Contract Management and Contract Administration

Contract Management

- Contract management can be generally considered as applying the principles of management to an Contract (agreement).
- This includes the functions of *planning* and *controlling* the agreement.

Contract Management

- This includes planning the agreement through the process of drafting the agreement, defining the duties and responsibilities of the parties to the agreement, administering the agreement and closing it.
- Therefore the process of contract management starts before the agreement is signed.

Contract Management

- Contract Management therefore includes
  - Planning the type of agreement (based on procurement strategy)
  - Drafting/creating the Contract
  - Negotiation of the terms and conditions of the agreement.
  - Agreement through signing
  - Executing the contract and following up its implementation (Administering)
  - Closure of the agreement

Contract Management

- *Contract management* coveres the entire lifecycle of a contract, from the initial drafting and negotiation to the contract's closure.

Contract Management and Contract Administration

- *Contract administration*, on the other hand, is responsible for the day-to-day management of the contract after it has been signed.
- This includes ensuring that all parties are fulfilling their obligations according to the contract's terms(WB, 2017).

Contract Management and Contract Administration

- Contract *management* is a *strategic* function while contract *administration* is more *operational*, but both need to work in sync to ensure a successful contract lifecycle.
- Contract management is about overseeing the entire lifecycle of a contract, from planning to closeout, while Contract Administration is focused more narrowly on the day-to-day tasks required to keep the contract running smoothly.

Contract Management and Contract Administration

Contract *administration* includes:

- Monitoring *performance*:
  - keeping track of progress and ensuring that all parties are meeting their obligations under the contract.
- Ensuring *compliance*:
  - ensuring that all parties are complying with the terms of the agreement. This includes aspects such as timelines, quality standards, and other requirements.
- Managing *changes*:
  - As circumstances change, contracts may need to be amended. Contract administrators need to handle these changes and ensure that they are properly documented and communicated to all parties.
- Resolving *disputes*:
  - When there is a disagreement between the parties, contract administrators are responsible for resolving the issue in accordance with the terms of the agreement.

Contract Management Vs Contract Administration

- Contract *management* involves
  - developing, negotiating, and managing the entire life cycle of a contract.
- contract *administration* involves
  - Following up activities after the agreement is signed and both parties agreed to the terms.

Contract Management and Procurement

- For a successful contract management, it is vitally necessary that the pre award preparation phase which includes the *Inception/strategy* and *procurement phase* be considered.
- This will enable the proper contract management of a project by considering the pre-award phase of the works