


<b>Subject:</b> Contract Compliance	<b>Number:</b> 6-22
	<b>Date Issued:</b> November 9, 2006 <b>Date Revised:</b> April 22, 2015
<b>Responsible Department:</b> City Manager and City Attorney	<b>Approved:</b> 

**Purpose**

To establish policy and procedures for Contract Compliance.

**Policy**

The Council directed a Contract Compliance database be maintained by the City Attorney's Office, which will assist Departments in monitoring their contracts. The database (SharePoint) will include data for all contracts to which the City is a party, except for those contracts that will be fully performed in less than one year or are protected by privilege (e.g., attorney-client or proprietary information). Departments shall appoint a Contract Administrator, who will provide data to the City Attorney's Office Contract Compliance Coordinator (Coordinator) for input into the database. **Each Department shall be responsible for administering, monitoring and enforcing its own contracts.** The City Attorney's Office will not retain hard copies of contract documents.

**Procedures**

1. Each Department shall appoint a Department or Division contact person (Administrator) who shall administer the Department's contracts. At a minimum monitoring should include:
  - a. Expiration dates (both for the contract and insurance coverage);
  - b. Payment Amounts and Terms for both Revenue & Expenditure type contracts;
  - c. Escalation clauses.
  
2. The Administrator shall maintain a file for each contract and include the following:
  - A fully executed original contract, including all exhibits and referenced documents (see Administrative Order 4-1).
  - Any proof of authority of signers (see Administrative Order 4-1).
  - All required bonds or other security (e.g., letters of credit with approval of issuing bank approved by the Treasury Officer of the Finance Department.)
  - All required insurance certificates and endorsements.
  - All fully executed amendments or change orders to the contract.
  - All written communication and e-mails between the parties affecting the contract, including all notices given or received pursuant to the contract.
  - Copy of notice to the City Clerk and Coordinator of acceptance, completion or acquisition of materials (by purchase order sign-off date).
  - Any information regarding source of funding and encumbrances, other related contracts, and actions taken by other City departments involved in contract performance.

3. Upon receipt of a fully executed contract that qualifies for contract compliance monitoring, e.g., a contract that is in effect for more than one year, the Administrator shall scan the entire contract and e-mail it to the Coordinator for input in the Contract Compliance System. All of the following shall be forwarded to the Coordinator throughout the life of the contract:
  - A fully executed original contract, including all exhibits and referenced documents (see Administrative Order 4-1).
  - All required bonds or other security (e.g., letters of credit with approval of issuing bank approved by the Treasury Officer of the Finance Department.)
  - All required insurance certificates and endorsements.
  - All fully executed amendments or change orders to the contract.
4. Upon notification from the Coordinator, the Administrator shall expeditiously locate and provide any missing documents. The Coordinator shall notify the Administrator by e-mail when data input has been completed for the contracts submitted.
5. The Coordinator shall send a reminder e-mail to the Administrator prior to an event (e.g., a four month reminder notice may be desirable before expiration of a contract to allow staff to conduct a competitive procurement process and an automatic 30 day reminder notice will be sent prior to expiration dates).
6. If activity has occurred since entering into a contract that would establish or alter the event dates in the contract (e.g., notice of completion of tenant improvements that establishes the commencement date of the lease; or exercising a right to extend the term of a contract by providing a notice to extend) or alter other relevant information (e.g., party name), the Administrator shall notify the Coordinator by e-mail and provide the Coordinator with a digital copy of necessary documentation.