



Child Welfare Digital Services – New System Project

Contract Management Plan

July 2018

Revision History

Revision #	Date of Release	Owner	Summary of Changes
0.1	11/12/14	R. Sasaki	No changes
1.0	12/16/14	R. Sasaki	Submitted to CWS-NS PMC for baselining.
1.1	7/1/16	J. Nielsen	Updated original Plan from SDLC to Agile
1.2	8/3/16	J. Nielsen	Incorporated IV&V review comments
1.3	10/18/16	T. Yu	Final aligned version. Added QA and SME comments
1.4	07/11/18	K. Borini	Incorporated Executive Summary from WIKI Page
1.5	7/13/18	S. Tanniru	Replaced links in Section 3.1 with the support process flowchart diagram (from the plan in WIKI)

Table of Contents

- 1 EXECUTIVE SUMMARY 1**
- 2 INTRODUCTION..... 2**
 - 2.0 PURPOSE.....2
 - 2.1 SCOPE.....2
 - 2.2 TRANSITION TO AGILE.....2
- 3 ROLES AND RESPONSIBILITIES 2**
- 4 CONTRACT MANAGEMENT PROCESSES 3**
 - 4.0 CWS-NS CONTRACT MANAGEMENT3
 - 4.1 CWS-CMS LEGACY SYSTEM.....4
- 5 DELIVERABLE MANAGEMENT 4**
- 6 CONTRACTOR REPORTING..... 4**
 - 6.0 TYPES OF CONTRACTS4
- 7 INVOICE PROCESSING..... 5**
 - 7.0 CONTRACTOR INVOICE MANAGEMENT5
- 8 ESCALATION AND RESOLUTION..... 6**
- 9 REPLACING CONTRACTOR STAFF..... 6**
- 10 CONTRACT AMENDMENTS..... 7**
 - 10.0 CONTRACT AMENDMENT PROCESS7
- 11 CLOSING THE CONTRACT 7**
 - 11.0 CONTRACTOR FINAL REPORTS.....7
 - 11.1 CONTRACTOR EVALUATIONS.....8
 - 11.2 FINAL INVOICES8
 - 11.3 KNOWLEDGE TRANSFER9
 - 11.4 CONTRACT END9
- 12 ACRONYMS 9**

1 EXECUTIVE SUMMARY

The purpose of the Contract Management Plan is to provide the processes and procedures to ensure all contractual obligations and all contractor management activities are met and maintained during the lifetime of the contract.

This Plan identifies the tasks and activities to be performed or initiated by project staff to manage and track all contractual obligations to be performed by a contractor working within the Child Welfare Digital Services (CWDS) organization. The Plan also discusses other contractual issues such as contract disputes, invoice processing, and replacement of contractor staff.

Contract management initiates upon contract execution. Refer to the CWS-NS Procurement Management Plan for information related to the procurement of a contract. Managing a contractor's performance is critical to ensuring compliance with the terms and conditions of the contract and will be the role of the SM/PO. The SM/PO will assess and monitor the contractor's performance throughout the life of the contract. There are two types of contracts that are procured:

1. Deliverables – Contracts for deliverables involve providing specific project-related materials.
2. Services – Contracts for services involve specific personnel providing their expertise and time to assist the Project.

Payments to the Contractor will be made on a time and materials basis per the hourly labor classifications set forth in the Contract for all labor related costs. Payment to the Contractor for any software related costs shall be limited to the bid amount specified in the cost workbook for their solicitation response.

The escalation process will be used to ensure critical issues are raised soon enough to prevent undesirable impacts to the CWDS organizational and its stakeholders, and to ensure the appropriate parties are informed and involved in critical decision-making.

The Parties agree that the Contract requirements shall be amended only through the Change Notification process or an amendment to this Contract.

The following are examples of events that would require a contract amendment:

- Changes to the contract period of performance (either reduction or extension).
- Changes to the dollar amount of the contract.
- Change to the scope of work, such as new activities or tasks.

2 INTRODUCTION

The Child Welfare System – New System (CWS-NS) Contract Management Plan (hereafter called the “Plan”) identifies the tasks and activities to monitor and assess a contractor’s performance. The Plan documents the scope, content, methodology, sequence, and responsibility for managing contract execution to maximize performance (financial and operational) and minimize risk.

