**BONNEVILLE PURCHASING INSTRUCTIONS
APPENDIX 14-A**

**CONTRACTING OFFICER'S TECHNICAL
REPRESENTATIVES' GUIDE FOR
SERVICES CONTRACTS**

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INTRODUCTION TO THIS GUIDE.

This guide outlines the duties of BPA personnel designated as Contracting Officer's Technical Representatives (COTRs). It is a convenient source of information about the COTR's responsibilities, duties, and technical skills, and covers the activities that occur after contract award. It may also be useful as a text for COTR training courses.

The BPA Administrator gives contracting officers (COs) in BPA responsibility and authority for awarding and administering contracts. COs are authorized to designate other BPA employees to act as their representatives for purposes of contract administration, from the time of contract award until final receipt and acceptance of the contracted services. COTRs are the individuals primarily relied upon to perform technical contract administration functions. Similar functions for supply and construction contracts are performed by engineering representatives, construction inspectors, and inspectors.

Although this Guide is written primarily with the COTR in mind, the concept and operation of teamwork is essential throughout the entire process of contract administration. The CO administers the contract during performance, but rarely has expertise in all of the relevant technical areas. Therefore, CO decisions rely on input from a team. The COTR is an indispensable member of that team. The instructions in this Guide are designed to facilitate this essential CO-COTR cooperation.

COTR duties are usually additional to those required of the COTR in his or her assigned line organization. The COTR is still accountable to the line supervisor for performance of regularly-assigned duties. These duties are to be reflected appropriately in performance appraisals and job descriptions. For contract administration duties, however, the COTR reports directly to, and is accountable only to, the CO. The COTR's supervisor must allow sufficient time to ensure that the COTR can adequately monitor the contract for technical compliance.

This Guide is designed for COTRs who are performing service contract (including intergovernmental contract) administration functions as an adjunct to their normal technical duties. The Guide has separate parts for contracts with businesses and for intergovernmental contracts. However, the term "contract administration" applies to both types of instruments. This Guide is not directly applicable to the following:

- Supply contracts including those administered by engineering representatives and inspectors in the Quality Assurance Branch of the Division of Materials and Procurement;

- Contracts for construction (See BPI Appendix 24-A);

- Contracts for real property;

- Contracts involving power (such as purchase, wheeling, or sale of power), acquisition of conservation, or loans and loan guarantees for the acquisition of power or conservation; or

- Grants and Cooperative Agreements (See Bonneville Power Assistance Instructions)

Comments on the contents of this Guide and suggestions for its improvement should be directed to the Head of the Contracting Activity (HCA), routing AE.

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SECTION 1 ROLES AND RESPONSIBILITIES.

1.1 Contracting Officer's (CO) role.

Authority and responsibility to contract for supplies and services are assigned to the BPA Administrator in the Bonneville Project Act. The Administrator has delegated that authority to the Head of the Contracting Activity (HCA), along with the authority to redelegate to COs. The CO's major responsibilities include ensuring performance of all actions required for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of BPA in its contractual relationships. COs designate COTRs to provide technical inspection and contract surveillance services in technical areas for specific contracts.

More specifically, in the course of administering the awarded contracts or intergovernmental contracts, the CO:

- (a) Monitors the financial and administrative aspects of the contract during the performance period through the COTR;
- (b) Maintains the official award files;
- (c) Handles correspondence and reports (other than technical) relating to the terms and conditions of the award instrument;
- (d) Maintains copies of all relevant correspondence between the COTR and the contractor;
- (e) Reviews property acquisition and management and arranges for disposition of property after completion or termination of the project;
- (f) Orders changes and modifications within the scope of the contract (the CO is responsible for making all modifications to the contract); and
- (g) Closes the contract.

1.2 Contracting Officer's Representative's (COR) role.

Contracts exceeding various dollar thresholds must be signed by a CO with sufficient delegated contracting authority for the contracts. The CO will often designate a contract specialist (also called Contracting Officer's Representative, or COR), to perform the contract preparation and administration work. Program office and COTR contacts will be primarily with the COR if one is designated. The duties of a CO described in 1.1 may be performed to some extent by a COR, if one has been appointed. If no COR is designated, the CO will perform those duties.

1.3 Contracting Officer's Technical Representative's (COTR) role.

Contracting Officer's Technical Representatives (COTRs) are designated and authorized by the CO to perform technical contract administration activities on behalf of the CO, within limits specified by the CO. (See Exhibit 1 for Sample COTR Delegation Memorandum.) These limits normally are stated in a contract clause. The COTR's responsibility is to monitor whether BPA receives, in a timely manner, the goods or services that conform to the technical requirements set forth in the contract.

It is the responsibility of the COTR to assure that all delegated responsibilities are performed at all

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times during the contract period. In consultation with the CO, the COTR should consider requesting the designation of an alternate COTR, especially if more than one person is needed to assure that invoices are certified in a timely manner.

The job of COTR incorporates a number of responsibilities and duties. Typically the COTR:

- (a) Has a thorough understanding of all facets of the contract, including the planning of contract administration activities.
- (b) Assures that ADP screening of contractor personnel and other security matters required by the contract are performed.
- (c) Serves as liaison between the contractor and CO on matters pertaining to the contract requirements; builds rapport with the contractor.
- (d) Maintains a record of all communications with the contractor and significant events relating to the contract. Makes routine correspondence pertaining to administration of the contract available to the CO as needed.
- (e) Assists the contractor in interpreting technical requirements of the contract.
- (f) Makes no commitments to the contractor regarding changes in price, delivery, statement of work, or other contractual terms. Instead, recommends such changes, with appropriate technical and cost justification and input from the contractor (if required) to the CO in writing.
- (g) Monitors the contractor's performance. Records observations and notes areas for improvement based on contract requirements. Performs monitoring activities and status reporting, including timely reporting of potential and actual slippage in contract performance periods. Furnishes copy of evaluation report to CO.
- (h) Reviews each voucher or invoice submitted by the contractor and recommends payment based on performance and reasonableness of cost. Advises the CO of anticipated overruns or underruns of the estimated cost under cost-reimbursement contracts.
- (i) Recommends corrective actions to the CO to restore contract performance or delivery schedule.
- (j) Advises the CO of the need for interaction and administrative actions with the contractor. Keeps the CO informed of situations that could jeopardize performance or become a basis for future claims. Provides copies of relevant correspondence with the contractor to the CO.
- (k) Monitors any required quality activities, checks contractor performance against standards of acceptance stated in the contract, and provides acceptance of final deliverables on behalf of BPA.
- (l) Completes overall evaluation of the contractor's performance and provides it to the CO for the contract close-out and for use in future contracting.
- (m) Performs technical analyses of contractor cost proposals for contract modifications or extensions. Assures that the changes are issued by the CO before the contractor is directed to proceed with such changes.

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1.4 Contracting Officer's Technical Representative (COTR) Certification.

BPA's COTR certification program requires that specified training be completed before a person is qualified to act as a COTR. See BPI Appendix 14-B for the details of this program. A letter of eligibility will be issued to those who have successfully completed the COTR certification program. A COTR's Letter of Eligibility may be terminated by the HCA, or a CO may terminate COTR authority for a specific contract. Reasons for such termination include:

- (a) Failure to comply with applicable requirements of the contract; statutes; the Bonneville Purchasing Instructions (BPI), or delegated responsibilities.
- (b) Violation of the Standards of Ethical Conduct for Employees of the Executive Branch. (See 5 C.F.R. Part 2635 and BPI Part 3 and Appendix 3-A)
- (c) Reassignment of the appointee to a position where the need for such authority does not exist.
- (d) Retirement, resignation, or other termination of the appointee's employment.

1.5 Field Inspector's role.

Field inspectors are authorized representatives of the COTR, appointed by a memorandum written by the COTR with a copy to the CO. (See the sample memorandum in Exhibit 2.) The field inspector is responsible for functions such as inspection and review of the work performed under the contract, witnessing of tests, interpretation of technical specifications, reviewing invoices, and recommending approval of specific reports, materials, or services. Field inspector designations automatically terminate at the conclusion of the contract activities. COs or COTRs may also terminate the designation in writing during the performance of the contract if the need for a field inspector no longer exists, or if the individual's performance is inadequate.

1.6 Channels of communication.

The relationships between COs, CORs, COTRs, and program and contractor personnel are shown in Exhibit 3.

Much of the COTR's work is accomplished through communication between the COTR and the contractor. Performance and understanding can be enhanced by clearly establishing the channels through which the communication should flow. At the outset the COTR ascertains from the contractor who will be acting as the contractor's representative on the contractor's staff for technical liaison and contract administration functions for the contract.

The COTR makes the contractor's personnel aware of the required organizational path for obtaining information or decisions from BPA officials. By the same token, the COTR learns and uses the channels in the contractor's organization. Effective correspondence control and prompt responses to requests for action, information, or recommendations help keep communication lines open and the project on schedule.

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SECTION 2 INITIAL CONTRACT ADMINISTRATION ACTIVITIES

2.1 Read the contract.

The COTR will receive a copy of the contract from the CO. The COTR should then read it thoroughly and become familiar with all aspects of the contract, including the administrative clauses ("boilerplate"), in order to administer the contract effectively.

2.2 Establish a contract administration file.

The need to maintain adequate records, logs, and reports cannot be overemphasized. All documents related to the administration of the contract, including internal correspondence, should be maintained in a file. Items to be found in a typical contract administration file are listed in Exhibit 4. This sample file may be adapted as needed to administer each contract.

