



Contract Management Policy

Policy # FM014
Effective:

Policy Owner: Deputy Chief Counsel – Construction and Contract Management

Policy Contact: Senior Legal Counsel and Contract Management Supervisor

Policy Statement

When awarding, writing, negotiating, executing, and administering contracts, the Minnesota Department of Transportation (MnDOT) must:

- Comply with all applicable State and federal laws, rules, and regulations;
- Comply with all applicable policies issued by oversight agencies, including the Minnesota Department of Administration and Minnesota Management & Budget;
- Use written contracts that achieve MnDOT’s objectives while adequately managing risks to protect MnDOT’s interests;
- Actively manage contracts to ensure that contractors are held accountable for the agreed upon scope of work and are paid only the agreed upon amount;
- Protect and promote public trust and confidence in public contracting;
- Follow the [Contract Management Procedures](#) and [Grant Management Procedure Manual](#), as applicable;
- Comply with the [MnDOT Code of Ethics Policy](#), including the avoidance of conflicts of interest; and
- Ensure that “[core contract data](#)” (as defined by the Contract Management Section on the Contracts Agreements Auditing Tracking System “[CAATS](#)” [iHUB page](#)) is entered into the system of record (CAATS).

Reason for Policy

MnDOT uses contracts as one of its methods to achieve its mission. MnDOT’s legal rights and responsibilities and the public’s trust and confidence in MnDOT are significantly affected by the way MnDOT awards, writes, executes, and administers contracts. This policy establishes uniform standards applicable to all MnDOT contracts to ensure that legal and financial risks are addressed and managed, and to ensure integrity and accountability.

Minnesota Statutes §§[16A.15](#) and [16C.05](#) prescribe requirements for encumbrances and contract management. The Department of Administration’s [Encumbrance and Contract Execution Policy 21-01](#) provides the executive branch requirement for encumbering funds and executing contracts. MnDOT’s Contract Management Policy and Contract Management Procedures ensure compliance with Minnesota Statutes and the Department of Administration’s policy.

Applicability

All MnDOT employees must comply with MnDOT policies.

Key stakeholders affected by this policy include:

- Employees responsible for awarding, writing, negotiating, executing, or administering contracts, including contract administrators, project managers, project engineers, consultant coordinators, and other employees who work with consultants, contractors, political subdivisions, other State agencies, Tribal Nations, and grantees.
- Employees with delegated authority to execute contracts on behalf of MnDOT.
- Supervisors and managers of employees responsible for awarding, writing, negotiating, executing, and administering contracts.
- MnDOT Office of Project Management and Technical Support
- MnDOT Office of Financial Management
- MnDOT Office of Administration
- MnDOT Office of Chief Counsel
- MnDOT Office of Construction and Innovative Contracting
- MnDOT Resident Office
- Assistant Commissioners

Definitions

Agreement/Contract

A written document signed by two or more parties describing the parties' respective rights and obligations for a particular transaction or exchange.

Note: In this policy, “contract” and “agreement” are interchangeable terms. All references to “contract” and “agreement” refer to a written legal obligation of MnDOT regardless of whether titled “contract” or “agreement.”

Amendment

A change to a contract, in writing and signed by the parties to the contract.

Note: The term “amendment” includes addendums, change orders, and supplemental agreements.

CAATS (Contracts Agreements Auditing Tracking System)

The system of record for managing contracts, agreements and associated documents between MnDOT and other parties.

Note: See CAATS for the listing of contract types to be recorded in the system.

Conflict of Interest (Personal)

A situation in which a person has a private or personal interest sufficient to, or that appears to, influence the objective exercise of their official duties as a public official, employee, or professional.

Conflict of Interest (Organizational)

A situation in which a contractor has an unfair advantage, or the contractor is unable or potentially unable to render impartial advice or assistance to the State because of existing or planned activities or because of relationships with other persons.

Contract Types

The family or category of contracts to which a particular contract belongs. "Contract Type" is used to classify agreements into categories for reporting and tracking purposes. They are generally based on the purpose and subject matter of the contract, and not on the office responsible for the contract.

Contract types are established by MnDOT's Contract Management Section and include: Construction, Collaborative/Intergovernmental, Grant, Partnership, Professional/Technical Services, Property/Facility, and Other. Goods and General Services contracts procured under Minn. Stat. Chapter 16C are not entered into CAATS.

