

SESSION 10

CONTRACT RECORDS MANAGEMENT

1

LEARNING OBJECTIVES

By the end of the Session, participants will be able to:

- Explain the Importance of Procurement Records Management
- Describe the Consequences of failure to maintain adequate procurement records
- Explain the Records life cycle concept
- Open new files and close old ones
- Exercise Controls on File movement
- Identify Typical contents of Contract Administration Records for various contracts.
- Maintain electronic records

2

INTRODUCTION

- Public Procurement Act, 2003(Act 663) as amended, in Section 28, requires all procurement entities to keep records of procurement proceedings in a structured and systematic manner.
- Annual procurement assessment conducted in the Procurement Entities by the PPA reveal challenges relating to the management of procurement and contract management documentation.
- Procurement and contract records management in most Procurement Entities usually involve disjointed processes resulting in loss of vital procurement and contract information.
- These contravene the Public Procurement Act, 2003(Act 663) as amended.
- They also undermine accountability, transparency and good corporate governance.
- Good records management is essential for any corporate body to function effectively.

3

What Is Records Management?

- *Records management involves designing and directing a programme for achieving economy and efficiency in the creation, use, maintenance, and disposal of records. This promotes efficiency through improved access to information.*
- A sound records management system is essential for effective policy formulation, decision making, business operations, implementation and monitoring of programmes and activities.
- Good recordkeeping practices enable speedy and efficient access to and sharing of information.
- Good records management implies capturing complete, accurate, reliable, secure and accessible records.
- It also means assigning responsibilities for records management in an organization.

4

Importance of Records

- An organization's ability to function effectively and give account of its actions will be undermined if sound records management principles are not applied.
- Procurement records play a significant role as evidence of purchases of goods and services.
- Unorganized or poorly managed records mean that an organization does not have ready access to authoritative information, to support sound decision making or delivery of programmes and services.
- This factor contributes to difficulties in retrieval and use of procurement records efficiently and therefore inability to carry out the audit process.

5

Procurement and Contract Records

- Procurement and contract records include all documents relevant to the pre-tendering, tendering and contract administration phases.
- Every event in the procurement process must be recorded and all records filed in such a manner that, if necessary the entire procurement and contract administration process can be reconstructed from these records.
- Procurement and contract records are also important for maintaining an audit trail of the requirement from the initial receipt of the procurement requisition up to the closing out of the contract.

6

- The procurement entity is responsible for maintaining the procurement and contract records of each requirement.
- Although all records are maintained by the procurement entity, the entity, department or unit responsible for contract administration should also retain working copies of relevant documents, while sending pertinent documents to the procurement entity and other entities (such as finance) as determined in the contract administration plan.
- A Procurement and Contract Records system promotes the efficient and systematic control of the creation, receipt, maintenance, use and disposal of public procurement records.

7

Benefits of Good Records Management

- Sound records management is a critical component for:
 - ✓ good governance,
 - ✓ effective and efficient administration,
 - ✓ transparency,
 - ✓ accountability, and
 - ✓ delivery of quality services to the citizens.
- Good recordkeeping practices contribute, in general, to the following:
 - ✓ Creation and maintenance of accurate and reliable information;
 - ✓ Easy accessibility to information;
 - ✓ Transparency and accountability;
 - ✓ Procurement Units and Procuring Entities performing their functions efficiently;
 - ✓ Availability of authentic, reliable and tangible records to fight corruption; and
 - ✓ Resources being matched to objectives.

8

Principles of Good Records Management

- The guiding principle of records management is to ensure that information is available when and where it is needed, in an organized and efficient manner, and in a well maintained environment.
- Organizations must ensure that their records are:
 - Authentic
 - Accurate
 - Accessible
 - Complete
 - Comprehensive
 - Compliant
 - Effective
 - Secure

9

Consequences of Failure to Maintain Adequate Procurement Records

Failure to effectively manage procurement records means:

- Decisions are taken on ad hoc basis without the benefit of records;
- Fraud cannot be proven and meaningful reporting and audits cannot be carried out;
- Government actions are not transparent;
- Citizens cannot protect or claim their rights;
- Citizens cannot make an informed contribution to the governance process; and
- A PE's or even a country's memory is impaired.

10

The Records Life Cycle

- A record life cycle consists of three phases: **Active or current, Semi-current and Inactive or non-current phase.**
- **Current or active records**
 - ✓ Are the open files that are in use for conducting the current business of the organization.
 - ✓ They should therefore be maintained close to the users.
 - ✓ They should be maintained and managed within a logical filing system that facilitates their access.
 - ✓ Current records are usually maintained in records offices (or registries)
- **Semi-current records** consist of the recently closed files. They are only infrequently used. They should be entered in a closed records register and systematically transferred and organized in a departmental records centre.
- The register acts as a retrieval tool.

