

## Contract Administration

# Activity 30: Contract Administration Planning

*Procedures for monitoring a contractor's, supplier's, or service provider's performance over the life of the contract.*

**Related Flow Charts:** [Flow Chart 30](#)

Tasks	FAR Reference(s)	Additional Information
1. Determine the extent of contract surveillance.	FAR 42.202(f) Special surveillance [assignment of contract administration]. FAR 42.11 Production surveillance and reporting [contract administration and audit services].	The Government will maintain surveillance of contractor performance as necessary to protect its interests. The contract administration office determines the extent of production surveillance on the basis of: <ul style="list-style-type: none"><li>• The criticality (degree of importance to the Government) assigned by the contracting officer to the supplies or services; and</li><li>• Consideration of the following factors:<ul style="list-style-type: none"><li>○ Contract requirements for reporting production progress and performance.</li><li>○ The contract performance schedule.</li><li>○ The contractor's production plan.</li><li>○ The contractor's history of contract performance.</li><li>○ The contractor's experience with the contract supplies or services.</li><li>○ The contractor's financial capability.</li><li>○ Any supplementary written instructions from the contracting office.</li><li>○ Contract at or below the simplified acquisition threshold (SAT) should not normally require</li></ul></li></ul>

Tasks	FAR Reference(s)	Additional Information
		<p>production surveillance.</p> <p>In planning and conducting surveillance, contract administration offices must make maximum use of any reliable contractor production control or data management systems.</p> <p>In performing surveillance, contract administration office personnel must avoid any action that may:</p> <ul style="list-style-type: none"> <li>• Be inconsistent with any contract requirement; or</li> <li>• Result in claims of waivers, changes, or of other contract modifications.</li> </ul> <p>For major system acquisitions (see FAR Part 34), the contracting officer may designate certain high risk or critical subsystems or components for special surveillance.</p>
<p>2. Determine what contract administration functions (if any) will be delegated.</p>	<p>FAR 2.101 Contract administration office [definitions].</p> <p>FAR 42.002 Interagency agreements [contract administration and audit services].</p> <p>FAR 42.202 Assignment of contract administration.</p> <p>FAR 42.203 Contract administration services directory.</p> <p>FAR 42.3 Contract administration office functions.</p> <p>FAR 42.6 Corporate administrative contracting officer.</p>	<p>As provided in agency procedures, contracting officers may delegate contract administration or specialized support services, either through interagency agreements or by direct requests to the cognizant contract administration office (CAO) listed in the Federal Directory of Contract Administration Services Components.</p> <p>For major system acquisitions (see FAR Part 34), the contracting officer may designate certain high risk or critical subsystems or components for requesting supporting contract administration.</p> <p>Note though that many contracting offices take a cradle-to-grave approach wherein the contracting officer manages the procurement from inception through development, procurement, performance and final disposition.</p>
<p>3. Delegate contract administration functions, as applicable.</p>	<p>FAR 42.201 Contract administration responsibilities.</p> <p>FAR 42.202 Assignment of contract administration.</p>	<p>Contracting officers may delegate contract administration or specialized support services, either through interagency agreements or by direct request to the cognizant CAO listed in the Federal Directory of Contract Administration Services Components. This occurs through a formal delegation.</p>

Tasks	FAR Reference(s)	Additional Information
<p>4. If required, develop a contract administration plan.</p>	<p>FAR 46.401 General [Government contract quality assurance].</p>	<p>The two principal objectives of contract administration planning are:</p> <ul style="list-style-type: none"> <li>• To establish a system that reinforces the performance of both parties' (both buyer and seller) responsibilities.</li> <li>• To provide means for the early recognition of performance problems either before or when they occur.</li> </ul> <p>The requirements for contract administration plans are based on individual agency's policies and procedures.</p>
<p>5. Identify qualified personnel (as authorized and necessary) to represent the contracting officer in administering contract requirements.</p>	<p>FAR 2.101 Contracting officer [definitions].</p> <p>FAR 42.3 Contract administration office functions.</p> <p>FAR 42.6 Corporate administrative contracting officer.</p>	<p>Contractors with more than one operational location (e.g., division, plant, or subsidiary) may require the assignment of a corporate administrative contracting officer (CACO) to deal with corporate management and to perform selected contract administration functions on a corporate-wide basis.</p>
<p>6. Notify the contractor of personnel authorized to represent the contracting officer in the administration of contract requirements.</p>	<p>FAR 42.202(b) Special instructions [assignment of contract administration].</p>	<p>The contracting officer must advise the contractor (and other activities as appropriate) of any functions withheld from or additional functions delegated to the CAO.</p>