Contractor

Generic reference to the other party (or parties) to a MnDOT contract.

"Contractor" generally refers to a construction contractor, however, it can also include any other party contracting with MnDOT such as consultants, local government bodies, Tribal Nations, other State agencies, grantees, utility owners, or railroad companies.

Delegated Authority

Established by a written order which describes the specified statutory powers or duties of the Commissioner that are delegated to be performed by a specified subordinate employee (see [Minnesota Statutes §15.06, Subd. 6](#)).

Solicitation

A process used to inform potential Contractors of an opportunity to compete for a MnDOT Contract and providing information about project and proposal or bid submission requirements.

SWIFT (Statewide Integrated Financial Tools)

The PeopleSoft based online financial, procurement, and reporting system used by the State of Minnesota.

Responsibilities

Offices and districts may use different titles for their employees than those listed below and have the discretion to assign responsibilities as they see fit. Each office and district is responsible for ensuring that the financial and technical deliverables for each contract it creates and administers are met.

The responsibilities listed below are intended to be high level. For specifics, please see the Contract Management Procedures.

Contract Administrator

- Collaborate with the project manager to prepare and process documents such as the solicitation, scope of work, contract and related attachments, contractor invoices and progress reports, and contract amendments.
- Collaborate with other MnDOT offices involved in the contracting process.

- Support contract negotiations and amendments.
- Ensure that contracts and amendments are prepared, routed for review and signature, and executed.
- Serve as subject matter expert as it relates to the contract.
- Handle day-to-day details of the contracting process.
- Ensure that MnDOT contractors are held accountable for the agreed upon scope of work and are paid only the agreed upon amount.
- Enter core contract data in CAATS as required by the Contract Management Section.

Project Manager

- Collaborate with the contract administrator to prepare and process documents such as the solicitation, the scope of work, the contract and related attachments, contractor invoices and progress reports, and contract amendments.
- Serve as subject matter expert as it relates to the scope of work.
- Ensure that those identified to do the work are performing the work.
- Monitor contract performance.
- Ensure that MnDOT receives the appropriate work product and, when applicable, approve the amount to be paid.
- Conduct contract negotiations, when applicable.
- Issue all review comments, corrections and additions in writing to contractor.
- Contact the Contract Management Section to discuss any contract termination.

Consultant Services Unit (MnDOT Office of Project Management & Technical Support)

- Support the agency's Professional/Technical (P/T) services procurement and contracting.
- Provide services to internal customers (MnDOT districts and offices), consultants, other State agencies, Tribal Nations, political subdivisions, and the general public to develop, execute, and administer Professional/Technical contracts. Services include drafting and routing the solicitation and contract, encumbering funds, and processing invoices for payment.

Cooperative Agreement Unit (MnDOT Office of Project Management & Technical Support)

- Provide assistance with application of Cost Participation Policy during construction project development.
- Write and administer Cooperative Construction Agreements.
- Provide assistance to MnDOT, political subdivisions, Tribal Nations, consultants, and other State agencies throughout the project life span (including routing the contracts; ensuring plans are reviewed for cost share involvement, necessary agreements are developed, all funds are available for encumbrance and payments, and all changes to construction projects are properly documented; and determining the final construction cost according to the cooperative agreements terms).

Grants Support Unit (MnDOT Office of Financial Management)

- Coordinate the process to obtain legislative spending authority for federal funds.
- Set up and monitor the appropriations in SWIFT for federal funds.
- Collaborate with the Contract Management Section on grant agreement templates and applicable policies and regulations.
- Provide technical assistance, support, best practice guidance, and training to office and district staff on grants management.

Business Operations, Purchasing Unit (MnDOT Office of Administration)

- Encumber the specialty office/central office funds that MnDOT uses to pay for non-P/T work completed by a contractor.
- Complete encumbrance verification signature.
- Provide the Purchase Order number for payable contracts.

Assistant Commissioner

- Maintain general familiarity with projects to better understand the contract, scope of work, and reasonableness of costs.

