



**The Republic of Uganda**

**MINISTRY OF WATER AND ENVIRONMENT**

**DIRECTORATE OF WATER DEVELOPMENT**

**CONTRACT MANAGEMENT PLAN TEMPLATE**

**March 2007**

**(Water and Sanitation Sector District Implementation Manual Annex 8.1)**

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**CONTRACT MANAGEMENT PLAN FOR THE PROJECT**  
.....**CONTRACT no.**

## **Purpose**

The purpose of this Contract Management Plan (CMP) is to provide guidance to staff involved with the management and administration of the contract. Such guidance should be a useful tool to help the District ensure that contractor and consultants comply with all terms and conditions that govern the Contract. This CMP was developed with the guiding principles that it:

- (1) Shall be a useful tool for administering the contract.
- (2) Shall be an executive summary of the roles and responsibilities of the contracting parties.
- (3) Shall identify who is responsible for various contract administration activities.
- (4) Shall be flexible and adapt to changing circumstances.

This CMP does not include every action that district must take to make the contract successful. Instead, it summarizes the higher-level requirements, deliverables, and tasks necessary, and describes the overall process with which the tasks are performed.

This CMP is intended solely to provide guidance to Government employees and should not be construed to create any rights or obligations on the part of any person or entity, including the Contractor and its employees. It is not intended to be either prescriptive or inclusive of all actions necessary to support and/or administer the contract. It describes the various contract management processes and how they fit together, but does not contain all of the step-by-step details of those processes.

## **1.0 Background**

District Local Government's objective is for the Contractor to complete the contract's work scope in a timely and effective manner that meets the terms of the contract. The Contractor is given the responsibility of achieving end results and the freedom of determining generally how the results are achieved. The contract is itemized contract. To earn any payment, the Contractor must successfully perform the specific functions stated in the contract.

The district local government is responsible for payment of the services agreed on as per contract, securing land on behalf of the client.

## **2.0 Identification of Key Contract Management Team Members, Authorities and Limitations**

Successful management and administration of this contract requires the coordinated efforts of a variety of district personnel. Some of these key personnel include the district water officers; district Engineer, the CAO, County water officers, etc. This CMP delineates the roles and responsibilities of these team members and describes their interaction on key contract administration duties.

The following roles should be clearly spelt out.

- Roles of the district water officer
- Role of Chief Administrative Officer
- Role of the district Engineer
- Role of the sub county representatives

## **3.0 Contract Identification**

- Contractor name:
- Contract number:
- Contract title:
- Performance period:
- Total contract value:
- Contract type: Itemized contract with bills of quantities.
- Clients key personnel:
- Contractor key personnel:
- Appendices to the contract.

## **4.0 Methodologies for certifying, approving, evaluating and monitoring the performance of the contractor**

The following questions should be addressed:

How will the work be measured? Indicators on key milestones can be listed.

Who is to certify and when to certify

Who is to approve and when to approve  
Who is designated supervisor?  
What are the key milestones that need approval  
Who issues variations?  
What is the chain for approval of variations?  
What are the monitoring procedures for politicians?  
Which other stakeholders are involved in the contract and what are their roles.

## **5.0 Key Contract Vulnerabilities or Performance Risk Areas Inherent in the Contract**

The following should be addressed:

What are the major risks that the contractor is likely to face?  
What are the major risks that the client is likely to face?  
What are the mitigations put in place to reduce the risks?

## **6.0 Post-Contract Liabilities**

The district and contractor should agree on post contract liabilities especially issues to do with warranty of equipment.

## **7.0 Inspection and Acceptance Process**

The process of approving the contractors should be clearly stated here, process of approval of materials, testing of materials etc.

## **8.0 Non Value-Added Directives/Requirements**

Removal of non-value added requirements is paramount. The procedure of directives and which directives to be followed should be clearly spelt out to all the stakeholders.

## **9.0 Major Contractor Milestones, Deliverables, Reporting Requirements, and Performance Incentives**

Define the reporting modalities and requirements in the process of managing the contract. The milestones reporting or timely reporting is essential.

## **10.0 Contract Change Control Process**

The process of managing change in case of changes in key personnel should be clearly spelt out. What are the notification procedures, who temporarily becomes responsible, where is it necessary to halt the work etc.

## **11.0 Payment Administration and Invoice Review**

Contract clauses concerning payments and invoice review should be clearly spelt out.

- How long will it take to review the claim
- Who will review the claim
- If there are disagreements how can they be solved at that level
- The communication issue should be clearly spelt out in regard to invoice review
- How long will the client take to pay
- What penalties are in place to protect the contractor in case the client delays to pay

## **12.0 Contract Records**

For example: All records acquired or generated by the contractor in performing this contract are the property of the Government except for those defined as "contractor-owned" in contract. Other clauses of records can be drafted to protect the parties involved.

## **13.0 Contract Closeout**

When the Contractor has completed the work scope, the process of verification of contract completion and initiation of contract closeout can commence. Among the issues, the contract ends by handing over as built drawings that will assist the client in maintenance of the system.

## **14.0 Contract Communication Process**

### ***Formal communications with the Contractor***

All formal direction to the Contractor is issued by the DWO or as delegated, the

CAO, such direction should be in writing, but may be provided orally in meetings, briefings, phone, or video conferencing. A written record of direction should be created for such oral directions. All formal written correspondence to the Contractor should include the contract number within the subject line. Correspondence will include the following statement, where applicable--"The district Local government considers this action to be within the scope of the existing contract and therefore, the action does not involve or authorize any delay in delivery or additional cost to the Government, either direct or indirect."

To ensure correspondence control, all formal correspondence should be addressed to the Contractor's local principal executive, and cite the contract number and applicable contract provision. Formal communication from the Contractor should follow a formal contract correspondence tracking system with commitments appropriately assigned and tracked for timely completion.

### ***Informal communications with the Contractor***

Informal communications can occur between an district employee and any Contractor employee.

This type of communication is non-binding for both the Local Government and the Contractor and does not constitute contract direction (i.e., formal communication). Informal communication can take the form of electronic mail, retrievable databases, telephone, facsimile, presentations, meetings, and other means.

Informal communications between district and Contractor staff are needed for proper oversight coordination. This communication should be constructive in nature. Avoid requesting information obtainable by other means. In their informal communications, district employees need to avoid the impression the communications are formal.