2.3 Contact the CO to plan contract administration.

Communication and teamwork are essential between the CO (or COR, if there is one) and COTR to ensure that each understands the functions the COTR is to perform, the limits of the COTR's responsibilities, the technical and administrative aspects of the project, and the important milestones that will occur during the project. This teamwork will be important throughout the contract period.

2.4 Find out what the contractor is planning to do.

Having established what the contract requires the contractor to do, the COTR must learn what the contractor is planning to do. The COTR should initiate contact with the contractor to establish a communication channel with the COTR's counterpart.

Techniques for gathering information about the contractor's plans for performance include the following:

(a) Hold a postaward orientation meeting with the contractor. The meeting includes the CO (or designated representative) and technical representatives on behalf of BPA. The counterpart representatives of the contractor should also be invited to attend. This meeting provides a means for reviewing the contractor's plans for performing the contract, for uncovering misunderstandings about contract requirements, and for resolving and clarifying matters on what the contract requires of the contractor. Sample agenda items might include:

Performance schedule

Statement of work or other performance requirements

Quality management activities

Special contract provisions

Reporting requirements

Procedures for monitoring and measuring progress

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General overview of clauses, changes, payments, labor laws, etc.

Billing and payment procedures

Discussion of Federal travel policy and regulations

Distribution of appropriate posters, wage decisions, BPA policies for on-site contractors, etc.

Identity of key officials and their authorities

If a formal postaward orientation conference is not practical, telephone discussions can serve the same purpose.

(b) Obtain the contractor's plan for conducting the contract work, and review it for consistency with contract requirements. When the contract contains a provision that requires the contractor to submit work plans, the COTR should obtain and review them. Even if the contract does not require a formal submission, the COTR should confer with the contractor to gain a thorough understanding of planned activities.

After obtaining and reviewing this information, the COTR may detect aspects of planned performance that may threaten successful contract completion. For example, the contractor might be planning to develop two elements of an information system design concurrently, whereas the development should be sequential, since both elements must work together. The plan may also show that proposed staffing is inadequate in quantity and/or quality to assure expertise required for satisfactory performance.

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SECTION 3 MONITORING ACTIVITIES.

3.1 General.

The challenge for the COTR in monitoring service contracts of all types is to work closely with the contractor representative to ensure that:

- (a) The contractor accomplishes the specific tasks called for in the contract;
- (b) The quality of services or work products is as required by the contract;
- (c) Services performed or work products developed are accomplished in an efficient manner and that the contractor adequately plans and executes the contract effort to ensure that time and money are not wasted;
- (d) Time schedules in the contract are met,

The COTR's ability to monitor the contract effectively will have a significant impact on the value that BPA receives from the contract. The following subparts discuss techniques to help the COTR ensure that the above performance objectives are met.

3.2 Track what the contractor is doing.

Since effective corrective actions cannot be taken if the magnitude of problems is unknown, the COTR must be able to identify problems and determine their significance. The basic method of contract administration is contract monitoring, or surveillance of progress.

Monitoring of contractor progress involves the use of numerous techniques and procedures to determine whether satisfactory and timely delivery will occur. Contracts are monitored to determine how contract work is being performed (in accordance with the Statement of Work), whether it will be completed on schedule, and whether its cost will fall within the contract's ceiling. The COTR and other contracting personnel have a responsibility to monitor the contractor's performance to ensure compliance with the contract's requirements. That task depends on accurate and timely information obtained from the contractor.

Many service contracts include provisions that require the contractor periodically to submit written progress reports. COTRs should familiarize themselves with what these reports are required to contain and when they are due. The COTR should:

- (a) Get progress reports. It is the COTR's responsibility to make sure that contractually required progress reports are produced on time, and that they contain the information the contract requires. If the contract requirements omit information the COTR needs for monitoring performance, the COTR should solicit the contractor's cooperation to supply that information on a voluntary basis, or should contact the CO to modify the contract, as appropriate. The CO must take formal contractual action to add any reporting requirements that are not a part of the contract. If the contractor is late in delivering a report, or the report is deficient, contact the contractor promptly to ascertain what remedial action the contractor plans to take.
- (b) Read progress reports. The COTR must read and understand progress reports, so that steps can be identified and initiated to deal with threats to timely performance. Failure to read progress reports when they are received reduces their value to BPA. In addition, failure to understand progress reports can also render them useless. If the wording is vague or unclear,

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ask the contractor for clarification. The contractor may be trying to gloss over a problem. If the technical content lies outside the COTR's expertise, the COTR should seek help from BPA personnel who have the technical qualifications to understand the report. It may reflect a serious failure of performance. The COTR should also verify progress reports to make sure they accurately reflect the contractor's progress. Verifying can be done by asking for copies of drafts, texts, designs, or other data that will show whether or not the work is proceeding according to plan.

(c) Analyze billings. Watch for evidence of performance problems in contractors' billings. (See Section 5 for detailed procedures.)

(d) Monitor the contractor's performance by inspection. The best way to monitor the contractor's work is through actual inspection. Standard inspection clauses may be included in BPA contracts to give BPA's authorized representatives the right to inspect and test performance at all stages and wherever the work is being conducted, including the work of subcontractors. The COTR should be familiar with the inspection provisions in the specific contract.

(e) Encourage timely performance in cost-type contracts. If a contractor is late on a cost contract, there is practically no monetary adjustment in the contract price due BPA. For that reason, early and continuing attention by the COTR is the best way to ensure timely delivery. Close communication with the CO is necessary before lateness becomes a problem.

(f) Document contacts with contractor. Use a contract administration file log to keep a diary of the contacts (including significant phone conversations) with the contractor. The need to maintain adequate records or logs is vital. These records provide a basis for defending against claims and are reviewable by the appropriate board of contract appeals or by the courts.

(g) Assess the competence of the contractor's performance and the initial deliverables against contractual standards of quality and efficiency:

Do the contractor personnel have the competence to complete the contract in an efficient and timely manner?

Are the preliminary work products or deliverables up to the standard of quality required by the contract?

Are the contractor's personnel being adequately supervised by contractor's management so that they produce quality work?

3.3 BPA furnished property.

Some contracts provide BPA property for the contractor to use during performance of the contract. Such provisions describe the property, timing and conditions for assignment, transfer, and use. It is the COTR's responsibility to see that BPA provides the property it agreed to furnish to the contractor.

When BPA property is to be furnished, the COTR should take the following steps:

(a) Contact the property management representative in AE for advice and assistance in administering the use of BPA property on the contract.

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- (b) Find out where the BPA property is and make arrangements to get it to the contractor on time;
- (c) Find out whether the BPA property is in proper condition for use as intended. The sooner this is ascertained, the sooner any necessary repairs, corrections, or other actions can be initiated and any delays in contract completion avoided;
- (d) Find out whether there are any special instructions or limitations regarding use of BPA's property. If such instructions exist, see that they are furnished to the contractor along with the property; and
- (e) Make sure a means exists for tracking BPA property, i.e., property custodian, etc.

3.4 COTR performance status reporting.

After the COTR has analyzed the contractor's performance as indicated in the contractor's progress reports and other available information, the COTR shall promptly identify any actual or potential inadequacies and schedule changes, inform the contractor of the inadequacies, and find out how the contractor plans to remedy them. The longer problems continue without corrective action, the more serious they become and the more difficult they are to correct.

However, whether or not problems do exist on the contract, a key responsibility of the COTR is to maintain communication with the CO regarding contract administration activities and to provide the CO with periodic, written performance or status reports. These reports give the CO important information about contract deliverables, contractor's technical and progress reports, contract payment and other matters. A sample of a performance status report is shown in Exhibit 5. This report may be adapted to specific needs in consultation with the CO.

- (a) Routine Reporting: Normally when there are no significant events to warrant special reporting from COTR to CO/COR, intervals of one month are sufficient between written reports.
- (b) Non-routine Reporting: Whenever exceptional events occur during the course of the contract, the COTR should generate a non-routine performance status report giving the appropriate details of the specific event. For example, non-routine reports should be submitted when inadequate work is noted, when all required work has been accomplished, and when the final invoice has been received and processed. The CO may also request non-routine reports from the COTR.
- (c) Property Reporting: Contractors must furnish annual reports of BPA-furnished property, and property purchased with Government funds by August 31 of each year. COTRs will review these reports, and indicate their receipt and acceptability on Exhibit 5. This will include a determination that the property is still required by the contractor.

3.5 Financial monitoring.

Financial monitoring of the contract is another way to review the contractor's progress and performance. COTRs should track actual dollars billed as each invoice is approved and forwarded for payment. (See subsection 5.2.4.) COTRs can monitor the contractor's progress by reviewing actual costs expended relative to the stage of completion for specific tasks, and compare dollars expended to the original dollars estimated for those tasks. If the actual costs reveal an inconsistency, the COTR should advise the CO of possible cost overruns. Financial

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monitoring by the COTR can also assist the program manager and the CO in determining if BPA is receiving the best buy for the money expended.

The Planning and Accounting Control System (PACS) provides reports to monitor contract activity through the formal accounting system. PACS reports show actual costs charged to the contract or task order's activity code, so it can be used to track recorded costs, confirm other information, and aid in research into potential problem areas. Since PACS reports reflect invoices processed, which may be reported one to two months after the supplier's billing, monitoring contract expenditures when they are originally submitted for payment remains the most current method of tracking contract costs.

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SECTION 4 CONTRACT MODIFICATION.

4.1 Contract modification.

During the life of a project, it sometimes becomes necessary to incorporate changes into the contract, or to provide coverage for situations that develop after contract award. Some changes can be made in accordance with the contract, but other adjustments not expressly anticipated by the contract may also occur. In either case, where the project's objectives, the method or manner of performance, cost, or schedules are to be changed, modifications must be made to the contract.

