Judicial Council of California

CONTRACT ADMINISTRATION

CHAPTER 11

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INTRODUCTION

This chapter describes the requirements and recommended practices associated with contract administration. It also addresses contract provisons and actions required to protect each Judicial Branch Entity's (JBE's) interests and ensure Vendor performance.

DEFINED TERMS

If not defined in the text of this chapter, the definitions of capitalized terms are set forth in the glossary.

11.1 PRINCIPLES

Contract administration focuses on the relationship between the JBE and the Vendor from contract award to closeout to ensure the Vendor delivers the goods and/or services in conformance with contract requirements.

Contract administration includes communication between the JBE and its Vendors that conveys the JBE's expectations specified in a contract, protects its contractual interests, and documents the activities associated with the contract, including payment, contract compliance, disputes, etc.

11.2 CONTRACT ADMINISTRATION PLAN

JBEs should establish a contract administration plan and include the plan in their Local Contracting Manual. This plan, detailing the conduct of contract administration within the JBE, should reflect or reference the principles, rules, and requirements affecting contract administration contained within this Manual.

Depending on the staffing capabilites of the particular JBE, with respect to the management of contract administration activities, this plan should provide for:

- The appointment of a senior Contract Administrator ultimately responsible for the performance of all contract administration functions;
- A grant of authority to the senior Contact Administrator to delegate to other JBE employees the authority and responsibility to perform contract administration functions that makes them Contract Administrators;
- The establishment of clear lines of authority for the management and conduct of contract administration functions; and
- A description of each Contract Administrator's function within the JBE.

11.3 ROLE OF CONTRACT ADMINISTRATORS

Contract Administrators are those JBE staff who perform contract administration functions. Each Contract Administrator must understand all aspects of the contract.

Contract Administrators must ensure that:

- The procurement of goods and services is appropriately documented;
- Vendors comply with the terms of their contracts as well as applicable laws, rules, and regulations;
- Contract performance progresses satisfactorily;
- Problems that may threaten performance are promptly identified; and
- Contractual disputes are addressed and resolved appropriately, applying sound administrative practice and business judgment.

Contract Administrators are responsible for the following:

- Acting only within the limits of their authority;
- Authorizing contractual actions that are within authorized budgets or available funding;
- Ensuring Vendor and JBE compliance with the terms of the contract;
- Safeguarding the JBE's interests in its contractual relationships; and
- Ensuring that Vendors receive impartial, fair, and equitable treatment.

For superior courts, see the *Trial Court Financial Policies and Procedures Manual*, FIN 5.01, Section 6.6 (at https://www.courts.ca.gov/7460.htm) for information on encumbering funds for contracts.

11.4 ETHICAL DECISIONMAKING AND CONTRACT ADMINISTRATION

Contract Administrators must adhere to and conduct business by maintaining high ethical standards.

Contract Administrators must:

- Conduct themselves in a professional manner, refrain from mixing outside relationships with business, and not engage in incompatible activities, conflicts of interest, or unethical behavior;
- Accurately account for expenditures and goods and services received;
- Be aware that perceptions can override reality; and

- Involve the JBE's procurement and legal staff or, alternatively, the Judicial Council's Legal Services office, when questions arise regarding acceptable or unacceptable behavior when dealing with Vendors.

No Contract Administrator may accept, directly or indirectly, any gift, money, loan of money or equipment, meal, lodging, transportation, gratuity, favor, entertainment, service, or any other item of value from any person who is doing or seeking to do business of any kind with the Contract Administrator's JBE. Such circumstances could be construed as intent to influence the Contract Administrator in his or her official duties or as a reward for official action performed by the Contract Administrator and such items must be declined.

Other ethical issues include the following:

- Contract Administrators must not purchase goods or services from any business entity in which they have a financial interest;
- Contract Administrators are prohibited from using their position in state government to bestow any preferential benefit on anyone related to them by family, business, or social relationship; and
- Even the appearance of questionable or unethical practices is detrimental to both the Contract Administrator and the judicial branch.

11.5 RECORD KEEPING AND FILES

A. Vendor Lists

The JBE should develop and maintain a list of Vendors[1]. The JBE may use an electronic procurement system for this purpose. For each Vendor, the following information should be included:

- Vendor name;
- Tax identification number;
- Vendor address;
- Point of contact information including telephone and fax numbers, e-mail addresses, etc.;
- Vendor's valid seller's permit number, if applicable;
- Licenses required for the Vendor to perform the contracted services;

[1] The list may be maintained in multiple record-keeping systems.

