

SUMMARY OF CONTENTS

CHAPTER 1: INTRODUCTION.....	1-1
INTRODUCTION TO CONTRACTING FOR THE STATE OF COLORADO.....	1-1
<i>Commitments and Commitment Vouchers</i>	1-1
<i>Getting Started</i>	1-2
<i>The State Controller</i>	1-2
<i>Spending Authority</i>	1-3
<i>Purchase Order vs. Contract</i>	1-3
<i>The Department of Personnel & Administration (DPA)</i>	1-4
<i>Group I, Group II and Undelegated Agencies</i>	1-6
<i>State Purchasing Office, DPA Division of Finance and Procurement</i>	1-6
<i>Competitive Sealed Bidding and Competitive Sealed Proposals</i>	1-7
<i>Delegation of Purchasing Authority</i>	1-8
<i>Purchase Orders? Contract? Which one?</i>	1-8
<i>Sole Source/Emergency Procurements</i>	1-9
<i>Other Agencies/Special Procurements</i>	1-10
<i>Routing Contracts for Approval</i>	1-11
<i>The "Big Picture"</i>	1-11
<i>Office of the Attorney General</i>	1-12
<i>A Return Visit to the State Controller's Office</i>	1-12
<i>After Contract Approval - First a Celebration! - Then Contract Management</i> ..	1-14
<i>Contract Improvement Initiatives in Colorado State Government</i>	1-14
<i>One Final Note - This Stuff Isn't Easy</i>	1-14
CHAPTER 2: PLANNING	2-1
DEFINING NEED	2-1
AUTHORITY	2-2
INTERAGENCY COORDINATION	2-2
PERSONAL SERVICES ISSUES	2-3
COST ESTIMATE	2-3
CHOOSE THE APPROPRIATE COMMITMENT DOCUMENT	2-4
DETERMINE THE PROCUREMENT METHOD.....	2-4
LEAD TIME INFORMATION	2-4
<i>PLANNING LEAD-TIME TABLE</i>	2-6
ESTABLISH TIME LINE AND RESPONSIBILITY AREAS	2-7
WRITING STATEMENTS OF WORK (SOW) AND SPECIFICATIONS	2-7
<i>Establishing a Payment Relationship</i>	2-8
<i>Performance vs. Method (Design) Specifications</i>	2-8
<i>Define the State's Role</i>	2-9
<i>Be Specific: define Quantity and Quality</i>	2-9
<i>Refer to Established Standards</i>	2-9
<i>Deliverables</i>	2-10

<i>Allow for Monitoring and Final Acceptance</i>	2-10
<i>Some Issues to Consider</i>	2-11
AGENCY SUPPLEMENT (INSERT)	2-13
CHAPTER 3: PERSONAL SERVICES	3-1
INTRODUCTION	3-1
<i>Background</i>	3-1
<i>Recommended Approach</i>	3-2
PERSONNEL DIRECTOR’S ADMINISTRATIVE PROCEDURES	3-3
KEY EXCEPTIONS TO PRIVATIZATION REVIEW REQUIREMENTS	3-3
GROUNDS FOR APPROVAL	3-4
LIMITATION ON USE OF STATE TEMPORARY EMPLOYEES	3-6
OTHER POLICIES	3-7
FORMS INSTRUCTIONS	3-7
PRIVATIZATION PROGRAM SUMMARY.....	3-8
APPENDIX A: PERSONNEL REVIEW FORMS	3-10
<i>Certification for Personal Services Agreements (2 pages)</i>	3-10
<i>Personal Services Contracts—Cost Analysis Form (2 pages)</i>	3-10
PERSONNEL RULES (AGENCY INSERT).....	3-11
CHAPTER 4: VENDOR SELECTION	4-1
INTRODUCTION	4-1
BID INFORMATION AND DISTRIBUTION SYSTEM (BIDS).....	4-1
VENDOR SELECTION METHODS	4-2
<i>Exempt Procurements</i>	4-2
<i>State Price Agreements</i>	4-2
<i>Small Discretionary Dollar Purchases</i>	4-3
<i>Documented Quotes</i>	4-3
<i>Competitive Sealed Bidding</i>	4-3
<i>Competitive Sealed Proposals</i>	4-4
<i>Statements Of Qualification</i>	4-6
<i>Sole Source Procurement</i>	4-6
<i>Emergency Procurements</i>	4-7
<i>Special Circumstance Procurement</i>	4-8
<i>Competitive Negotiation</i>	4-8
<i>Best Value Sealed Bidding</i>	4-8
<i>Additional Vendor Selection Options</i>	4-9
<i>Lease And Capital Construction</i>	4-9
AGENCY SUPPLEMENT (INSERT)	4-10
STATE PROCUREMENT CODE AND RULES	4-11
(AGENCY INSERT)	4-11
CHAPTER 5: CONTRACT PRICING	5-1
INTRODUCTION	5-1
<i>Contract Pricing Defined</i>	5-1
<i>Other Economic Considerations</i>	5-1