The COTR should closely monitor the contractor's activities in executing the contract's requirements. The COTR may not authorize additional work beyond what is specified in the contract, even if such work is within the general scope of the contract. The COTR may be instrumental in the development of changes to a project or modifications to a contract, but does not have the authority to order or authorize the contractor to make such changes.

If it becomes apparent that the project requires a change, the COTR should immediately notify the CO or COR. Only COs operating within the scope of their authority may execute contract modifications on behalf of BPA. Other BPA personnel, including COTRs, must not:

- (a) Execute contract modifications;
- (b) Act in a manner to cause the contractor to believe that they have authority to bind BPA;
- (c) Direct or encourage the contractor to perform work that should be the subject of a contract modification;
- (d) Permit a contractor to work past the expiration of a contract.

Although the need for a contract change may become apparent during reviews of the project by a COTR or other program personnel, no action may legally begin on the change until a contract modification has been prepared and approved in accordance with BPA's normal procedures. Modifications are usually initiated by a Purchase Request (PR) prepared by the COTR or program manager. Until such time as the PR or written request is submitted, a modification to the contract recommended by the COTR will not be made. COTRs should be aware that only modifications that are within the general scope of work specified in the contract (See Exhibit 9) can be made without such a written request. Modifications that, in the CO's judgment, constitute new work outside the scope of the contract must be processed as a new purchasing action. Processing of PRs is covered in BPI Appendix 6-1, Requisitioners' Guide to Preaward Activities.

4.1.1 Technical changes.

While the COTR may properly advise the contractor if it appears the contractor is not carrying out the contract as written, the COTR must avoid directing any action that has the effect of changing the description or "definition" of services and tasks to be performed, or the time or place of performing them. Such changes lie outside the COTR's authority because they alter the terms of the contract concerning the work to be done and may result in altering other contract terms, including completion date. (See BPI Appendix 6-A, subsection 2.5, Ratification)

The COTR is in the best position to know when BPA's interest may be served by a change and to decide what that change should be. The COTR plays a valuable role in formulating changes,

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reviewing changes suggested by the contractor, recommending change action to program personnel, and assisting in estimating the financial impact and the effects on time required for performance. The effects of a change should be explored and additional funds obtained before the CO is asked to change the contract. The CO orders the change to required work by executing a written modification to the contract.

Once the CO has modified the contract, of course, the COTR should follow up to assure that the contractor is implementing the modification.

4.1.2 No-cost time extensions.

No-cost time extensions are contract modifications that change the period of performance of the basic contract without changing the monetary ceiling on the contract. They are used to extend contracts for relatively short periods of time so that contractors may complete work that has already begun but that has proceeded more slowly than originally anticipated. Such extensions are an acceptable technique for COs to permit project completion without penalizing the contractor by terminating the contract or requiring the reimbursement of incurred costs.

(a) Impact on various types of contracts of no-cost time extensions:

Fixed-price contracts require delivery at a specific time for a specific price. If delivery cannot be accomplished as contracted, BPA may, at its option, extend the delivery date. Depending upon the circumstances, the CO may wish to negotiate with the contractor for consideration (generally more production or lower costs) because the agreed-upon delivery date was not met. No-cost time extensions are not as critical in this type of contract, since the price will be paid upon delivery. However, if delivery is expected to be late, notify the CO, who will follow up with the contractor to assure delivery within a reasonable time.

Cost, time and materials, and labor hour contracts do not always state delivery at a specific time. Generally, these types of contracts call for services at a specified level, or to a specified maximum, or for a specific period of time. When the limit on the contract is reached, the contractor will stop work regardless of whether or not a product has been completed because the contract ceases to exist. BPA is not guaranteed completion of a project under these types of contracts.

Occasionally in this type of contract, the contractor may be unable to proceed as originally planned, and the time limit is reached before the funding limit is exhausted. In these cases it may be advisable to extend the contract period, but not to add funding, so that the original project can be completed and incurred costs paid. This is accomplished through a no-cost time extension.

If a contractor continues to work after the contract expires, either because the time limit or dollar ceiling has been reached (or for any other reason), the contractor is working without a contract. BPA may not be required to reimburse costs incurred when the contractor works without a contract. The COTR should ensure that the contractor knows when the contract expires.

If the COTR encourages, or even permits, the contractor to continue work after the contract expires, a ratification action (see BPI Appendix 6-A, Section 2.5) may be required.

(b) Procedures for obtaining a no-cost time extension.

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Only COs may execute no-cost time extensions using the formal contract modification procedures.

The COTR will prepare a written request for the no-cost extension. The request should indicate the desired length of, and reason for, the requested extension based on the COTR's and contractor's judgment of the time needed to complete the work. It should include a statement indicating that the extended completion date will still meet project needs. If the extension will not meet project needs, the no-cost time extension is not required, and the contract will cease to exist as scheduled without the project being completed.

The request must be received by the CO at least two weeks before the expiration of the contract so that a contract modification extending the contract can be prepared. If the request is received after the contract expires, it will require preparation of a new noncompetitive contract action and will inevitably delay the work.

The CO will decide whether consideration (something of value) should be obtained from the contractor and, if so, will negotiate it when preparing the extension.

4.2 BPA caused delays.

The COTR plays a key role in ensuring that BPA performs as promised and that BPA-caused delays do not interfere with the conduct of work. When BPA promises to take certain actions under a contract and does not do so, a delay could be caused in performance of the work. On the other hand, BPA may have taken actions that delayed, or otherwise adversely impacted, the activities of the contractor. In those instances when an action or inaction by BPA delays the contractor, the contractor may be entitled to compensation and/or an extension of performance time. However, not all delays result in added costs to the contractor nor in added time for performance of the contract.

When BPA causes a delay, the COTR should immediately document the reasons for delay, and send that information to the CO. In a similar manner, if the COTR receives a statement from the contractor that a delay has been caused by BPA, the same information should be provided to the CO.

4.3 Constructive changes.

Sometimes BPA actions or inactions lead contractors to believe that a change in the contract has been ordered. The contractor is required to advise the CO immediately if such a change is contemplated. COTRs must be acutely aware of the impact of their actions on the contractor's approach to conduct of the contract. The COTR must be very careful not to encourage or direct the contractor to proceed in a manner other than that specified in the contract. Such constructive changes are often the basis for claims by the contractor. The COTR is required to provide a written explanation of the circumstances surrounding the constructive change.

Such changes may result in:

The contractor being entitled to an equitable adjustment in the contract price and/or time

The project originally contracted for will be changed and the results achieved may not be those desired by the program personnel (a result potentially more dangerous than increased costs)

Should constructive changes occur, the COTR should notify the CO immediately so that the

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potentially adverse impact can be addressed before serious problems arise.

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SECTION 5 ACCEPTING SERVICES AND PROCESSING INVOICES.

5.1 Accepting services.

Acceptance is documented acknowledgment that the services conform with contract quality and quantity requirements, as well as with the other terms and conditions of the contract. Acceptance formalizes approval of specific services on behalf of BPA as partial or complete performance of the contract.

The COTR may not insist on conformance to what the COTR personally feels is required, unless that standard is also required by the contract. Refer to the terms of the contract that describe the COTR's role and responsibilities in accepting completed work.

COTRs are generally assigned responsibility for accepting services on behalf of BPA. The person accepting the services must have personal knowledge that the work invoiced has been completed. The checks and balances of the purchasing process do not permit the CO who signed the contract to accept the services.

Acceptance is generally documented on a contractor's invoice by the COTR signing under this statement:

"I certify that the articles/or services were received on date____, and were found to be acceptable on date____."

The COTR should affix this statement, and other required data, to the invoice by using the standardized acceptance stamp. A sample is available from the Commercial Accounts Payable Section, DSDG.

When the COTR signs the statement of acceptance, the COTR is personally certifying that the work invoiced for was satisfactorily performed in accordance with the contract's terms and conditions, the quality is as ordered, and that the quantity is as invoiced. Acceptance indicated on the invoice in this manner does not mean that the COTR has audited the invoice in the financial management sense of the word. The person accepting the goods/services is expected to use reasonable efforts and best judgment in determining if the contractor has conformed to the requirements of the contract. Reasonable verification of mathematical accuracy and review of supporting documents required by the contract are expected to be performed. If you do not know if the services meet the contract requirements or if the charges are appropriate, the CO and/or the Contract Audit Staff-AK should be contacted for advice.

If for some reason acceptance of services will not be documented on a contractor's invoice, the COTR should contact the CO to determine the format and requirements of a receiving report.

If the goods/services conform to contract requirements and the COTR believes that other administrative requirements have been met, the acceptance should be signed, and the appropriate accounting information inserted in the spaces provided on the stamp. The invoice should then be reviewed as described in subsection 5.2. Personnel executing acceptance documents are not expected to conduct reviews or investigations to verify that each administrative provision has been met.

If the COTR does not personally have knowledge of the delivery, the quality, or the quantity of the work being invoiced, the COTR should not accept the services until consulting with another BPA employee who does have the knowledge required for acceptance. If the COTR believes, or is on

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notice, that some provision has not been met, the acceptance should not be signed. Instead, refer the matter immediately to the CO.

Time requirements of the Prompt Payment Act and the contract for timely acceptance of the services are very precise. BPA is committed to accept the services within seven days after receiving the services unless otherwise provided in the contract. In addition, we must pay the supplier within 30 days of acceptance or receipt of the invoice, whichever is later, unless the invoice is specifically rejected in a timely manner. These contract requirements are generally as stated in the Prompt Payment provisions in the contract. If formal acceptance takes place beyond the indicated acceptance period, BPA will have been deemed to have accepted the services for interest payment purposes only on the last day of the indicated acceptance period. This concept is known as constructive acceptance. Actual acceptance of goods and services is not jeopardized by this constructive acceptance. BPA is not required to accept non-conforming goods or services simply because the seven-day acceptance period has elapsed.