- Type of business (corporation, partnership, sole proprietorship, joint venture, parent company or subsidiary, etc.);
- Types of goods or services offered;
- Vendor's status as a Disabled Veteran Business Enterprise or a Small Business (see chapter 3 of this Manual); and
- Year the Vendor was established.

Files should contain each Vendor's data and any other information submitted by the Vendor.

B. File Integrity

Files must be established and maintained for every procurement action.[2] This requirement applies to the Vendor selection process (preaward) and to postaward contract administration, maintenance, and contract closeout.

The requirement to maintain contract files is based on three standards of sound contract administration:

- **One:** A contract administration system ensures that Vendors perform according to the terms, conditions, and specifications of their contracts;
- **Two:** Sound business judgment is exercised in settling all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation and the administration of protests, change orders, amendments, disputes, and claims; and
- **Three:** Documentation of a fair and competitive procurement is maintained.

Contract files should be readily available to protect and support the principles of providing transparency and accountability to the procurement process and to protect the JBE's best interests in the event of future claims, litigation, audits, reviews, or investigations.

11.6 VENDOR LICENSES, INSURANCE, AND PERFORMANCE/PAYMENT BONDS

The Contract Administrator must ensure that all required Vendor Certificates of Insurance, licenses, permits, and performance or payment bonds are current by

[2] An electronic file system may be used for this purpose (as part of a procurement and contract management system) so long as file integrity and security are adequately maintained.

establishing and enforcing a compliance plan and affirmatively acting to ensure contract compliance.

Vendors that provide services must furnish the JBE Certificates of Insurance or, where permitted, evidence of self insurance to evidence compliance with the contract insurance requirements before commencing work.

- Certificates of Insurance must be of a form and content that meet the requirements of the contract; and
- Vendors that have current contracts with the JBE should provide a new Certificate of Insurance on or before the expiration date of any required certificate.

Where the contract calls for performance or payment bonds, Vendors must furnish the JBE evidence of compliance with contract bonding requirements before commencing work.

Any Vendor license or permit required for the Vendor to perform the contracted service must be in place before commencing the service that requires the license and, unless otherwise provided for in the contract, must be maintained continuously for the duration of the contract.

11.7 VENDOR PERFORMANCE AND PAYMENT

A. Performance and Delivery Control

The JBE must monitor Vendor performance to ensure that the value of the goods or services it receives is in compliance with the contract price and meets prescribed acceptance criteria and contract milestone dates. The Contract Administrator or other authorized JBE member, with feedback from the employee who receives the goods or evaluates the services, must ensure that the Vendor's delivery or performance meets the JBE's contract requirements. See section 11.9 and section 11.10 for procedures related to unacceptable Vendor performance.

The Contract Administrator or other authorized JBE member must ensure that the goods and services procured under each contract conform to quality, safety, quantity, and any other measures associated with quality assurance (e.g., warranties) specified in the contract as follows:

- Monitoring Vendor performance, quality, and warranty obligations when appropriate and necessary to protect the JBE's interests; and
- Ensuring that nonconforming goods or services are rejected.

Monitoring Vendor performance can be facilitated by the following best practices:

- Conducting status reviews of Vendor compliance at regularly scheduled project meetings;
- Requiring written monthly or quarterly reviews of the Vendor's performance in meeting goals;
- Requiring the Vendor to propose and implement plans to cure unsatisfactory performance when contract goals are not met; and
- Performing a Vendor evaluation at the conclusion of the contract and retaining the evaluation for future reference.

B. Vendor Payment Issues

Every effort should be made to pay Vendors in a timely manner according to the terms of the contract for goods provided and services rendered. Unresolved payment problems can put the JBE in breach of contract, or may damage Vendor relationships and lead to unnecessary administrative costs. Payment issues that cannot be resolved quickly and informally should be elevated to an appropriate level of JBE management before they lead to disputed claims or litigation. Vendors should be kept aware of the effort to remedy the payment issue until a final resolution is reached.

If a portion of an invoice is in dispute, only the disputed portion of the invoice may be withheld from payment. All correspondence related to a payment dispute must be kept in the procurement file, including a description of the problem and efforts made toward resolution.

11.8 OPTIONS, CHANGE ORDERS, AND AMENDMENTS

A. Options

1. An option is a party's unilateral right, agreed to by the parties and specified in the contract, to elect to exercise a privilege specified in the contract.[3]

[3] The exercise of an option included in a contract is not an amendment of the contract but should be in writing. (If, however, a contract specifies an option must be exercised, if at all, by "amending" the contract, a party exercising the option must adhere to contractually required procedures for amending the contract.)