11

- **Non-current or Inactive Records**

- ✓ These are documents that are hardly ever referred to for the conduct of business operations.
- ✓ Non-current records should be reviewed and appraised in order to make judgment on their further retention.
- ✓ Those that are selected as valuable records should be preserved in a departmental records centre or with prior arrangements transferred to the National Archives for long term preservation as archival records.
- ✓ Note that procurement records must be kept for at least six (6) years from the date the contract started.

12

Opening a New File

- A file is a folder containing papers relating to a specific subject or activity. The following information must appear on the file cover:
 - ✓ Name of the entity;
 - ✓ File reference number;
 - ✓ File title;
 - ✓ A specific subject or activity
 - ✓ Date on which the file was opened;
 - ✓ Related files;
 - ✓ Security classification - open or confidential.
 - ✓ Disposal information.

- The disposal information indicates what is to be done with the file when it is closed.
- On the “related files” space are indicated the titles and reference numbers of other files that are closely related with the file.

13

- A file is opened when:
 - ✓ an existing one matures for closing and the next volume is opened,
 - ✓ a new subject or activity arises which cannot be accommodated in the existing files, or
 - ✓ an existing file subdivides into new subjects.

- A file should be opened after adequate consultation with the unit or officer responsible for records management.

- Consultation and care in file opening is necessary to avoid opening files which can lead to needless duplication of files.

- The papers in the file should be neatly arranged in chronological order, and on a specific subject.

- The file title should be brief, clear and precise.

- As well as a title, a file will have a unique reference number.

- The file reference number should not be unnecessarily long or unwieldy;

14

Filing of Papers

- Papers in the file should be filed in date order with the earliest ones at bottom and the latest documents at the top.
- The papers in the file will be folio numbered, that is serially numbered. This helps to maintain the order of the papers and facilitates early detection if the papers are removed or tampered with.

File Movement Controls

- The records office controls and monitors the movement and use of a file or a document within the department. The purpose of controlling and monitoring of file movement is:
 - ✓ To monitor access to records by users;
 - ✓ To ensure a particular matter is dealt with by the responsible officer;
 - ✓ To ensure that the location of a file is known at all times;
 - ✓ Files are returned promptly to the registry once they have been seen by the indicated officers;
 - ✓ Files do not go missing; and
 - ✓ Officers do not overstay with files issued to them.

15

- The principal file movement control tool is the file movement register, which should have the following format:
 - ✓ Date out;
 - ✓ File title;
 - ✓ File reference number;
 - ✓ To whom issued and signature;
 - ✓ Date in; and
 - ✓ Signature of officer receiving file in registry.
- The file's return to the records office will be marked on the "date in" column.
- By regularly checking the column the registry officers will be able to tell cases where files are overdue for return and therefore to take necessary steps to have the files returned.
- There should be an administrative guideline stipulating how long an officer should hold a file - usually no officer should possess a file for more than **four days**.
- Borrowed files should be promptly returned to the records office once an officer has completed consultancy it.
- The records staff must ensure that a requested file is promptly provided.
- Speedy provision of requested documents and files is one way of cultivating and maintaining confidence in the users of the registry services.

16

Closing a File

- A file should be closed when it gets full, or when the fastener cannot take any more papers.
- The next volume will then be opened.
- A case file such as procurement action file can be closed once the procurement activity is concluded.
- A file should not be permitted to become too thick and unwieldy.
- The file closure date should be clearly indicated on the cover.
- Closed files should be entered in the closed files register and removed from among the current files for storage in the closed records room or centre.
- Closed files should be reviewed after every six (6) years to determine whether they warrant further retention.

17

Records Accommodation/Space

- Adequate accommodation or space is essential for the proper functioning of the records service. Accommodation for records is required at three levels:
 - ✓ Records offices (also called registries) for maintenance of current records;
 - ✓ Records centres (also called departmental closed records rooms) for the storage, maintenance and retrieval of closed and semi- current records;
 - ✓ Ghana National Archives- for the preservation of archival records

Equipment

- The right equipment and materials for the maintenance and storage of records need to be provided. These will include:
 - ✓ File folders of the right quality;
 - ✓ Good quality shelving including both secure file cabinets and mobile bulk filing units;
 - ✓ Computers and related equipment;
 - ✓ Relevant software programmes;
 - ✓ Office furniture; and
 - ✓ Boxes-archival boxes.