The person accepting services on behalf of BPA is liable for a proper certification of that acceptance. So long as the person does not falsify an acceptance certificate (for example, by accepting services not rendered), there is effectively no personal liability for hidden or obscure errors on the billing.

The invoice with the acceptance certification should be forwarded to Commercial Accounts Payable where it is matched with the contract to authorize payment of funds to the contractor.

5.2 Processing invoices.

Processing invoices is a task performed in support of payment to the contractor. The procedures for processing invoices are established by the Office of Financial Management. Detailed information on processing requirements is contained in the disbursement guidelines in the BPA accounting manual or by contacting the Commercial Accounts Payable Section. The following information is provided for general guidance only.

5.2.1 Prompt Payment Act requirements.

BPA is required by the Prompt Payment Act to pay "proper" invoices within a specified period of time, usually 30 calendar days or less, or pay an interest penalty to the contractor. The Commercial Accounts Payable Section may only make a payment after it has received confirmation that the goods or services have been satisfactorily received. Prompt processing of invoices and receiving reports by COTRs is essential to avoiding interest payment charges against program office funds.

Although 30 days seems a lengthy time, Commercial Accounts Payable requires at least 15 days to process a payment, thus leaving only 15 days for the COTR to verify delivery or completion and forward the invoice to Commercial Accounts Payable. COTRs must consider the processing of invoices and receiving reports a key part of their work and process them upon receipt. When invoices are not processed in a timely manner, the supplier's cash flow is interrupted, BPA has breached a contract provision, and program office's expenses are increased unnecessarily by the interest penalty. COTRs should recommend the designation of an alternate COTR, if necessary, to insure that invoices are processed on time.

5.2.2 Receiving invoices.

Immediately upon receipt, the office receiving the invoice must clearly stamp on the front of the

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first page of the invoice with the date received and the receiving organization. The stamped receiving date of the first organization or person designated in the contract to receive the invoice may be used to determine the payment due date. The Prompt Payment Act requires that the date placed on the invoice by the contractor be used to establish the payment due date when the receiving organization fails to date stamp or note when the invoice was first received, unless the acceptance date is used. It is very important that all offices note or date stamp the date of invoice receipt and the name of the receiving organization on the invoice.

Because of stringent requirements in the contract for timely acceptance of the services, invoice review should begin immediately after the invoice is received. If invoice review must be delayed beyond the contractually permitted time, the COTR is responsible for contacting the contractor and resolving whatever problem has occurred. Note on the invoice when the contractor was called and the date of resolution. This notation will protect BPA from making unnecessary interest payments.

5.2.3 Reviewing invoices.

Generally, invoices for service contracts are forwarded to the technical personnel, generally the COTR, so that acceptance of the services may be recorded on the invoice itself. This has erroneously been interpreted to mean that the COTR is responsible for the accuracy of each item on the invoice. That is not the intent of the COTR's acceptance of the services. Instead, the COTR is expected to apply only a "reasonableness" check to the invoice. The COTR is not certifying that each expense was audited and justified. However, a review of the invoice and other financial data may provide information indicating reasonable progress, or lack thereof, on the project. If you have questions about the allowability of a cost item, immediately contact the CO.

The COTR should take note of the costs on the invoice and compare them to those in the contract. If Commercial Accounts Payable finds any mathematical errors, they will make the adjustment and pay the proper amount. Verifying costs is not the same as certifying that they are correct. The COTR should question the contractor concerning invoiced amounts when it appears that something unusual or unexpected is occurring. If the billing for a specific period is unexpectedly high or low, the COTR should request that the contractor supply the reason(s) for the large deviation from what was anticipated.

Every invoice should receive a general review to ensure that all required data is present. If the required data is not present, the invoice is not proper and the allowable time to pay the invoice does not begin. BPA has only seven days to notify the contractor of the defects in the invoice; thus, prompt review is essential. A proper invoice must contain the following required data: invoice date, contract number, task order number, if applicable, contractor name and address, description and quantities of products or services, unit and extended prices, and the name, title, phone number, and complete mailing address of the responsible official to whom payment is to be sent. The dates of performance for services should be shown to ensure that multiple payments are not made for the same services. If this essential data is not present, contact the contractor to point out the inadequacies and document that contact on the invoice. Alternately, a Notice for Improper Invoices can be prepared (See Exhibit 6). Forward a copy of the notice along with a copy of the rejected invoice to the Commercial Accounts Payable Section.

In the event the COTR does not understand the invoice or the invoice appears to be in error or in other ways inadequate to support the payment, the COTR should attempt to resolve the problem with the contractor. Discussions with the CO will be helpful in resolving problems. If the COTR is unable to resolve the problem with the contractor, the invoice should be forwarded to the CO with an explanation of why the invoice may not be certified and paid. The CO will then contact the

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contractor to attempt to resolve the problem.

Following this general review, and before proceeding to the steps described below, the COTR shall enter the proper accounting data on the invoice: organization, activity code, PL-6, and object class if known. If the COTR knows that this is the final invoice to be submitted under the contract, that fact should be noted under the COTR's signature, and a COTR performance status report (see Exhibit 5) should be submitted.

5.2.3.1 Reviewing fixed-price contract invoices.

Invoices submitted under fixed-price contracts receive only a brief review by the COTR to ensure that required data is present and that amounts invoiced conform to the contract prices and payment provisions in the schedule of items.

5.2.3.2 Reviewing cost-reimbursement contract invoices.

Provisions of cost-reimbursement contracts obligate BPA to pay the contractor the allowable, reasonable, and allocable costs of performing the contract (plus, in some cases, a fee or profit).

Because the technical expertise of the COTR is essential to understanding the necessity for direct costs on the project, the COTR should review the reasonableness, allowability, and allocability of costs claimed for reimbursement. The COTR should also assure that the contractor submits adequate documentation of costs as required in the contract. Contact the CO if you are unsure how much documentation is needed.

"Allowable" costs are those permitted by the standards set forth in BPI Part 13 (See Appendix 13-A). Special provisions in the contract may also affect the allowability of specific costs.

Whether it is "reasonable" to incur specific costs for performing a particular kind of service is a question that can best be answered by an individual familiar with what is involved in performing that type of service, and who has the technical qualifications to make an informed judgment. The materials or effort may be "unreasonable" in that they exceed or differ from what is necessary to complete the contract work. Detecting unreasonable direct costs is the responsibility of the COTR. If unreasonable costs are noted, contact the CO for advice.

A cost is properly "allocable" to a contract if it is incurred specifically for the contract or is incurred by the contractor for other activities that also benefit the contract. The COTR's actions with regard to the allocability of costs claimed will be to spot direct costs that appear to have no connection with the contract work. If the reason for billing materials or specific labor hours to perform the contract is not clear, it may be that the costs were charged to the contract in error.

Many contracts require the contractor to submit periodic financial reports showing the total costs incurred during the last reporting period, cumulative total, etc. To be useful, such reports should "key in" with a financial expenditure plan or budget for the entire contract, so actual costs can be compared with planned costs, shortfalls in estimates can be identified, and timely management decisions regarding additional funding can be made and implemented.

The checklist in Exhibit 7 may be used as a guide when reviewing invoices for cost-reimbursement contracts. If used such a checklist is used, it should be filed in the COTR's contract administration file. When the unexpended balance declines below the amount needed to complete the work, the COTR must discuss with the CO the future of the contract and the project.

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5.2.3.3 Reviewing time-and-material contract invoices.

Review of time-and-material contract invoices is substantially the same as for cost-reimbursement contracts except that only the number of hours billed need be reviewed for reasonableness and compared to the progress on the project. It is important to review the composition of the hours billed if the contract has different labor rates associated with the different competence and skill levels, i.e., partner hours, senior manager, staff accountant, or senior technical engineer versus engineer/draftsman. Some firms have an internal practice of charging a pro rata portion of "senior" hours for a given number of junior hours and attempt to justify it on the basis of "standard" managerial review and oversight experience within their firm. If the COTR has reason to believe that the invoice includes such estimated amounts, the COTR should question the contractor concerning these costs. Direct costs, i.e., the material portion of the invoice including travel costs, are reviewed in the same manner as cost reimbursement contracts (See Exhibit 7).

5.2.4 Forwarding invoices.

Immediately following review of the invoices, original invoices containing the acceptance of services statement will be forwarded to the Commercial Accounts Payable Section. The COTR should retain a copy of the invoice in the COTR file and forward a copy to the CO, attached to the progress report.

5.2.5 Recording invoices.

A Contract Invoice Control Sheet as shown in Exhibit 8 or similar computer spreadsheet is useful for logging each invoice processed.

Special attention should be paid to the column headed "Remaining Funds." COTRs should compare this total after processing the invoice to ensure that sufficient funds remain to permit completion of the contract services.

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SECTION 6 PLACING TASK ORDERS.

6.1 Understanding task order contracts.

BPA often knows that it will have requirements for specific services, but does not know exactly how much it will need or when it will need them. Task orders give BPA flexibility in meeting its needs. The term "task order contract" is sometimes used to refer to both a master contract (indefinite quantity/delivery contract) and to a master agreement. Master agreements, however, are not contracts. The contractual commitment is created only when a task order is issued under the master agreement.

In administering any task order arrangement, the COTR must be aware of the clauses in the contract or agreement specifying who may place orders and how the orders are to be placed. The COTR should work closely with the CO to establish procedures for the ordering process.