2. A contract may be drafted to include an option that is exercised upon the inaction of a party. The contract may call for the extension for an additional term or multiple additional terms if a party does not issue a notice of termination of the contract by a certain time prior to the end of the then-existing term. This is known as an "evergreen clause."[4] Because a JBE could become unintentionally bound to perform for an extended term due to inaction, the use of an evergreen clause should be carefully considered and contracts containing this clause will need to be carefully managed. An alternative practice would be to use an option to extend the term of the contract requiring written election to exercise an option.

3. The appropriate person in the Judicial Council's Business Services unit should be notified upon the exercise of a contract option by the Judicial Council, the HCRC, or an appellate court,[5] including an extension of time or an increase or decrease in the contract value. In the event of an option exercised by a notice of exercise of option or other form of communication, the Judicial Council's Business Services unit should receive a copy of the notice of exercise of option or other form of communication.

B. Change Orders

1. A change order is a modification to the terms of the original contract that is permitted by the original contract. Change orders may affect any term of the original contract such as the Statement of Work (SOW), delivery point, date of delivery, contract period, price, or quantity as long as the change is anticipated and permitted by the original contract. The resulting modified contract has the full force and effect of the original contract. Change orders do not prejudice or limit any of the Vendor's rights to make claims or appeal disputes under other provisions of the contract.

2. Provisions for change orders are usually found in construction and large scale software development agreements where the SOW may be defined but the specifics as to how that scope will be fulfilled may not be known until the project is underway. A change order may take the form of a unilateral written order by the JBE directing the Vendor to change the contract's service and/or materials requirements that may affect contract price and time of contract completion. Such changes must be within the scope of the contract and in accordance with a

[4] Contracts containing evergreen clauses are often referred to as "evergreen contracts."
[5] This applies regardless of whether the option is exercised by action or inaction.

contract "changes" clause that permits unilateral change by the JBE to be legally implemented without the consent of the Vendor.

C. Amendments

1. An amendment is a contract modification authorized by the parties (not including options or change orders). For example, an amendment can be used when change orders are not permitted by the original contract or when the modification **exceeds the scope of changes that may be made by change order.** E-mails, letter correspondence, and oral notification between parties are insufficient to amend a contract. Amendments must be mutually agreed to and executed by authorized representatives of both parties. Amendments most frequently deal with changes to the work to be performed, time extensions, compensation for delays, and changes in the contract price due to any or all of the above. A request for an amendment may be initiated by the JBE or the Vendor.

2. Superior courts are solely responsible for inputting contract information into the Phoenix Statewide Financial System (Phoenix) and updating Phoenix so that it accurately reflects subsequent contract amendments. Superior courts should coordinate with the Judicial Council's Branch Accounting and Procurement office, as appropriate.

D. Change Administration

1. Vendor Requested Changes

If the Vendor requests a change, the Vendor must do so in writing on a timely basis according to the terms of the contract. The Vendor must be required to support its requested change through the submittal of a timely proposal as follows:

- The proposal should incorporate the appropriate billing rates and factors outlined in the contract for changes, extras, or delays (if applicable);
- Amendments for consulting services are sometimes based on the Vendor's fee schedule that is included in the contract. On unit price or fixed price line item contracts, the consideration for reductions in quantity must be at the stated contract price. Proposed increases in fixed contract prices or labor rates must be supported to the satisfaction of the JBE; and

- In some cases (e.g., the addition of hours to a time and materials contract or a simple time extension), it may be appropriate for the JBE to prepare the contract change without a proposal from the Vendor. It is within the JBE's discretion to determine whether and when a proposal from the Vendor is needed.

2. Negotiation of Changes

Some of the following steps may be applicable to the negotiation of changes to contract terms:

a. Written Prenegotiation Objectives: The JBE should develop written prenegotiation objectives for amendments and change orders, **for internal JBE use only**. This useful step establishes the JBE's goals and assures that negotiations are conducted along lines more likely to achieve the JBE's objectives.

b. Written Memorandum of Negotiations: A written memorandum should be prepared by the Contract Administrator to record the results of negotiations. The memorandum is a summary of negotiations that sets forth the agreement between the parties on major issues (e.g., price, delivery, performance time, payment terms and any special provisions to be included in the contract).

