project Manager training provided by the Learning and Organizational Development Department also cover information that can be highly valuable to contract managers.

Training to facilitate contract administration is important to ensure that government contract management is performance based. Possible topics may include the effective construction of a statement of services, the scope of work, a contract administration plan, a quality assurance plan, a contract closeout plan and a clear and precise invoice review process to support contract timelines, contract quality assurance, and contract budget analysis. In addition, strong invoice review training could help contract managers ensure that vendor invoicing displays needed information to confirm vendor progress towards contract tasks. Finally, to ensure effective contract performance, aspects of contract solicitation, project management and contract administration best practices should be fused.

Management Response: *The Contracts and Procurement Unit (CPU), in collaboration with Legal, currently provides structured half-day training sessions on procurement and contracting processes. In addition, CPU accommodates requests for individual training when participants are not available to attend structured training sessions. CPU will review contract management best practices noted in the audit and elsewhere and evaluate changes to the current training program. In addition, CPU continues to update and grow METNET, the Council’s intranet site, with relevant procurement guidelines and information.*

Staff Responsible: Micky Gutzmann, Director, Contracts and Procurement

Timetable: December 2013 – Identify priorities and workplan for any changes to training materials (structured training and METNET)

2. (Significant) The Council should identify a comprehensive set of tools to use to effectively and efficiently manage contracts.

The following is a list of possible tools that currently exist:

- Divisional Work instructions
- Quarterly CPU contract expiration notices
- Process maps
- WAM Business Objects reports (Council-wide Business Objects reports is in development)
- Earned values reporting
- Individual software spreadsheets

In addition, contract and payment review checklists to assist in invoice review and approval processes can also be helpful as is requesting project progress information in vendor invoices.

Unlike tools identified in the LOD Project Managers' network, a program that has enhanced project management throughout the Council, the above tools are not specifically identified or functionally organized for application to contract management. By placing the currently available tools, those that are being developed and identifying new ones, in a structured contract management toolbox known and available to all Council employees, those employees managing Council contracts can do so in a more effective and efficient manner and further ensure that contracts are completed in a quality manner, on time and within budget.

Management Response: *The Council's METNET sites are in process of development and growth. As a part of this process, CPU will evaluate and identify existing and desired tools for managing contracts that can be organized in such a way to encourage more effective and efficient use by contract managers.*

Staff Responsible: Micky Gutzmann, Director, Contracts and Procurement

Timetable: December 2013 – Identify priorities and workplan for organizing existing and creating new contract management tools on METNET.

**Metropolitan Council
Program Evaluation & Audit
Contract Management Process Evaluation**

Exhibit I: Environmental Services

Best Practice Component	ES-1	ES-2	ES-3	ES-4	ES-5	ES-6	ES Average
Statement of Services	3	3	3	3	2	2	2.67
Contract Manager Roles and Responsibilities	3	3	3	3	3	2	2.83
Contract Orientation	3	3	3	2	2	1	2.33
Scope of Work	3	3	1	3	3	1	2.33
Contract Administration Plan	3	3	1	3	2	1	2.17
Documenting the Contract	3	3	2	1	3	2	2.33
Quality Assurance Plan	2	3	2	2	1	1	1.83
Invoice/Voucher Review and Approval	2	3	2	2	3	1	2.17
Contract Manager Training	3	3	1	2	1	1	1.83
Contract Closeout	1	2	1	1	1	1	1.17
Budget Analysis	1	3	1	1	1	1	1.33
Average Score	2.45	2.91	1.82	2.09	2.00	1.27	2.09

Note: Proactive=3, Active= 2, Reactive =1

**Metropolitan Council
Program Evaluation & Audit
Contract Management Process Evaluation**

Exhibit II: Metropolitan Transportation Services, Community Development and Regional Administration

Best Practice Component	MTS-1	MTS-2	CD-1	CD-2	RA-1	RA-2	RA-3	RA-4	RA-5	MTS/CD/RA Average
Statement of Services	3	3	3	3	3	2	3	2	2	2.67
Contract Manager Roles and Responsibilities	2	3	2	2	3	2	3	1	3	2.33
Contract Orientation	2	2	3	3	3	2	3	2	2	2.44
Scope of Work	3	3	3	3	3	1	2	1	2	2.33
Contract Administration Plan	2	3	3	3	3	1	3	1	2	2.33
Documenting the Contract	2	3	2	2	3	1	2	1	2	2.00
Quality Assurance Plan	2	3	2	3	2	1	2	2	3	2.22
Invoice/Voucher Review and Approval	1	2	3	3	2	1	2	1	3	2.00
Contract Manager Training	2	2	2	1	2	1	2	1	2	1.67
Contract Closeout	1	1	3	1	2	1	2	2	3	1.78
Budget Analysis	1	1	3	2	3	1	1	1	3	1.78
Average Score	1.91	2.36	2.64	2.36	2.64	1.27	2.27	1.36	2.45	2.14

Note: Proactive=3, Active= 2, Reactive =1

**Metropolitan Council
Program Evaluation & Audit
Contract Management Process Evaluation**

Exhibit III: Metro Transit results

Best Practice Component	MT-1	MT-2	MT-3	MT-4	MT-5	MT-6	MT-7	MT Average
Statement of Services	3	2	3	2	3	2	3	2.57
Contract Manager Roles and Responsibilities	2	2	3	2	3	3	2	2.43
Contract Orientation	2	3	3	2	3	2	3	2.57
Scope of Work	3	1	3	3	3	3	2	2.57
Contract Administration Plan	2	2	3	2	3	3	2	2.43
Documenting the Contract	3	1	3	2	2	2	3	2.29
Quality Assurance Plan	1	1	1	3	3	3	2	2.00
Invoice/Voucher Review and Approval	1	1	1	3	2	2	3	1.86
Contract Manager Training	1	1	1	2	3	1	1	1.43
Contract Closeout	1	1	1	1	1	2	3	1.43
Budget Analysis	1	1	1	2	1	1	1	1.14
Average Score	1.82	1.45	2.09	2.18	2.45	2.18	2.27	2.06

Note: Proactive=3, Active= 2, Reactive =1



390 Robert Street North
St Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org