2.0 PURPOSE

The purpose of this Plan provides the processes and procedures to ensure all contractual obligations and all contractor management activities are met and maintained during the lifetime of the contract. This Plan is specific to the Child Welfare Services – New Systems (CWS-NS) Project (hereafter called the “Project”). Personnel assigned to perform these activities are often referred to as “Contact Managers” or “Contract Administrators”. Under the Agile methodology, the Contract Manager will now be referred to as Service Manager/Product Owner (SM/PO). Each service team will have a contract manager that will ensure compliance with contractual obligations.

2.1 SCOPE

This Plan identifies the tasks and activities to be performed or initiated by project staff to manage and track all contractual obligations to be performed by a contractor working within the Child Welfare Digital Services (CWDS) organization. The Plan also discusses other contractual issues such as contract disputes, invoice processing, and replacement of contractor staff

2.2 TRANSITION TO AGILE

You need a section here to state how contract management has changed in our pivot to agile. What is different than the old way of doing things?

3 ROLES AND RESPONSIBILITIES

Managing contracts for the Project require various staff resources and stakeholders. In some cases, an individual may perform multiple roles. In addition to the roles below, a more detailed list of Participants’ Roles and Responsibilities can be found in the [Project Management Plan](#).

Role	Responsibility
Service Manager (SM)/Product Owner (PO)	At the informal process level, the SM/PO has the responsibility to try to resolve any/all disputes.
Contract Manager	The State Contract Manager will now be referred to as SM/PO
Scrum Master (SM) (AKA Project Manager)	The dispute resolution process may be invoked by either the PM/SM or the Contractor

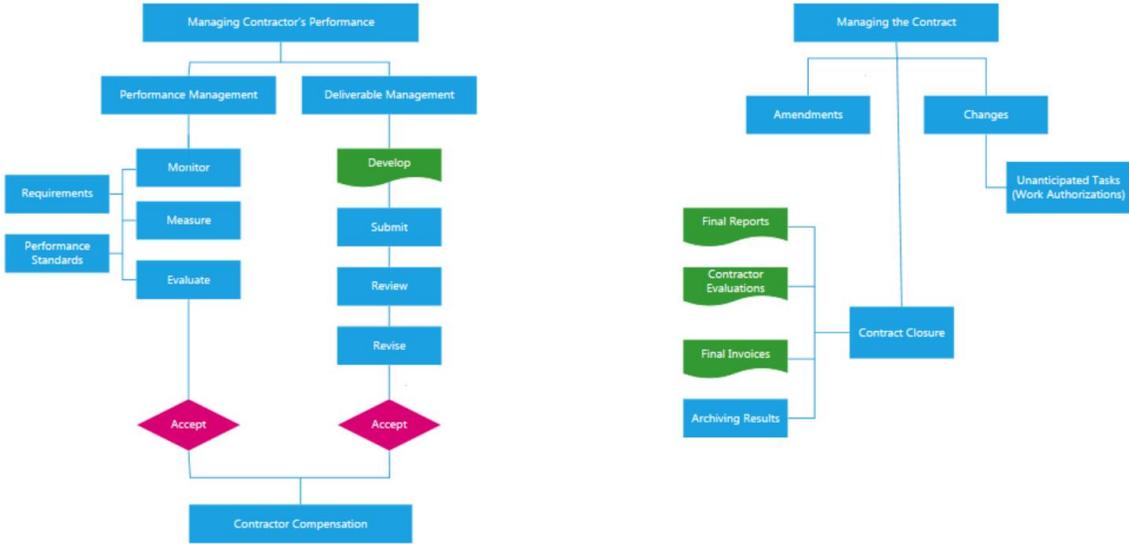
4 CONTRACT MANAGEMENT PROCESSES

4.0 CWS-NS CONTRACT MANAGEMENT

Contract management initiates upon contract execution. Refer to the CWS-NS [Procurement Management Plan](#) for information related to the procurement of a contract. for information related to the procurement of a contract.

The contract management process flowchart details high-level activities and provides an illustration of the general flow of contract management processes within the Project. The following provides the CWS-NS contract processes in the Agile environment.

Support Process Flowchart



4.1 CWS-CMS LEGACY SYSTEM

The CWS-CMS Legacy system is currently being supported by IBM, which does not subscribe to the agile method of contract procurement. The flowchart below details high-level activities of contract management processes for the existing IBM contract.