STATUTORY AND REGULATORY REQUIREMENTS	5-2
<i>State Fiscal Rules and the Controller Statute</i>	5-2
<i>Procurement Statutes</i>	5-2
<i>Federal Grant Contracts</i>	5-2
PRICE ANALYSIS	5-3
<i>Definition of "Price Analysis"</i>	5-3
<i>Price Analysis for "Full and Open Competition"</i>	5-3
<i>Other Methods of Price Analysis</i>	5-3
<i>Documenting Price Analysis</i>	5-4
<i>Relationship between Price Analysis and Negotiation</i>	5-4
COST ANALYSIS	5-5
<i>"Cost Analysis" Defined</i>	5-5
<i>Analyzing Specific Cost Categories</i>	5-5
<i>Requesting "Cost or Pricing" Data</i>	5-8
<i>Profit</i>	5-9
A NOTE ABOUT GRANTS	5-9
<i>Considerations in Cost Analysis</i>	5-10
<i>Matching Requirements</i>	5-11
<i>Procurements Under Grants</i>	5-11
PRICE NEGOTIATION IN COMMERCIAL CONTRACTS - CONSIDERATIONS	5-12
CHAPTER 6: DRAFTING A CONTRACT	6-1
PERSONAL LIABILITY - AN INTRODUCTORY CAUTION	6-1
COMMITMENT VOUCHERS	6-1
STATE PURCHASE ORDERS	6-2
STATE CONTRACTS	6-4
COMPETITIVE BIDDING	6-5
VENDOR CONTRACTS	6-6
AN APPROACH TO CONTRACT DRAFTING	6-7
ESSENTIAL ELEMENTS OF A CONTRACT	6-9
<i>Introductory Paragraph</i>	6-9
<i>Identification of Parties</i>	6-9
<i>Factual Recitals</i>	6-9
<i>Service or Product Provided (Scope of Work)</i>	6-10
<i>Payment Terms</i>	6-10
<i>Performance Period</i>	6-14
<i>General Terms and Conditions</i>	6-14
<i>Funding Obligation Authority</i>	6-15
<i>Special Provisions</i>	6-15
CONTRACT SIGNATURES	6-15
<i>Signature Page</i>	6-15
<i>Signature Authority</i>	6-16
<i>Types of Contractors</i>	6-17
<i>General Requirements for Contract Signatures</i>	6-17
<i>Resolving Signature Issues</i>	6-23
EXHIBITS	6-25

CONTRACT MODIFICATIONS	6-26
TYPES OF CONTRACTS	6-27
<i>Supply Verses Service Contracts</i>	6-27
<i>Personal Service Contracts</i>	6-28
<i>Information Technology Contracts</i>	6-29
<i>Purchased Services Contracts</i>	6-30
<i>Definitions:</i>	6-30
<i>Professional Services Contracts</i>	6-32
<i>Capital Construction Contracting</i>	6-34
<i>Equipment Maintenance Contracts</i>	6-36
<i>Grant Contracts</i>	6-37
<i>Loan Contracts</i>	6-39
<i>Real Estate Contracts</i>	6-42
<i>Easements</i>	6-48
<i>Real Estate Purchases and Exchanges</i>	6-50
<i>Revenue Generating Contracts</i>	6-51
<i>Settlement Agreements with State Employees</i>	6-52
<i>Settlement Contracts</i>	6-53
<i>Multi-Party Contracts</i>	6-54
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT	6-55
INDEMNIFICATION AND LIMITATION OF LIABILITY	6-57
INSURANCE REQUIREMENTS	6-59
<i>Introduction</i>	6-59
<i>Insurance Coverage Overview</i>	6-60
<i>Standard State Insurance Requirements</i>	6-63
<i>Governments or “Political Subdivisions” as Contractors</i>	6-63
<i>Limits of Liability</i>	6-65
<i>Certificate Holder</i>	6-68
<i>State of Colorado Property and Liability Insurance</i>	6-68
INTELLECTUAL PROPERTY ISSUES.....	6-69
<i>Patents</i>	6-70
<i>Copyright</i>	6-70
<i>Trademarks</i>	6-71
<i>Trade Secrets</i>	6-72
<i>Intellectual Property Rights in Software</i>	6-73
<i>Independent Contractor and Intellectual Property Rights</i>	6-75
APPENDIX A: MODEL CONTRACT PROVISIONS.....	6-76
A. <i>PROVISIONS GENERALLY USED IN ALL CONTRACTS</i>	6-76
B. <i>MODEL CLAUSES TO BE USED WHEN APPROPRIATE</i>	6-99
C. <i>PROVISIONS APPLICABLE TO GRANT-TYPE CONTRACTS</i>	6-114
D. <i>SPECIAL PROVISIONS</i>	6-125
APPENDIX B: INTERAGENCY AGREEMENT.....	6-126
CHAPTER 7: DEPARTMENTAL ACCOUNTING PROCEDURES	7-1
RESPONSIBILITIES UNDER THE CONTROLLER’S STATUTE.....	7-1
ENCUMBRANCE.....	7-1