   The memorandum should explain the differences, if any, between the negotiated price adjustment and the prenegotiation position. When there are numerous differences involving significant sums, a tabular format is useful to show the price differences. Price differences should be explained in a narrative accompanying the tabulation. For small purchases, this can be handwritten on the requisition or other suitable file document.

c. Lock in the resolution or change: To avoid subsequent controversies that may result from a contract modification, JBEs should:

   - Ensure that all elements of the amendment or change order have been presented and resolved; and
   - Consult with legal counsel as to whether to include a release statement in the amendment or change order, by which the Vendor releases the JBE from any liability attributable to the facts giving rise to the Vendor's proposal for adjustment, unless specific exceptions are expressly set forth in the release statement.

E. Communication

All correspondence regarding amendments, change orders and the exercise of options, as well as disputes and terminations, should be directed to the person or persons designated in the contract. Failure to provide notice to the appropriate person in a timely fashion may result in the loss of rights under the contract.

11.9 CONTRACT DISPUTES, VENDOR DEMANDS, AND JBE COMPLAINTS

A. Contract Disputes

Contract disputes generally arise when the JBE and the Vendor disagree about the interpretation of contract language, SOW, specifications, schedule, price, or other issues that impact performance, completion, payment, amendments, or other contract terms.

Minimizing and settling disputes before they become claims is one goal of contract administration. Contract Administrators should anticipate and minimize potential unresolved disputes that can disrupt operations and overrun budgets. The JBE should work with its Vendors and communicate effectively to develop a clear understanding of the contract's performance requirements.

The best forum for dispute resolution is often an informal meeting, conducted between the parties who are most knowledgeable of the facts and who have the authority to make decisions. These meetings should be conducted whenever the JBE denies a Vendor request for a significant modification of the terms of the contract or the parties express a contrary view of the contract requirements. Resolving contractual issues by mutual agreement at the lowest appropriate level of authority is a worthwhile goal.

Although two-way communication is essential to developing a mutual understanding of the issues, all Vendor-requested modifications to the terms of a contract or expressed differences in the interpretation of contract terms and requirements should be submitted in writing. The JBE must not compromise on issues of integrity or clear JBE entitlement under the contract. However, there is often a middle ground that is fair and equitable to both parties.

B. Vendor Demands

1. If a dispute cannot be resolved to the satisfaction of the parties informally as discussed above, the Vendor can submit a formal written demand. The demand may result from the JBE's denial of the Vendor's request for a change to the terms of the contract or invoice, JBE's notice of a unilateral amendment, rejection of work, or the failure of the parties' good faith efforts to resolve disputed issues through informal communication or meetings. Demands seek the payment of money, a time extension, adjustment or interpretation of contract terms, or other relief. A demand may or may not be allowed or timely depending on the provisions of the contract (e.g., if the dispute resolution provision directs that disputes be submitted to mediation as a next step).

2. Vendor demands should be submitted to the JBE on or before the date of final payment. All demands must follow contract requirements, be submitted in writing, follow the format established by the contract, and include a narrative description and documents necessary to substantiate the Vendor's position.

3. Responsibility for the processing, review, and research of Vendor demands, along with participation in the dispute resolution process, should be assigned to a Contract Administrator.

4. The JBE must respond in writing to all properly submitted Vendor demands within the time limits established by contract or as mutually agreed by the JBE and Vendor.

5. Unless otherwise noted in the contract, if the Vendor disputes the JBE's written response, the JBE (with guidance from legal counsel) must inform the Vendor that it may petition the JBE.

6. The JBE must seek to resolve all demands in a fair and equitable manner by the most expeditious and cost-effective means possible. The JBE must first seek resolution by reviewing the contract and all applicable documents to find an equitable solution within the scope of the contract. If the demand has merit, the assigned Contract Administrator should prepare a negotiation settlement memorandum. If a written response meant to bind the JBE is made offering the Vendor a monetary settlement or other remedy, such offer must be executed by an individual with authority to bind the JBE to a settlement agreement as set forth in its Local Contracting Manual.

7. Any resolution of a demand must include a release statement in that the Vendor releases the JBE from any liability with respect to the demand unless specific exceptions are identified in the release statement.

C. JBE Complaints Regarding Vendor Performance

Contracts typically require the JBE to attempt to settle informally all complaints against the Vendor. If informal efforts are unsuccessful, the JBE should give the Vendor written notice of its complaint and an opportunity to take corrective action, as follows (unless otherwise directed in the contract):

1. Give notice: The written notice to the Vendor detailing the complaint and asking the Vendor to comply with the terms of the contract is called a cure notice.[6] The cure notice informs the Vendor that it is deficient with respect to one or more contractual obligations. The Vendor is further advised that if the deficiency is not cured within the prescribed time frame, the JBE may initiate specific remedies up to and including issuing a notice of termination for cause.