6.2 Administering task order contracts.

The COTR's duties in administering task order contracts are the same as in administering other types of contracts: to assure that the contractor adheres to the work description, performance periods, and completion of deliverables as stated in the task order. Each task order typically includes a Statement of Work (SOW) that describes in detail the work that BPA wants the contractor to perform, just as if each order were a contract of its own. Each task order specifies the services to be provided, prices, delivery schedule, etc. and incorporates the terms and conditions of the master contract or master agreement.

6.3 Preparing requests for task orders.

The task order Statement of Work should be clear and precise. (See BPI Appendix 6-A, Requisitioners' Guide to Preaward Activities, for the requirements for SOW format and contents.) The task order document communicates to the contractor the specific tasks to be performed. Vague, unclear, or unnecessarily broad SOWs may prevent the contractor from accomplishing the exact task desired. Ways to help assure that task order wording is clear and precise include:

- (a) Review of the draft task order by other BPA project personnel acquainted with the program involved. Ambiguities and other inadequacies can often be spotted by a knowledgeable person who has had no involvement with writing the draft task order.
- (b) Review of the draft task order by the contractor to assure mutual understanding can uncover matters that are not clearly expressed. However, the contractor must not be asked or permitted to draft task orders.

Work described in the task order must fall within the "scope" of the contract. Task orders must describe particular work that falls within the general description of services that the contractor has agreed to perform. If BPA wants work done that is not covered by the task order contract, then the purchase of such work should be handled as a new contract action. If in doubt, the COTR/program office should contact the CO/COR.

Work described in the task order should be achievable within the dollar and time limitations of the contract. BPA practice treats the contract completion date of a contract as the end of the contractor's obligations unless the contract or task order specifies that task orders issued prior to the contract completion date may continue until completion of the task regardless of the contract completion date. However, this must be clearly stated in the contract or task order.

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6.4 Issuing task orders.

The majority of task order contracts require that task orders be authorized and issued by the CO. However, COTRs may be authorized to issue task orders under certain limited circumstances. In such cases, the contract will specifically state the limits of the COTR to issue task orders.

6.4.1 CO issues the task order.

While the CO normally issues the task order to the contractor, the COTR is generally responsible for preparing and submitting the Statement of Work and purchase request. The CO conducts necessary negotiations and or clarifications needed and issues the task order. COTRs may be asked to conduct some of the discussions with the contractor but are not authorized to direct the contractor to proceed with the task until the task order document is signed by the CO.

6.4.2 COTR issues the task order.

In those instances when the COTR has been delegated authority in the contract to issue task orders without CO review or approval, the following steps must be taken:

- (a) COTR will obtain funding approval for the task order. This approval may require a PR if the COTR is using funds from a different organization.
- (b) Any required negotiations/clarifications will be conducted by the COTR. Once agreement has been reached with the contractor, the COTR will prepare and sign the task or delivery order and distribute copies as directed by the CO. The task order will be documented as defined in BPI Part 12.
- (c) The COTR will distribute the task order to all parties. Forward a copy of the task order with an original signature to the Commercial Accounts Payable Section. Send a copy of the task order and with the original of the PR, if one is created, to the CO, and send the task order to the contractor who is to perform the work.

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SECTION 7 REMEDIAL ACTIONS.

7.1 Initial action when contract requirements are not being met.

Once the existence and cause of a technical discrepancy or performance delay are identified and it is determined that the contractor is not complying with a specific requirement called for in the contract, the COTR should make sure that the CO and project management are informed of the circumstances in a timely manner so that alternatives for dealing with the problem may be adequately assessed. The COTR should also immediately call the contractor's attention to the discrepancy and seek the contractor's voluntary commitment to remedy the failure. If the contractor agrees that the problem exists and will remedy it, the COTR should document the discussion in a letter to the contractor with a copy to the CO. After the contractor has had an opportunity to remedy the problem, the COTR should follow up to see if remedial action was taken. Results of the follow-up should be documented.

The COTR may not direct the contractor on a course of action to fix the problem. It is up to the contractor to choose whatever course of action is appropriate to remedy the problem unless BPA must direct specific actions to protect its own interest. If the latter is necessary, the CO must be advised. COTRs may not order corrective action.

The COTR's task is to avoid surprises caused by improper or delayed performance after it is too late to cure it. Timely action by the COTR affords program management and the CO the chance to make decisions based on the maximum number of options. It also minimizes adverse program impact of delay by providing an opportunity to revise planning at an early stage.

7.1.1 Contractor agrees with COTR.

When the contractor agrees that the contract requirements are not being met, there are several possible courses of action available to the contractor. If the contract is fixed-price, the risk is on the contractor to remedy the problem at its own expense, unless a remedy-granting provision provides otherwise. If the contract is cost-reimbursement and the contract clearly defines standards for acceptance, the contractor must pay the costs of rework. However, in cost reimbursement contracts without such standards, BPA must pay all reasonable, allowable, and allocable costs to remedy the problem. BPA, therefore, has a major role in deciding how to address the problem. For example, the work might be speeded up by using more people or overtime, but the availability of more qualified personnel and/or the availability of program funds for more workers or overtime need to be explored and decided on by the CO based on the recommendation of the program office.

7.1.2 Contractor disagrees with COTR.

The contractor may disagree that contract requirements are not being met. The COTR should then discuss the matter with the contractor to discover the basis for the contractor's position. If the COTR still feels that the contractor's position has no reasonable basis, the COTR should advise the contractor of the need to take corrective or other action necessary to meet the requirements of the contract. Such advice needs to be confirmed in writing with a copy to the CO. (Written notice is important to document BPA's case if an adverse action, such as suspension of work or termination, is later required.) The giving of such advice is part of the COTR's primary task of ensuring that the contractor does what was promised in the contract. By the same token, the COTR must not direct the contractor to do more than or different from what the contract specifies. Such a direction would exceed the COTR's authority.

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If on the other hand the COTR considers that there is or may be reasonable basis for the contractor's position, the COTR should discuss the matter with the CO to see what course of action should be taken to resolve whether the contractor is complying with the contract or not.

7.2 Dealing with failure to comply.

If the contractor fails to comply with a contract requirement within a reasonable time after the deficiency has been identified, the COTR should report all facts to the CO in writing. The report should contain a recommendation to the CO to take appropriate action. A letter may be sent to the contractor pointing out the failure of performance and its importance to BPA and requesting the contractor to meet with the CO to discuss the situation and the contractor's plans for remedying it. Such a letter can be beneficial in assuring that top management in the contractor's organization is aware of the problem and in enlisting its support for corrective action. However, if the departure from contract requirements is so serious that further performance would be a waste of money and if it appears that the contractor will not or can not remedy its failure, the COTR should recommend that the CO terminate the contract pursuant to the appropriate contract clause.

7.3 Conduct in case of an overrun.

When the contractor's incurred costs reach the stated estimated costs and the obligation to proceed is suspended, the contractor is obligated to notify BPA. It is important that BPA program personnel not request or encourage the contractor to continue work unless directed to do so by the CO. Boards of Contract Appeals have held that such action will legally obligate BPA to reimburse the contractor for continuing with the work. This action exceeds the COTR's authority and will lead to increased BPA expenditures.

On the other hand, fairness requires that BPA not keep the contractor in suspense. The COTR should facilitate a prompt determination of whether or not BPA will fund and authorize continuation of performance. When the decision is made, based on program office advice as to whether additional funds will be provided, the CO is responsible for informing the contractor. If funds are provided, such increase in funds can only be added to the contract by a contract modification signed by the CO (See Section 4).

7.4 Disputes.

In the course of performing BPA contracts, disputes may arise between BPA and the contractor over rights and obligations under the contract. Typical disputes concern such questions as: which interpretation--BPA's or the contractor's--should be attached to ambiguous contract language; what constitutes an "equitable" adjustment for a particular contract change--the amount allowed by the CO or a larger amount claimed by the contractor; or how much delay was caused the contractor by BPA action/inaction or other valid reasons and is, therefore, "excusable"? As BPA's primary liaison with the contractor, the COTR may be the first person aware of differences of opinion between BPA and the contractor.

When the COTR discovers a difference of opinion regarding the rights or obligations of either party under the contract, the COTR should promptly initiate discussions with the contractor to find the basis for the contractor's position. The aim should be to resolve the disagreement by arriving at a mutual agreement. The COTR should also let the CO know about the disagreement, including the positions of the COTR and the contractor, and, if it appears that the COTR can resolve the matter with the contractor, the COTR should review the proposed solution with the CO. These actions should be completely documented in writing to the CO.

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The contract's Disputes clause empowers the CO to issue a decision on the matter if the contractor and the CO cannot arrive at agreement on what the contract requires. The clause directs the contractor to proceed with performance of the contract in accordance with the CO's decision.

7.5 Suspension of work.

BPA actions that cause the contractor to proceed on a schedule other than that originally anticipated may cost the contractor more than planned. These additional costs generally must be borne by BPA. However, if the contract contains a "Suspension of Work" clause, BPA has some rights to stop the contractor's activity pending certain developments or actions on the part of either party. The CO is normally the only individual authorized to suspend work on a contract.

When the COTR believes that a temporary suspension of work is appropriate, the CO should be notified immediately.

7.6 Claims.

A claim is a written demand by one of the contracting parties seeking the payment of money, adjustment of contract terms, or other relief arising under the contract.

Some typical reasons for claims from the contractor include:

- (a) A change in BPA's requirements during the conduct of the contract;
- (b) The contractor encountered conditions different from those BPA led the contractor to expect;
- (c) BPA redirected the contractor's efforts after the contract was underway; or,
- (d) BPA delayed the contractor.