[IBM Contract Process Flowchart](#)

5 DELIVERABLE MANAGEMENT

Deliverable is a term used in project management to describe a tangible or intangible artifact produced as a result of the project that is intended to be delivered to a customer (either internal or external). A deliverable can be a software product, a design document, a training program, or other asset that is required by the project plan.

Details on deliverable management can be found in the CWS–NS [Deliverables Management Plan](#).

6 CONTRACTOR REPORTING

Managing a contractor’s performance is critical to ensuring compliance with the terms and conditions of the contract and will be the role of the SM/PO. The SM/PO will assess and monitor the contractor’s performance throughout the life of the contract. The Digital Service Development Team contracts and the supporting consultant contracts are both services and deliverables-based contracts. As such, contract management must occur over performance as well as their products or deliverables.

Given the size, scope, and complexity of this Project, individual(s) must have adequate hours to work effectively on this project. The Contractor shall be responsible for monitoring the monthly hours billed to ensure the individual(s) effectively meet(s) the needs of the project.

Personnel shall perform the tasks described in the SOW, at the rate indicated in the Agreement.

6.0 TYPES OF CONTRACTS

Deliverables

Contracts for deliverables involve providing specific project-related materials. Examples include contracts to supply research documents or software development.

Services

Contracts for services involve specific personnel providing their expertise and time to assist the Project. Examples include but are not limited to management expertise, technical expertise, or fiscal/administrative expertise. Consultants may only be used if it can be proven that the required expertise cannot be provided by state personnel and/or is of a temporary nature.

Some contracts provide a combination of both deliverables and services.

7 INVOICE PROCESSING

Payments to the Contractor will be made on a time and materials basis per the hourly labor classifications set forth in the Contract for all labor related costs. The payment amount for each sprint is capped at a total of each resource's labor classification rate multiplied by 90 hours, with the exception of the labor classification for the Management Lead/Account Representative which is capped at 20 hours per Sprint. A sprint is defined as a two (2) week period.

Payment to the Contractor for any software related costs shall be limited to the bid amount specified in Exhibit 22 Cost Workbook

Payment Frequency

- 1) Payment shall be made after the completion and acceptance for two sprints (i.e. every four weeks) for all labor related costs.
- 2) Payment shall be made as frequently, (depending on the license type), as software licenses are requested and accepted by the State.

For consultant support contracts, the Project uses a hybrid of time and materials and deliverables-based payment methods. The Project pays its consultant support contractors based on the amount of hours expended per month (not to exceed a capped amount of hours per month, if applicable) and payment to the contractor is not made until all services and deliverables for that service month have been submitted and accepted. Other payment options are available based on the needs of the project and the type of service/deliverable provided.

7.0 CONTRACTOR INVOICE MANAGEMENT

Payment for services performed under the Agreement shall be made in accordance with the CA Prompt Payment Act (Government Code Section 927, et seq.) All contractors must adhere to specific invoice requirements set forth in its contract and in the [CWS-NS Cost Management Plan](#). Submission of invoices process can be found in the SOW.

8 ESCALATION AND RESOLUTION

The escalation process will be used to ensure critical issues are raised soon enough to prevent undesirable impacts to the CWDS organizational and its stakeholders, and to ensure the appropriate parties are informed and involved in critical decision-making. The CWS-NS Project, the Executive Leadership Team (ELT), and stakeholders shall always strive to make decisions and address issues at the lowest possible level, using established processes.

The escalation process is invoked when a member in one of the Stakeholder governance structures determines that an issue requires escalation for resolution. In the event an individual is unable to resolve the issue, they will identify the appropriate escalation path and determine the urgency of the issue. Detailed resolution processes can be found in the CWS-NS [Governance Plan](#).

Every attempt should be made to resolve disputes within the current sprint.

9 REPLACING CONTRACTOR STAFF

Replacement Key Staff must have equivalent skills and experience as those being replaced, including any desirable qualification held, and such skills and experience must be identified on the [Add, Delete or Substitute Contract Personnel Request Form](#)

If a key staff must be replaced at any time during the contract, the contractor must submit a written explanation to the Project for the change, a résumé, a Contractor Personnel Request Form, and a Staff Experience Reference Form for the replacement staff.

If the changes are approved, the SM/PO signs the request form, approves résumés and submits an informational copy to ACSD. The original approval letter is scanned into SharePoint and the paper copy is stored in the contract file. The SM/PO provides a copy to the contractor for its records.

If the changes are not approved, the contractor may submit additional résumés for consideration. If appropriate personnel cannot be agreed upon, the state has the option of terminating the contract.