18

Records Personnel

- Deployment of the right people to be in charge of records is a key step in the management of records.
- Officers in charge of records should be people of integrity.
- Qualified and competent people should be deployed to manage the records of a Procuring Entity.
- They should be clearly assigned their duties in writing.
- Additionally, they should be given professional training.
- A Procuring Entity should allocate adequate resources to support records management activities

19

Contract Administration File and Documentation

- In the execution of a contract, record keeping is a key function particularly with regard to documenting the progress and performance of the contract, including contract variations.
- This is to ensure that the contract is implemented in accordance with the terms and conditions of the contract agreement.
- A contract file or folder should be opened by the Contract Administrator and the contract should be carefully analyzed, taking note of the rights and obligations of each party.
- Any issues requiring clarification or change of the contract should be fully documented in this file.

20

- Although practice may vary among organizations, the following documents normally are part of the contract administration file/folder:

Contract Management File/Folder

- Bid Evaluation Report and Recommendation for Contract Award
- Notification of Contract Award
- Copy of Advance Payment Guarantee, if required.
- Copy of Performance Security or Performance Bond
- Copy of Signed Contract
- Contract Administration Plan,
- Minutes of Kick-off/Commencement Meeting
- Copies of Guarantees
- Payment Certificates and supporting documents
- Claims and Disputes

21

- Inspection certificates-*Goods only*
- Delivery Certificates- *Goods only*
- Copies of all Correspondence between Purchaser and Supplier-*Goods only*
- Minutes of all Site Meetings-*Works only*
- Contract Supervision Reports-*Works only*
- Copies of all Correspondence between Employer and Contractor-*Works only*
- Change Orders- *Works only*
- Completion certificates (“provisional” and “final” acceptance)-*Works only*
- Minutes of Inception Meeting and any other meetings- *Consultancy & Technical Services only*
- Copies of all Correspondence between Client and Consultant-*Consultancy only*

22

- Consultant Reports-Inception Report, Draft Report/Draft Final Report, Final Report, Overall Assignment Report, if requested-*Consultancy only*
- Copies of all correspondence between Employer and Service Provider-*Technical Services only*
- Copies of all Service Provider's Reports - *Technical Services only*
- Pictures, Video Films
- Contract Performance Evaluation Report
- Contract Close-out Report
- Electronic copies of all the above documents

23

Contracts Register

- A contracts register should be maintained that contains the following details:
 - ✓ Contract name;
 - ✓ Date of contract award;
 - ✓ Contractor's name;
 - ✓ Account charged;
 - ✓ Total cost; and
 - ✓ Payment dates and completion dates.
- For multi-year contracts such as roads, a project file will need to be opened that contains all the documentation pertaining to the project, such as correspondence between the Client Ministry and the contractor.
- As most public construction projects such as roads, bridges and public buildings are permanent structures, the related project documentation, such as plans/drawings, minutes of meetings and progress reports and project correspondence between the PE and the contractor should be preserved permanently.

24

Contract Files

- It is good practice to maintain separate contract files for each contract, where there are multiple contracts for a project or programme.

Contract Sub-files

- It is also recommended that for each contract, separate sub-files can be opened, so that payment documents can be separated from correspondences as well as bulky deliverables.
- The contract identification numbers will remain the same but the sub-files will have their separate titles and volume numbers.

25

Automation of Records Management (Electronic Records Management)

- The records management principles and policies applied to **paper records must also govern the management of electronic records.**
- The paper-based records management system must be fully functional before attempting automation.
- Planning and proper analysis of the manual system must be done before computerization.
- Planning for computerization also entails consultation with intended users, ICT section, and the senior management and forming a project team. The project team drawn from key departments such as Finance, Records Management and ICT will determine the resource requirements and the functional requirements.
- Relevant government departments and where necessary external consultants can be brought on board.

26

Benefits of Automation

- There are immense benefits that arise as a result of computerization. These include:
 - ✓Speedy access and retrieval of information;
 - ✓Ability to manipulate data;
 - ✓Greater accuracy and consistency in performance of routine tasks;
 - ✓Great capacity for storage of information, which translates to huge space and equipment savings;
 - ✓Sharing and simultaneous access to information;
 - ✓Automatic updating of file classification scheme and indexes; and
 - ✓Controlling the movement of files.

27

Records Management Functions That Can Be Automated

- The following areas of records management can be automated:
 - ✓Classification and listing of files;
 - ✓Correspondence;
 - ✓Preparation of file labels;
 - ✓Identification of records that are due for transfer to the Archives or disposal;
 - ✓Location and tracking file movements;
 - ✓Information about authorized users of records; and
 - ✓Production of management information reports.
- It is important to carry out a thorough analysis of the tasks to be automated such as file classification systems, indexing, file movement tracking and scheduling and disposal.