Occasionally BPA may also feel that it has a claim against the contractor. Typical reasons for such claims include:

- (a) The contractor is late in delivering the required services and BPA incurs damages because of the late delivery; or,
- (b) The contractor adversely impacts other BPA contractors or operations.

The most important functions of a COTR in a claim situation are to immediately notify the CO and to investigate the circumstances surrounding the claim. The COTR should promptly investigate the basis for the claim and send a written report to the CO. The COTR is not authorized to issue decisions on claims, but may discuss with the contractor the basis for the claim if so directed by the CO. The CO may also ask the COTR to begin the negotiation process in an attempt to settle the claim. However, the COTR must not give the impression to the contractor that the claim is being settled or that the COTR has authority to do so.

7.7 CO final decisions.

When a contractor files a contract claim against BPA, the CO must determine its merit and negotiate a contract adjustment or issue a final decision on that claim. Generally, the claim filed

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by the contractor will have been discussed with the COTR and perhaps the CO prior to a written assertion of the claim by the contractor. During these discussions, it will become obvious whether BPA agrees or disagrees with the contractor's claim.

If BPA agrees that the Contractor's claim is valid, the CO will, following negotiations, prepare a contract modification to make the necessary adjustment in the contract price or other terms/conditions. Most claims are adjusted through contract time extensions or payments of money.

However, if the CO and the contractor disagree on merit or adjustment and a claim is filed, the CO must issue a formal, final decision in writing. This final decision will address all elements of the contractor's written claim based on written information provided by COTR and other affected parties.

7.8 Termination.

The object of termination is to cut off further expenditure of BPA funds for continued effort by the contractor. There are four types of termination actions that may be included in BPA contracts. Read the contract you are administering to determine what courses of action are available to you.

Termination for default is used when the contractor has failed to fulfill a significant requirement of the contract. As a rule, BPA cannot recoup amounts already expended for deficient performance, but it may recover excess costs of obtaining the same or similar services from another source in cases of termination prior to the contract delivery/completion date under firm fixed-price contracts.

In potential default termination situations, a key responsibility of the COTR is to give timely notice to both the contractor and CO when the contractor is in noncompliance. The contractor must take whatever actions it determines necessary to assure compliance. However, if the COTR knows of noncompliance, the COTR must advise the contractor rather than waiting until the noncompliance requires a default termination action. The COTR may not terminate a contract.

In the event of default termination action, the contractor has the right of appeal. Documentation obtained by the COTR will be extremely important for use if the contractor appeals the CO's actions.

Under cost-reimbursement contracts, even where a right to terminate for default is included in the contract and may properly be exercised, the contractor is normally entitled to reimbursement for expenses incurred up to the time of termination, unless the work performed does not conform to the standards of acceptance stated in the contract. BPA applies the same rule to time and materials contracts.

Termination for the convenience of BPA is normally used when BPA's requirements have changed to such an extent that continuation of the contract is not in BPA's interest; however, the contractor's performance has not breached the contract. When the right to terminate for the convenience of BPA is exercised, the contractor is entitled to compensation for work done prior to the termination.

In some contracts both BPA and the contractor have a mutual right of termination. In such contracts the parties may negotiate the end of performance. Termination by mutual consent is used when the work under the contract is not progressing satisfactorily, and both parties want to stop the work. Normally, no payment by either party will be made to the other to compensate for the termination.

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Termination for the convenience of either party gives to the contractor the same right to terminate at any time that BPA has traditionally reserved for itself. This type of termination is included in a contract only when deemed necessary by the CO to establish a viable business agreement and is advantageous to BPA. This type of termination is normally not used for firm fixed-price contracts. For cost or time and materials type contracts, the contractor exercising this right will be paid for work completed as of the date of termination.

The COTR plays a key role in potential or actual termination actions. The COTR is responsible for documenting circumstances that may lead to the need to terminate the contract. In a situation that could lead to a termination action, it is the responsibility of the COTR to advise the CO in a timely manner so that necessary negotiations are not delayed.

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SECTION 8 ADMINISTERING INTERGOVERNMENTAL CONTRACTS.

8.1 Nature of intergovernmental contracts.

Intergovernmental contracts (IGCs) are legally the same as the contracts discussed in other parts of this Guide, but they are with entities such as state energy offices, Indian Tribes, etc. An intergovernmental contract binds both parties to perform: one provides a service and the other reimburses the costs. The intergovernmental contracts are as legally binding and enforceable as are contracts with commercial enterprises. Some characteristics of intergovernmental contracts include:

- (a) There are generally fewer terms and conditions (less boilerplate) in an IGC;
- (b) The transaction is with a governmental body at the Federal, State, or local governmental level, a publicly owned college or university, or an Indian Tribe;
- (c) Intergovernmental contracts are usually of the cost-reimbursement type. This means that the risks and costs are borne primarily by BPA, and that the governmental body will recover essentially all of its costs. Cost reimbursement intergovernmental contracts have specific cost principles, listed in BPI Part 13, and cited in the contract. The contractor agency may bill BPA only for costs that are reasonable, allowable and allocable under the intergovernmental contract; and
- (d) Termination provisions are usually mutual, and do not contain the remedies for failure to perform found in most contracts with the commercial sector.

8.2 COTR responsibilities.

COTR attention to performance under an intergovernmental contract is just as critical as with the other contracts described in this Guide. Close monitoring is essential to ensure that the project is conducted in an efficient and businesslike manner. Basic steps and actions outlined in other parts of this Guide apply generally to IGCs. Although the terms and conditions of intergovernmental contracts are less stringent than contracts with the private sector, the need for project accomplishment in a timely, efficient manner is just as critical to BPA.

8.3 IGC billing procedures - contracts with other federal agencies.

Payments on the majority of contracts entered into with other Federal agencies are disbursed using the U. S. Treasury's On-Line Payment and Collection (OPAC) system. Under these systems, payments are initiated by the contractor agency. BPA receives a computer-generated billing statement through the Government-on-Line Agency Link System (GOALS). Funds are automatically transferred between the contractor agency's and BPA's account with the U. S. Treasury upon Treasury's receipt of the billing. This is generally accomplished before BPA can perform the acceptance and invoice review processes described in Section 5.

Even though funds have already been disbursed to the contractor agency, BPA has an opportunity to review and, if necessary, to correct the billing, generating a credit or charge back entry to the account of the contracting agency.

The Commercial Accounts Payable Section sends the hard-copy billing to the COTR for receipt and acceptance. This hard-copy billing, which should include all necessary supporting documentation, needs to be reviewed and accepted or rejected with an accompanying

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explanation and returned to Commercial Accounts Payable promptly so that credits can be claimed in the time allowed and so that the charges can be input into BPA's financial information reporting system.

Acceptance of goods or services provided by Federal agencies under IGCs is performed in the same manner described in subsection 5.1.

Review of the billings by the COTR is performed in the same manner as the review of commercial invoices. In the event problems are discovered during this review, the CO should immediately be contacted and advised of the problem. The problem should then be documented in a memorandum to the CO.

8.4 IGC billing procedures - other than federal agencies.

Generally, billings submitted by Governmental organizations other than Federal agencies are received and reviewed for reasonableness in essentially the same way as those submitted by commercial organizations. COTR responsibilities and procedures for acceptance of services and invoice review are the same as those described in Section 5.

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SECTION 9 COMPLETION AND CLOSE-OUT.

The COTR determines when the work has been completed in accordance with the technical requirements of the contract, including any contract extensions or renewals. This is done by inspecting all deliverables promptly upon receipt to determine acceptability. Administrative matters such as the disposition of BPA-furnished property should be attended to as soon after physical completion of the contract as possible. When all items required by the contract have been delivered and accepted, the COTR notifies the CO by submitting a COTR performance status report. (See Exhibit 5.) Contract close-out is triggered by this notification.

Prompt initiation of contract/intergovernmental contract close-out allows the COTR to obtain firsthand information from other individuals who were personally involved with the contract/intergovernmental contract. Resolution of open matters is more difficult when personnel have moved to other jobs and their recollections become vague.

The COTR may have additional responsibilities concerning formal certification of completion and acceptance, BPA-furnished property certificates, and other issues related to formally closing the contract. The COTR need not initiate these additional documents; they will be requested from the COTR by the CO when required.

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SECTION 10 PERSONAL BEHAVIORAL REQUIREMENTS.

10.1 Business ethics.

BPA business must be conducted in a manner that is above reproach, with complete impartiality and preferential treatment for no one. Although Federal laws and regulations restrict the actions of Government personnel, their official conduct must be such that they would have no reluctance making full public disclosure of their actions. It is important that BPA personnel observe proper standards of conduct in the discharge of their official duties, especially those duties involved in purchasing programs.

It is BPA policy not to interfere in the private lives of its employees; however, certain standards of conduct are required. These are published in detail and available to all personnel (see Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. Part 2635, BPI Part 3 and Appendix 3-A). Adherence to these standards requires that employees not do indirectly what would be improper to do directly.