2. Inform the Judicial Council's Legal Services office: JBEs, other than the HCRC, must inform the Judicial Council's Legal Services office in a timely manner when they have issued a cure notice and provide counsel with requested information and documents including the cure notice. (See CRC 10.202.)

3. Take Corrective Action: If the Vendor fails to meet the demands of the cure notice within a reasonable time, the JBE must take appropriate action.

4. Reclaim Expenses of Corrective Action: If the JBE takes action to correct the failures of the Vendor, appropriate back-charges should be assessed against the Vendor. If available and allowed by the contract, offsets against amounts owed to the Vendor should be taken from pending payments.

5. Assessment by Judicial Council's Legal Services office: For JBEs other than the HCRC, the Judicial Council's Legal Services office will evaluate the complaint, and after consultation with the JBE, if appropriate, it may provide an additional level of negotiation, identify possible remedies (including possible contract termination), and determine whether to recommend initiating legal action.

[6] Depending upon the circumstances and the terms of the contract, failure to provide a cure notice where informal settlement efforts have been unsuccessful may have a negative impact on the JBE's position. It is recommended that JBEs consult with legal counsel regarding whether or not to issue a cure notice.

11.10 CONTRACT TERMINATION

Each contract must contain provisions that address the potential for termination, how terminations are accomplished, and the basis for termination. JBEs should seek legal counsel when terminating any contract.

A. Termination for Convenience

All contracts should contain provisions that allow the JBE to terminate the contract for the convenience of the JBE. A “termination for convenience” clause allows the JBE, at its sole option and discretion, to terminate the contract, in whole or in part, without any liability other than payment for work already performed, up to the date of termination.

Contracts should set forth the method for compensating the Vendor for work already performed upon termination for convenience.

Written notice to the Vendor is necessary to terminate all or part of a contract for convenience. Notice must state that the contract is being terminated under the termination for convenience provision, the effective date of the termination, the extent of termination, and instructions to the Vendor to stop performance under the contract. A Vendor termination for convenience clause may be warranted where the benefit to the JBE in permitting termination for convenience clearly outweighs the risks of permitting a Vendor to terminate at will.

B. Termination Due to Nonavailability of Funds

The JBE must be allowed to terminate the contract if expected or actual funding is withdrawn, reduced, or limited in any way before the expiration of the contract. If the contract does not contain a termination for convenience clause providing for termination in time to avoid a period where there are insufficient funds available for payment then the contract must contain a clause allowing termination in the case of nonavailability of funds. The JBE must provide the Vendor with written notice of such a termination.

In the event of a termination, in whole or in part, due to the nonavailability of funds, the Vendor will be paid for goods or services satisfactorily rendered up to the effective date of termination.

Contracts whose terms extend beyond the end of the current fiscal year should specify that the contract extension is conditioned upon the appropriation of sufficient funds by the applicable legislative authority. If sufficient funds are not appropriated, this type of

contract is subject to termination at the conclusion of the fiscal year through which funds are available.

C. Termination for Cause

JBE contracts should contain a termination for cause clause to protect the JBE in the event of a Vendor default, especially when the contract does not contain a termination for convenience clause.

Vendors must be provided with a reasonable written notice of any termination for cause. The Vendor must also be provided an opportunity to be heard.

If required by the contract, or allowed by the contract and deemed reasonable by the JBE, the Vendor must be notified by a written cure notice of the default and advised that if the default is not “cured” within the time prescribed in the cure notice, the JBE may immediately initiate the contract termination process and hold the Vendor and its sureties liable for associated costs and damages (if applicable).

The JBE must issue a notice of default to the Vendor, if the Vendor fails to:

- Respond in a timely manner; or
- Satisfactorily cure the default.

If included as a provision to the contract, and a Vendor's right to proceed in performing the contract is terminated for cause, the JBE may take over and complete the work or cause it to be completed by other appropriate means to protect the JBE’s interests. The contract should specify that the Vendor is liable to the JBE for any increased costs incurred by the JBE associated with completing the work. In addition, the Vendor may be liable for damages, depending on the terms of the contract.