28

Fields In A Records Management Database

- Some of the fields in a records management database include:
 - ✓ File Title;
 - ✓ File Code or Reference Number;
 - ✓ Date of Request For File;
 - ✓ Name or Location of Requesting User;
 - ✓ Date of File Production;
 - ✓ Name and Location of User To Whom The File is Transferred;
 - ✓ Date of Reminder if Overdue For Return; And
 - ✓ Date of File's Return.

29

E-mail

- E-mails that are evidence of business transactions are official records and should be managed and kept for as long as is required for functional purposes.
- E-mails that approve or authorize an action, contain guidance, advice or direction, relate to project activities or contain policy decisions should be managed as records and should be filed in a file plan. An e-mail message is a record if:
 - ✓ It contains information developed in preparing position papers, reports, studies;
 - ✓ Conveys statements of policy or rationale for decisions or actions;
 - ✓ Adds to the proper understanding of the formulation or the execution of an agency's operations and responsibilities;
 - ✓ Approves or authorizes actions or expenditure;
 - ✓ Creates a precedent, e.g. by issuing an instruction or advice;
 - ✓ Involves negotiations on behalf of the organization; or
 - ✓ Constitutes a formal communication or correspondence relating to official business.

30

Creating and Filing E-Mails

- Outgoing e-mails shall contain sufficient information to ensure they are properly contextualized and that they are meaningful and accessible over time.
- They should include the reference number of the subject folder in the physical and electronic file plan in the top right hand corner of the message box to provide a link between the business activities that supports the e-mail.
- Each e-mail message should have clear subject line that informs the recipient what the e-mail is about.
- E-mails and attachments should be captured as separate but linked documents.
- Emails and attachments on significant matters should be printed and filed in the appropriate physical file.
- E-mails on official matters should not be deleted from the system without the relevant authority.
- All e-mail messages should never be considered to have equal retention value. Each e-mail should be managed individually according to its informational content and retained accordingly.

31

Version Control

- Once an electronic record has been created it is important to have version control to avoid accidental use of the wrong version.
- Where very many versions of a document are in existence it is difficult to identify the final version. This can lead to the use of the wrong versions of electronic records in policy decisions.
- When a final version is declared as a record, editing should not be allowed. The final version should be protected against alterations by users and system administrators.

32

Digitization (Imaging/Scanning)

- After the acquisition and installation of the records management software and hardware, it may be necessary to migrate some or all the existing paper files and documents into the automated system.
- Digitization means conversion of information from analogue to digital media to **facilitate preservation, and sharing by use of IT**. A digital image can be edited, manipulated, emailed across the world, deleted, copied and inserted into other files including the **www** pages.
- The other benefits of digitization include:
 - ✓Wide access and sharing of information;
 - ✓Preservation of the original while the digital surrogate is made available for consultation, and therefore reducing the possibility of further deterioration;
 - ✓Digital forms a backup;
 - ✓Ease of access and sharing of digital information; and
 - ✓Minimized storage requirements - digitized information takes much less storage space than information on paper.

33

- The documents to be digitized must be analyzed to determine their suitability for scanning.
- The documents must be well organized and indexed. Priority for digitization should be accorded to documents or files that are heavily consulted and whose digitization will facilitate multiple and simultaneous access.
- Important documents and files in poor physical form and whose frequent use may lead to their further physical deterioration can also be a priority for digitization.
- It is important to select the right scanner, and this will depend on the volume of materials to be scanned and the compatibility of the scanner with the existing hardware and software. The digitized images should be stored in an appropriate and secure media such as hard drives, optical disks and magnetic tapes.
- A functional network will be necessary for staff to access the digitized images. The software used should be able to handle multiple simultaneous access and permit only authorized staff to access the digital images.

34

Challenges In the Management of Electronic Records

Some of the challenges of managing electronic records include:

- Impermanence of the storage media and technological obsolescence. Electronic storage media is fragile and changes with time;
- Changes in technology means that records that were generated in computer seven years ago may not be accessible today. This calls for regular migrating of the records to new computer systems to ensure they remain accessible;
- Security and integrity of the information can be compromised through inadvertent or intentional alterations and unauthorized deletions. An electronic file can easily be altered without leaving any evidence that alteration has been done;
- High risk of wholesale loss or destruction of business records,
- Evidential status of electronic records is unreliable and legal admissibility of electronic records in Ghana has to be ascertained.
- In spite of the challenges highlighted here automated records management and information has immense benefits as observed elsewhere in this document.
- What is recommended is a hybrid or dual system, meaning maintenance of paper records system parallel to the automated system.

35

QUESTIONS & DISCUSSIONS

36

EXERCISES/CASE STUDIES

Q.1 Explain the importance of procurement records.

Q.2 List Typical contents of Contract Administration Records for Goods/Works/consultancy & Technical Services.