Because of their importance in purchasing activities, BPA personnel should be familiar with the following selected standards:

- (a) No employee shall receive any salary or compensation for services as a Federal employee from any source other than the Government of the United States, except as may be contributed out of the treasury of a State, county, or municipality.
- (b) Employees shall not engage in any outside employment or other outside activity in conflict with the full and proper discharge of the duties and responsibilities of their BPA employment.
- (c) Acceptance of gifts, entertainment, or favors (no matter how innocently tendered and received) from those who have or seek business with BPA, may be a source of embarrassment to BPA and to the employee involved. It may affect the objective judgment of the recipient and impair public confidence in the integrity of the business relations between BPA and industry. Therefore, BPA employees shall not knowingly solicit or accept any gifts, entertainment, or favors, either directly or indirectly, from any interested party. (Complimentary meals and beverages or other de minimus gifts may be accepted under certain conditions, see BPI Appendix 3-A.) For the purpose of this standard, gifts, entertainment, and favors include any benefits, gratuities, loans, discounts, tickets, passes, transportation, accommodations, or hospitality given or extended to or on behalf of the recipient.
- (d) An employee shall not directly or indirectly use or allow the use of BPA property of any kind for other than officially approved activities. An employee has a duty to protect and conserve public property, including equipment, supplies, and other property entrusted or issued to the employee.
- (e) BPA employees must not directly or indirectly use official information for private gain which has been obtained through the employee's BPA employment if the information has not been made available to the general public.
- (f) Employees are prohibited from endorsing the proprietary products or processes of manufacturers or the services of commercial firms for advertising, publicity, or sales purposes. Use of material, products, or services by BPA does not constitute official endorsement.

Public confidence in BPA employees clearly demands that each employee take no action that

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would constitute the use of official position to advance personal or private interests.

10.2 Conflicts of interest.

Technical and contracting personnel must observe standards of conduct and avoid conflicts of interest with suppliers or potential suppliers of BPA to obviate any possible inference that BPA may be compromised by an employee's actions.

A few key points relating to conflicts of interest in purchasing matters are:

- (a) Employees, or their families, shall not have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with the employee's BPA duties and responsibilities.
- (b) Employees, or their families, shall not engage, directly or indirectly, in a financial transaction as a result of, or primarily relying on, information obtained through BPA employment which has not been made available to the general public.
- (c) Unless authorized to do so, no employee shall participate as a BPA employee in any matter that the employee knowingly has a financial interest.

Questions should be directed to BPA's ethics official in the Office of General Counsel.

10.3 Purchasing Integrity.

BPA policy prohibits certain actions by BPA employees, consultants, and advisers, and by competing contractors involved in the conduct of any BPA purchase of property or services. The prohibited actions relate to (1) post-employment restrictions, (2) discussion of future employment, (3) gratuities, and (4) disclosure of proprietary or source selection information. BPA regulations implementing the policy are in BPI Part 3 and Appendix 3-A.

10.4 BPA Harassment Policy.

Under BPA policy, harassment will not be tolerated in the BPA workplace. With regard to contractors, harassment may occur either between contractor employees or between BPA and contractor employees. The role of the COTR when contractor employees are or may be involved in harassment, is to direct complaints to the contractor's management for resolution. COTRs are not to participate in complaint resolution.

BPA's Harassment Hotline is available to both BPA employees and contractor personnel. Contractors working on-site at BPA are subject to BPA policies, including harassment-free workplace, through the inclusion of Clause 3-8, Contractor Compliance with BPA Policies, in their contract. Violations of the clause may result in termination of the contract for default. The CO should be informed of all pertinent facts in such situations. Further guidance on dealing with harassment is provided in a booklet published by the Office of Management Services and is available at all service centers or Area personnel offices.

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SECTION 11 DOS AND DON'TS FOR COTRs.

11.1 DOS.

Maintain a teamwork relationship, keeping the contracting officer fully informed and current on major problems concerning the contractor's performance, costs, or adherence to clauses.

Have a copy of the contract and all changes and modifications readily available. and be familiar with and understand all facets of the contract.

Maintain a separate file for each contract.

Work with the contractor, within your authority, as needed to get the job done.

Assure that any required security screening is completed before allowing contractors access to BPA ADP resources.

Attend scheduled meetings between the contracting officer and the contractor.

Monitor the contractor's work to ensure performance consistent with contract requirements within the time and cost parameters stated in the contract.

Provide periodic information to the contracting officer about the contractor's progress.

Verify that unsatisfactory contractor performance is corrected.

Ascertain that BPA property is being used properly and that appropriate measures are being taken to protect and safeguard it.

Assure that the contractor is providing timely response to all correspondence.

Verify that the contractor has the correct personnel performing the contract work and a need exists for overtime (when the contract type, i.e., time and materials, requires such review).

Follow up on corrective actions by the contractor as recommended by an authorized inspector(s).

Ascertain that all emergencies are attended to and resolved immediately.

Give notice of technical non-compliance (technical direction) to the contractor in writing. If such notice is given orally, follow up with a written confirmation.

Have regular and frequent contact (as necessary) with the contractor to ensure awareness of any potential concerns.

Ensure that your replacement is thoroughly briefed, both verbally and in writing, on all important issues.

Conduct contractual compliance checks and accurately record the information discovered.

Document significant actions, conversations, etc. as they occur.

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11.2 DON'TS.

Award, agree to, or execute a contract or contract modification.

Obligate, in any way, the payment of money by BPA unless delegated specific authority to do so.

Make a final decision on any matter that would be subject to appeal under the disputes clause of the contract.

Take action to terminate the contractor's right to proceed. (Note: Safety issues may require immediate action. See BPA Safety Manual.)

Approve work that is not in conformance with the contract requirements.

Make a final determination of contractor liability for loss or damage to BPA property.

Monitor the contractor so closely that you interfere with the contractor's work.

Encourage the contractor to perform effort not specified in an existing contract.

Accept special favors or gratuities from the contractor.

Tell the contractor how to carry out his/her responsibilities within any facet (technical, management, cost, or provisions) of the contract.

Commit the equipment, supplies, or personnel of the contractor for use by others.

Delay or cause to be delayed any correspondence or reports that require immediate response from the contractor, the contracting officer, or other BPA officials.

Create an employer-employee relationship with contractor personnel through supervisory or administrative practices.

Offer the contractor advice that may adversely affect contract performance, compromise the rights of BPA, provide the basis for a constructive change or impact any pending or future CO determination as to fault or negligence.

Permit the contractor to proceed with work outside the scope of the contract.

Grant extension of time.

Divulge any sensitive or proprietary information. (Contact the CO for advice)

Accept an appointment as a COTR if there is an apparent conflict of interest.

Exceed your authority as expressed (and limited) in your letter of appointment.

Become involved in contractor's business affairs not covered in the contract. This includes disputes with subcontractors, interpersonal conflict among contractor's employees, etc.

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Exhibit 1 Sample COTR Delegation Memorandum

Date

Cynthia Jenner, Contracting Officer
(Organization, Routing)

Designation of Contracting Officer's Technical Representative
(Contract Number, Contractor Name)

Roger Kabat, Contracting Officer's Technical Representative
(Organization, Routing)

You are hereby designated the Contracting Officer's Technical Representative (COTR) for the subject contract. You represent the Contracting Officer in all technical matters that arise. Your major duties and responsibilities are contained in the "Contracting Officer's Technical Representatives' Guide for Services Contracts." (BPI Appendix 14-1).

Your delegation is made without power of redelegation. The delegation shall remain in effect through the life of the contract unless it is revoked by the Contracting Officer, you are reassigned, or your employment is terminated. Therefore, it is important that you advise me immediately if someone else will assume your COTR responsibilities for this contract.

You are authorized to perform the following functions:

- Inspect and review work performed
- Inspect or witness test presentations or other activities
- Interpret technical specifications
- Approve submitted deliverables/reports
- Approve invoices
- Reject non-conforming services, materials, or equipment.
- Maintain a file of all contractor property purchasing and disposition documents
- Conduct required verifications of property listings (including annual physical verification of property).

You are not authorized to act for the Contracting Officer in the following matters pertaining to the contract:

- Approve contract modifications or change orders
- Authorize actions that result in a change in the contract price, technical specifications, or time of performance
- Approve subcontractors
- Suspend or terminate the Contractor's right to proceed
- Take action to terminate the contract for default or for BPA convenience
- Make final decisions on any matters subject to appeal.

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It is essential that the Contracting Officer be informed of the Contractor's progress. I have enclosed a master contract status report form tailored to your contract. Please make additional copies for your future use. Prepare and submit a status report upon receipt of deliverables or reports or upon completion of major contract performance milestones. Also, submit a status report upon receipt of invoices, attaching a copy of the invoice, for work performed.

Upon your recommendation, I have designated Angela Sanchez to act on your behalf during your absence on all technical matters relating to the contract. I ask that you familiarize her with your duties and responsibilities.

Joel Bovard is the Contracting Officer's Representative (COR) I have assigned to monitor this contract. Please contact him on all matters pertaining to administration of this contract. His telephone number is (503) 555-0990.

Enclosure: Status report

IMSecretary:ims:0000 (VS10-XXX-0000g)

cc:
Contractor
Contracting Officer's Representative
Commercial Accounts Payable Section
Alternate COTR
Official File - XXX

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Exhibit 2 Sample Field Inspector Delegation Memorandum

Date

Roger Kabat, Contracting Officer's Technical Representative
(Organization, Routing)

Designation of Field Inspector
(Contract Number, Contractor Name)

Jamie Jones, Field Inspector
(Organization, Routing)

You are hereby designated a Field Inspector for the subject contract. You shall represent the Contracting Officer's Technical Representative in technical matters. Your major duties and responsibilities are outlined in the contract clause, Contracting Officer's Representatives.

This delegation is made without power of redelegation and shall remain in effect through the life of the contract unless revoked by the Contracting Officer's Technical Representative, you are reassigned, or your employment is terminated.

You are authorized to perform the following functions:

- Inspect and review work performed.
- Advise contractor when it is not conforming to the contract requirements.
- Interpret technical specifications.
- Recommend to the CO approval or rejection of submitted services.
- Review invoices.