10 CONTRACT AMENDMENTS

The Parties agree that the Contract requirements shall be amended only through the Change Notification process or an amendment to this Contract.

The following are examples of events that would require a contract amendment:

- Changes to the contract period of performance (either reduction or extension)
- Changes to the dollar amount of the contract
- Change to the scope of work, such as new activities or tasks

If there is a significant change to the contract scope, tasks to be performed, contract duration, or cost of the contract, a modification is not appropriate. In these cases, an entirely new contract should be executed, and the existing contract closed. If the total dollar amount of the contract changes, a change in encumbrance is also required and must be coordinated with the Accounting Office.

10.0 CONTRACT AMENDMENT PROCESS

The Project Director, PM/SM, SM/PO, and legal staff must approve all contract changes prior to their execution. If the work is related to the tasks that are in the SOW, an amendment is appropriate to add new tasks. The terms and conditions of the SOW contain basic procedures for initiating a contract amendment (as appropriate to the contract).

11 CLOSING THE CONTRACT

A contract is closed when all work described in the SOW is completed, when all contract dollars have been expended, or when the State PM/SM (or other official of the Department) terminates the contract.

When the SM/PO receives the notice of contract closure from contract tracking tool, the SM/PO shall review the status of contract activities and deliverables, and ensure the contractor is on target to complete all obligations by the contract end date. At that time, the SM/PO should perform an audit of the contract file to ensure all contract documentation is complete and up-to-date. This enables the SM/PO to resolve any discrepancies before the contractor leaves.

11.0 CONTRACTOR FINAL REPORTS

The Final Report summarizes the contractor's accomplishments, the status of all contractor deliverables (including any ad hoc items not described in the original SOW),

a financial summary (actual vs. budgeted), and a summary of any travel expenses (if applicable) and is usually combined with the contractor's final monthly status report.

All supporting consultant contacts must submit a Final Report, which would be submitted 30 days before the end of the contract. This would allow the Service Manager/Product Owner time to review the report and discuss any deficiencies or open items with the contractor prior to the close of the contract. However, under the agile requirements, Service Integrators and development vendors will not have to submit a Final Report.

11.1 CONTRACTOR EVALUATIONS

The SM/PO completes the STD 4 Contractor Evaluation Form and forwards it to the PM/SM for review. This evaluation is considered **confidential** and must be marked accordingly. The evaluation is sent to the ACSD and a copy of the form with all pertinent contract notes is filed in the project library¹. If a contractor is given a negative evaluation, a copy of the STD 4 must be forwarded to DGS within five days of the evaluation.

Exit interviews may be conducted with the contractor to discuss the contracting experience, lessons learned, and general performance. The [Contractor Exit Interview Form](#) is completed by the SM/PO and included in the contract file.

11.2 FINAL INVOICES

The contractor submits an invoice covering the final hours and tasks completed under the contract prior to termination or the completion of the contract. If a withhold has been used, the contractor must also submit a separate invoice for the withhold and the invoice must be clearly marked indicating the invoice as "withhold". The final invoice shall not be paid until the audit of the contract file has been completed and all open issues from the audit are resolved.

After the final invoices have been paid, the FA will notify the OSI Accounting Office that any remaining funds may be disencumbered.

¹ Section 9.09, item A.9 of the State Contracting Manual indicates the evaluation forms are not considered public record and should not be kept in the contract file.

11.3 KNOWLEDGE TRANSFER

Knowledge transfer for supporting contractors should occur during the life of the contract with the SM/PO monitoring the success of the knowledge transfer. The contractor must ensure all documentation related to the development and service and support of the solution is current, comprehensive, and managed in a manner that is accessible to the State. Documents, including training programs, should be maintained in a current and transparent state. Finally, the SM/PO will run a deliverables report showing whether all deliverables have been submitted, approved, and closed and file this report in the contract binder which is stored in the project library.

The SM/PO should verify all deliverables in the tracking tool to ensure they were either approved or cancelled by the state. Any overdue or pending deliverables or open items must be resolved prior to the end of the contract.

11.4 CONTRACT END

No contractor may continue to work past the contract end date. Once the SM/PO validates with the project fiscal unit that all invoices have been received and paid, the SM/PO can close the SOW record in the tracking system.

12 ACRONYMS

For a list of acronyms, please follow the hyperlink: [Acronyms](#)