D. Contract Work Suspensions

If a temporary delay is a possibility, a “suspension of work” provision should be included in the contract. In accordance with the contract terms, and as the need arises, the JBE may issue a written order to the Vendor to suspend, delay, or interrupt all or any part of the work for the period of time that the JBE determines appropriate.[7]

[7] Suspensions should include a time limit, after which the provisions of the suspension of work clause should be clear that the work will either resume or one of the termination clauses will go into effect.

If the performance of all or any part of the contract work is delayed or interrupted (i) by an act of the JBE in the administration of the contract that is not implied or expressly authorized by the contract, (ii) by a failure of the JBE to act within the time specified in the contract (outside of a force majeure and subject to any contractually permitted or agreed-to extension of the time specified), or (iii) within a reasonable time if not specified, an adjustment should be made for an increase in the cost and time of performance of the contract caused by the delay or interruption, and the contract should be modified accordingly.

The suspension of work provision should state that the JBE is not liable for the Vendor's loss of anticipated profits in the event of a suspension of work.

11.11 FILING PRACTICES

The initial file setup is the responsibility of the JBE employee assigned to conduct the procurement. A JBE employee should be assigned to manage file maintenance.

The following practices will ensure the integrity of JBE contract files:

- Maintain files in a safe and secure area;
- Provide access to files on a "need-to-know" basis only, to minimize the potential for documents to be lost or misplaced;
- Do not permit original files to leave the building where they are filed until the contract work is completed. After completion and a holding period of six months, files may be sent to off-site storage;[8]
- Establish and follow a procedure for making copies and releasing files to the public to avoid losing files and records;
- Establish and follow a system such as the use of "out cards" to control accountability and mark the locations of files removed from the filing area. Depending upon the JBE's staffing capability, the assignment of a file administrator who has sole responsibility to pull files and file out cards is recommended;
- Return original file folders to their designated file locations at the end of the workday. An assigned file administrator should be responsible for assuring that files that leave the designated area are retrieved within a reasonable time; and
- Discard duplicate files and working papers.

[8] FIN 12.01 (Record Retention) of the *Trial Court Financial Policies and Procedures Manual* addresses the period of time that superior court contract records are retained.

The JBE should develop a filing method using a consistent file format. One method of organizing contract files into distinct sections is presented below. Documents should be filed in reverse chronological order within each of the following file sections:

- Correspondence (with subsections for Vendor [incoming], and JBE [outgoing]);
- Preaward/Solicitation (includes Solicitation Document, an abstract of all Bids, etc.);
- Selection and Award (includes all management input and approvals, notice of award, etc.);
- Contract (with subsections for amendments, change orders, and notices, as appropriate);
- Reports, progress reviews, schedules and payment requests/invoices and Vendor evaluation;
- Internal documents (memos, e-mails, records of meetings and telephone conversations, etc.); and
- Miscellaneous (price lists, resumes, brochures, etc.).

The JBE should conduct annual reviews to assure its compliance with established file integrity requirements.

11.12 CONTRACT CLOSEOUT

The JBE must properly close out all contract files.

Closing out routine contracts for goods and other commercial products should be straightforward. The Contract Administrator must ensure that goods and services have been accepted and conform to the contract's specifications. Delivery and acceptance should be documented in the file that should also include any descriptive literature or warranty documentation. There should also be documentation confirming final payment by the accounts payable department.

Upon the authorization of final payment, the procurement file may be closed out. Closing out procurement files may consist of, but is not limited to, assuring that all pertinent documentation is included in the file, disencumbering any remaining funds (if appropriate), completing any required Vendor performance evaluation, and sending the file for appropriate storage and retention. Files should be maintained on site for six months after closeout; after that, they may be sent for off-site storage and retention.

11.13 DISCLOSURE OF CONTRACT DOCUMENTATION

Records created for the purpose of procuring goods and services are generally “judicial administrative records” subject to CRC 10.500, and are therefore available to the public absent an exemption. These records include, but are not limited to, contracts executed by the courts and the Judicial Council, as well as invoices and records maintained by these JBEs and fiscal information related to contract administration.

Specific provisions of this Manual also require disclosure of certain documents at stated intervals in the solicitation process. These requirements vary depending on the category of purchase involved and on the type of solicitation used. These specific requirements are discussed in chapters 4, 4A, 4B, and 4C, respectively, of this Manual.

Legal counsel should be consulted regarding questions about disclosure requirements under CRC 10.500 or this Manual.

11.14 GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI)

Please refer to chapter 2, section 2.4, of this Manual regarding additional procurement and contracting policies and procedures relating to Generative Artificial Intelligence.