ADVANCE PAYMENTS	7-2
SUGGESTED INTERNAL ROUTING FOR CONTRACTS	7-2
CLIN & CLI2 TABLES	7-3
CONTRACT WAIVER PROGRAM.....	7-3
SUBRECIPIENT GRANTS AND REQUIRED REPORTING.....	7-3
STATE FINANCIAL REPORTING REQUIREMENTS FOR SUBRECIPIENT GRANTS	7-5
AGENCY ACCOUNTING PROCEDURES SUPPLEMENT (INSERT)	7-6
APPENDIX A: CONTRACT LOG PROCEDURE FOR STATE AGENCIES	7-7
STATE FISCAL RULES (AGENCY INSERT)	7-8
CHAPTER 8: EXTERNAL APPROVAL ROUTING	8-1
EXTERNAL ROUTING REQUIREMENTS	8-1
CENTRAL APPROVERS ROUTING POLICIES/PROCEDURES	8-2
<i>Department of Personnel Privatization Review.....</i>	<i>8-2</i>
<i>Division of Purchasing Procurement Review.....</i>	<i>8-4</i>
<i>Office of the Attorney General.....</i>	<i>8-6</i>
<i>State Controller's Office.....</i>	<i>8-8</i>
CHAPTER 9: CONTRACT CHECKLIST.....	9-1
AGENCY SUPPLEMENTAL CHECKLIST (INSERT)	9-9
CHAPTER 10: CONTRACT MANAGEMENT GUIDE	10-1
INTRODUCTION TO CONTRACT MANAGEMENT	10-1
<i>Objective/Scope/Purpose/Definitions</i>	<i>10-1</i>
<i>Responsibilities</i>	<i>10-2</i>
BEGINNING CONTRACT ADMINISTRATION	10-3
<i>Pre-Contract</i>	<i>10-3</i>
<i>Understanding the Contract</i>	<i>10-5</i>
<i>Contract Type Considerations</i>	<i>10-7</i>
<i>Contract Payments.....</i>	<i>10-8</i>
<i>Establishing a Contract Administration File.....</i>	<i>10-12</i>
<i>Planning for Administration</i>	<i>10-13</i>
DAY-TO-DAY CONTRACT ADMINISTRATION	10-18
<i>Fundamental Duties of Contract Administration</i>	<i>10-18</i>
<i>Work Planning and Scheduling</i>	<i>10-18</i>
<i>Inspection, Monitoring, and Accepting Performance.....</i>	<i>10-19</i>
<i>Administration of State Property</i>	<i>10-22</i>
<i>Funding and Financial Administration</i>	<i>10-24</i>
MODIFICATIONS TO CONTRACTS	10-26
<i>Introduction</i>	<i>10-26</i>
<i>Basis of Modifications</i>	<i>10-26</i>
<i>Modification Examples</i>	<i>10-26</i>
<i>Procurement Rules and Approvals Related to Modifications.....</i>	<i>10-27</i>
<i>Other Modifications.....</i>	<i>10-27</i>
<i>Pricing Changes and Modifications</i>	<i>10-29</i>
<i>Contractor Name Changes and Novation Agreements.....</i>	<i>10-29</i>

SUBCONTRACTS AND ASSIGNMENTS	10-34
<i>"Privity of Contract" -- The Implications</i>	10-34
<i>State Approval of Subcontractors</i>	10-34
<i>State Relationship with Subcontractors</i>	10-35
<i>Assignments Distinguished</i>	10-36
DISPUTE RESOLUTION	10-38
<i>Introduction</i>	10-38
<i>Responsibilities in Dispute Resolution</i>	10-39
<i>Negotiation</i>	10-40
<i>Other Dispute Resolution Techniques</i>	10-43
<i>Implementing the Settlement of Disputes</i>	10-45
PERFORMANCE REMEDIES AND TERMINATION	10-56
7.1 <i>Performance Remedies</i>	10-56
<i>Termination for Default</i>	10-62
7.3 <i>Termination for Convenience</i>	10-63
<i>Avoiding Contract Interruptions</i>	10-65
CONTRACT CLOSE-OUT	10-72
<i>Evaluating and Documenting the Results</i>	10-72
<i>Renewals and Options, Extensions, and Resolicitation</i>	10-73
<i>Internal and External Feedback</i>	10-74
INDEX	I