You are not authorized to act for the Contracting Officer's Technical Representative in the following matters pertaining to the contract:

- Reject services.
- Authorize actions that result in a change in the contract price, technical specifications, or time of performance.
- Suspend or terminate the contractor's right to proceed.
- Take action to terminate the contract for default or BPA convenience.
- Sign invoices for acceptance.

Contractor noncompliance with any portion of the contract and all contract changes are the specific responsibility of the Contracting Officer and the Contracting Officer's Technical Representative. You need to notify me of any and all instances of noncompliance with the contract.

I have designated Rosy Schachtelovich to act on your behalf during your absence on all technical matters relating to the contract. I ask that you familiarize her with your duties and responsibilities.

Please do not hesitate to contact me if you have any questions.

MSecretary:ims:0000 (VS10-XXX-0000g)

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cc:

Contracting Officer

Contractor

Alternate Field Inspector

Official File - XXX

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Exhibit 3 Contracting Authority and Communication Channels

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Exhibit 4 Typical Contents Of COTR's Contract Administration File

A uniform and orderly approach to file maintenance will reduce time spent searching for material and provide neat, standardized files. Consistency can be attained by adherence to the following procedures:

- (a) Folders: use four-part folders
- (b) Folder labels: The following information should be used to identify file folders:

Contractor Name _____
Service or Project: _____
Contract No.: _____

- (c) Placement of Folders in Filing Cabinet: Folders should be filed by contractor name

Contents:

Flap 1 Contract and Supplements

- . Purchase requests
- . Copy of executed original contract and all modifications

Flap 2 Basic File

- . Contractor performance evaluation/award fee/quality assurance
- . Forms (travel, training, etc.)
- . Labor clearances
- . Log of significant activities
- . Meeting notes
- . Overtime approvals and other work-progress related documents
- . Reports (accident, audit, contractor progress, COTR performance status, financial, receiving, workforce status, etc.)
- . Schedule of compliance reviews
- . Project staffing/organization charts
- . List of BPA-furnished property

Flap 3 Correspondence File

- . Copies of all correspondence between COTR and CO/COR
- . Copies of all correspondence between COTR and Field Inspectors
- . COTR and any Field Inspector designation
- . Internal memoranda
- . Record of communication between COTR and other support activities
- . Copies of all correspondence between COTR and contractor
- . Copies of all general correspondence related to contract
- . Copies of all notices to proceed, stop or report submittals
- . Copies of all letters of approval pertaining to such matters as materials, the contractor's quality control program, prospective employees, and work schedules

Flap 4 Payment File

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- . Backup documentation for contractor payment or progress payments
- . Copies of inspection reports
- . Copies of invoices
- . Information relative to discount provisions for prompt payment
- . Correspondence pertaining to payment
- . Payment status log

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Exhibit 5 COTR's Status Report

COTR'S STATUS REPORT

1. To: _____		Through: _____	Routing: _____
C.O.		C.O.R.	
2. Contract No.: _____		3. Title: _____	
4. Project No.: _____	5. Task Order No.: _____	6. Contractor: _____	
7. This Contract ☐ does, ☐ does not include BPA furnished or funded property or materials.			
8. This is a ☐ Fixed Price, ☐ Time & Materials, ☐ Cost Reimbursement Contract.			
9. Current Financial Status		(Attach copies of invoices; the following may be left blank if Invoice Control Sheet is attached.)	
☐ Yes ☐ No The expenditure rate is at anticipated levels. ☐ Yes ☐ No ☐ N/A Prices for deliverables (if fixed price), or labor rates (if T&M/Cost reimbursement) are consistent with those found in the contract. <small>(Explain "No" answers in block 13.)</small>		Original Award Amount/Ceiling \$ _____ Increase/Decrease since last report \$ _____ Current Award Amount/Ceiling \$ _____ Minus previous payments \$ _____ Minus this payment \$ _____ Unpaid balance \$ _____	
10. Current Project Status (Explain "No" answers.)			
Current Exp. Date: _____ Options for Extension Thru: _____			
☐ Yes ☐ No ☐ N/A Deliverables are acceptable. ☐ Yes ☐ No ☐ N/A Deliverables were submitted on time. ☐ Yes ☐ No Progress is satisfactory and should be completed before the expiration date. (If no, contact the COR immediately.)			
11. Property: (Skip this section if the contract does not include BPA furnished or funded property.)			
☐ Yes ☐ No Has additional property been purchased and charged to BPA since the last report? The annual physical inventory report (due August 31): (Check one) ☐ Is not yet due. ☐ Is attached. ☐ Has not been submitted. (Explain actions taken.)			
12. Closeout: (Complete this block when final payment is authorized.)			
I recommend that this contract be closed. Final payment was authorized by me on _____.			
Overall, I consider the contractor's performance ☐ excellent, ☐ satisfactory, ☐ poor (Explain if "poor").			
13. Remarks: (Cite block #)			
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div>			
14. Signature: _____		15. Date: _____	
16. COTR's Name: _____		17. Initials & Date of COR's Review: _____	

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Exhibit 6 Sample Notice For Improper Invoice

SUBJECT: Notice of Improper Invoice

TO: (Contractor's Name & Address)

On _____ the attached invoice was received by Bonneville Power Administration (BPA). Payment of this invoice cannot be made in whole/part due to the reasons marked below:

() The attached invoice does not reflect our purchase order/contract/task order/account number. This identification number is necessary in order to make payment.

() There is an error in unit price/extension/total on the attached invoice. Please provide a corrected invoice that agrees with the terms of our purchase order/contract.

() The attached document is returned because payment cannot be made against a statement/carbon copy. Please provide an original invoice so that payment can be made.

() The attached invoice does not reflect unit price(s). Please provide an itemized invoice so payment can be made.

() Other
(describe) _____

Please mail the requested information to the following address with a copy of this notice attached.

Attn: _____ (Name and Routing)

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

Your prompt attention to this matter is appreciated.

(Signature & Title)

Attachment: (Copy of Invoice)
cc: Commercial Accounts Payable Section

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Exhibit 7 Checklist For The Review Of Cost-Reimbursement Contract Invoices

Contractor: _____ Contract Number: _____
Invoice Number: _____ Date reviewed: _____
Billing Period: _____ to _____

- ☐ Does the invoice have all contractually required data?
- ☐ Is the period of performance covered by the billing shown?
- ☐ Does the billing period duplicate a previously invoiced period?
- ☐ Do billing rates agree with those in the contract?
- ☐ Is the rate of expenditure during the billing period as expected, or is it unusually high or low?
- ☐ Is the number of hours billed a reasonable number for the accomplishments of the contractor for that period of time?
- ☐ Are the travel expenses reasonable for the amount of travel expected during the period of the billing.
- ☐ Are the total cumulative invoiced costs within the contract's limitation?
- ☐ Are the equipment/supplies/materials invoiced as expected, or has something caused an unusual expenditure?
- ☐ Is additional funding beyond the present ceiling expected to be needed for this contract in the next three months?
- ☐ Are there direct costs not previously negotiated, such as extra materials, unanticipated travel, personal computers, etc.?
- ☐ After considering the questions above, the technical progress, and the financial information gained through the invoice review described above, is there any reason to expect other than satisfactory completion of the project/contract?
- ☐ Is there any reason to contact the Commercial Accounts Payable Section or CO concerning timely processing of this invoice?
- ☐ Are receipts or supporting documentation attached?

COTR Signature

Date

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Exhibit 8 Invoice Control Sheet

Contract Number: _____

Supplies/Services: _____

Contractor: _____

<u>Invoice Number</u>	<u>Date Invoice Received</u>	<u>Date Invoice Approved</u>	<u>Date Sent to DSDG</u>	<u>Invoice Amount</u>	<u>Amount Paid</u>	<u>Cumulative Amount Paid</u>	<u>Remaining Funds</u>
Initial Contract Limit							\$ _____
1. _____	_____	_____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____	_____	_____	_____

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Exhibit 9 Definitions

"CO" means Contracting Officer.

"COR" means Contracting Officer's Representative.

"COTR" means Contracting Officer's Technical Representative.

"Contract" means a legal instrument reflecting a relationship between BPA and another party where the principal purpose of the instrument is the acquisition, by purchase, lease or barter, of property or services for the direct benefit or use of BPA. In the context of this Guide, the terms "contract" and "contract administration" also apply to Intergovernmental Contracts.

"Field inspector" means one or more individuals that are delegated authority to monitor the performance of the contractor.

"General Scope of the Contract" means the work which was fairly and reasonably within the contemplation of the parties when they entered into the contract. This can be defined by determining what each party planned to do as a result of the contract. Generally, changes to specific elements or parts of the work would be considered "within the scope" if the end product of the contract was essentially the same as that contracted for initially. Changes that are beyond the scope of the contract are considered new purchases which require the competition requirements of the BPI to be met.

"Program Office" means the office that is the source of funds for the contract. This office determines major program goals and policies, and allocates funds, personnel, and other resources among the programs for which it is responsible, and determines other major facets of the contract effort.

"Requisitioner" means the person in the program office who is responsible for developing the project supported by a specific award, and the person who concurs with any proposed program-type modifications to agreements before action by the CO. The requisitioner recommends to the CO an individual to serve as COTR for the contract. The nominated individual must be certified by the HCA as a qualified COTR. The important considerations are the technical and contract administration knowledge of the individual to ensure effective technical compliance by the contractor and receipt and acceptance of the supplies/services. The CO will evaluate the recommendation(s), and designate the individual selected as a COTR. If the qualifications of the individual(s) nominated to be COTR are not met, the CO will ask for additional recommendations. The requisitioner may be designated as the COTR on a contract, but this is not necessary or required.

**DATE
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12 / 14 / 93

END