



MANAGING SUPPLIER CONTRACTS CONTRACTUAL OBLIGATION(S) Instructions and Guidelines

It is the responsibility of Departments to monitor and manage their Supplier Contracts. Important elements of contract management are ensuring the Supplier and the Department are meeting their contractual obligations.

Procurement is committed to supporting Departments with managing their Supplier Contracts. For additional assistance or any questions regarding Supplier Contracts, please contact Libby Phelan, Contracts & Sourcing Manager at lphelan@uark.edu.

Note: If the Supplier Contract is a [*State of Arkansas Services Contract \(PCS/TGS\)*](#), additional paperwork may apply. Please contact, Ellen Ferguson, Sr. Procurement Coordinator, ellen@uark.edu for assistance.

STEP 1. ONCE THE CONTRACT IS SIGNED IT IS TIME TO PERFORMANCE MANAGE THE SUPPLIER CONTRACT

Workday Supplier Contracts contain the contract documentation. Departments need to identify and track contract obligations for both the Supplier and the Department to ensure compliance.

A. What to look for in the Supplier Contract

- Identify dates for decision making activities
- Familiarize yourself with the terms of the contract and schedule of activities, deliverables and responsibilities that must be adhered to for both the University and the Supplier
- Develop an understanding of the contract objectives / milestones / key success indicators
- Familiarize yourself with the invoicing and payment process

B. Contract Management Planning

- Include a feedback mechanism for the Supplier to aid early recognition of potential issues
- Monitor dates for decision making activities
- Ensure Supplier and internal roles are clear
- Set up a process to handle disputes / misunderstandings
- Identify Supplier points of contact
- Formalize performance review methods and meet regularly with the Supplier to ensure contract performance
- Identify risks and mitigation strategies
- Maintain contact with the Supplier to ensure effective communication

C. General Contract Management Guidelines

- UAF/Department is responsible for executing upon and managing the contract. The Department should be leading the effort and managing the Supplier's work and deliverables
- Do not pay invoices without reconciling to the contract pricing and deliverables. The Supplier is accountable to the contract payment terms
- Hold the supplier accountability for deliverables, actions, scope of work, etc., of the contract
- Departments are responsible for managing and tracking contract renewal dates. Use Workday to set and send reminders

- Plan for in advance of the contract actual contract end date. Know your options. Have a plan. Consider all risk mitigation factors
- Contract management is more than just administration. It is proactively engaging, communication, planning, maximizing performance and minimizing risks all while executing to the contract terms

STEP 2. THE SUPPLIER IS NOT MEETING THEIR OBLIGATIONS WHAT ARE THE NEXT STEPS?

If your Department has been managing the contract and it is determined the Supplier is not meeting their contractual obligations, the Department can send the Supplier a Contractual Obligation Letter which formally requests a meeting to discuss contract concerns.

A. Contractual Obligation Letter Template

To complete a sample [Contractual Obligation Letter Template](#), open the letter and right click on the yellow comment icon for instructions. The yellow comment icon will need to be deleted before emailing the letter to the Supplier.

- Directly reference the contractual obligation(s) in the letter to the Supplier
- Use the Workday Supplier Contract Amendment process (Step 3) to upload the letter to the Supplier Contract in Workday.

Note: Prior to sending the Contractual Obligation Letter to the Supplier email Libby Phelan, lphelan@uark.edu copying legal gckrev@uark.edu. Do not send to Supplier until a response is received.

STEP 3. AMENDING YOUR SUPPLIER CONTRACT IN WORKDAY

Once the letter is sent to the Supplier, the next step is to use the Workday Supplier Contract Amendment process to attach the letter to the Supplier Contract in Workday through an amendment.

A. Amend a Supplier Contract

located at: <https://uark.sharepoint.com/sites/wdt/SitePages/Supplier-Contracts.aspx>

Note: Select Change as the amendment type.

Attach the letter and complete the steps and submit amendment for approval.