Contract Management Section (MnDOT Office of Chief Counsel)

- Provide legal and technical assistance to MnDOT staff involved in contracting.
- Provide oversight to ensure that contracts and contracting processes comply with all applicable laws and policies and promote and protect the public interest.
- Provide support for various issues that may arise throughout the contracting process, from the initial solicitation and contract template selection to closeout or termination of services.
- Review and approve solicitations, contracts, and administrative documents, when necessary.
- Verify that contracts are signed by staff with proper delegated authority.
- Sign documents when permitted by law or delegation or route to the Department of Administration, Office of State Procurement (OSP) for approval.
- Serve as liaison between MnDOT, the Department of Administration, and the Attorney General's Office for contract and procurement issues.
- Define core contract data.
- Manage CAATS system and ensure all core contract data is entered in CAATS. May direct other offices to enter data in CAATS.
- Review and approve contract templates.
- Create and modify contract types and subtypes as needed for reporting and other purposes.

MnDOT Labor Compliance Unit (MnDOT Office of Construction and Innovative Contracting)

- Enforce State and federal prevailing wage requirements.

MnDOT Resident Office

- Ensure completion of construction contracts according to contract requirements.
- Provide technical supervision and inspection of construction projects.
- Coordinate the activities of public utilities, contractors, and other governmental agencies on construction projects.
- Document contract work progress for paying the contractors.
- Close out contracts after work completion.
- Monitor consultant performance.
- Cooperate with the Labor Compliance Unit regarding prevailing wage requirements.

Policy Owner (Deputy Chief Counsel – Construction and Contract Management)

- Review the policy every two years, or sooner as necessary, to ensure the policy remains up-to-date.
- Ensure procedures, forms and other documents associated with the policy remain current.
- Work with the Policy Coordinator to revise policy and/or confirm its accuracy.
- Communicate policy revisions, reviews, and/or retirements to stakeholders.

Resources & Related Information

Forms

- [MnDOT Report Wrongdoing/Questionable Activity Form](#) *(for employees only)*

Processes, Procedures, and Instructions

- [Contract Management Procedures](#)
- [Contract Management Manual](#) *(for employees only)*
- [Grants Management Manual](#)

Resources

- [About Contract Management](#) *(for employees only)*
- [CAATS iHUB page](#) *(for employees only)*
- [MnDOT Contract Management Section and Related Links](#)
- [MnDOT Consultant Services Website](#)
- [MnDOT Grants Management](#) *(for employees only)*
- [MnDOT Project Management & Technical Support Cooperative Agreements](#) *(for employees only)*
- [Office of the Minnesota Secretary of State](#)
- [Minnesota Statutes Ch. 16C State Procurement](#)
- [Minnesota Statutes Ch. 161 Trunk Highways](#)
- Minnesota Statutes [§16B.97](#) and [§16B.98](#) *Grants Management and Grants Management Process*
- [MnDOT Audit Certificates Policy](#)
- [MnDOT Audit Office Authority Functions Policy](#)
- [MnDOT Audit Oversight of Consultant Contract Indirect Cost Rates Policy](#)
- [MnDOT Consultant Errors and Omissions Policy](#)
- [MnDOT False Claims against the State Policy](#)
- [MnDOT Special Revenue Funds Policy](#)
- [MnDOT Records Retention and Disposal Policy](#)
- [MnDOT Records Retention Schedule](#)
- [MnDOT's Policy Website](#)

History & Updates

Title: *Contract Management Policy (2021)*

Revision	Date	Comments
Initial Adoption	5/27/2015	Policy #FM014 adopted Superseded: <ul style="list-style-type: none"> • Amending Expired Contracts (#2.1 and 2.1-G-1) <ul style="list-style-type: none"> ○ Effective: June 14, 2004 • Contract Development and Execution (#2.82-3) <ul style="list-style-type: none"> ○ Effective: October 6, 1982 ○ First Revision: April 12, 1989 ○ Second Revision: May 11, 1993 ○ Third Revision: August 28, 1995 • Uniform Procedures Contract (#2.82-3-P-1) • Approval of T-Contracts (#2.82-3-P-2)

Revision	Date	Comments
		<ul style="list-style-type: none">• Work Order T-Contracts (#2.82-3-G-2)
1 st Revision		Updated policy; separated procedures; moved to new template
2 nd Revision		

Authorization

Policy Owner:

Signature: _____

Print Name: _____

Date: _____

Governance Committee has reviewed this policy and recommends approval:

Signature: _____

Print Name: _____

Date: _____

Responsible Senior Officer:

Signature: _____

Print Name: _____

Date: _____

Policy Review

This policy has been reviewed by the Policy Owner, the policy content is current, and no significant modifications are needed. Minor modifications have been noted in the "Comments" section.

Date	Policy Owner Signature	Comments