

# STATE CONTROLLER POLICY

## MONITORING REVIEWS - OSC CONTRACT APPROVAL DELEGATION

- 1) **Purpose.** The Office of the State Controller (OSC) by and through the Central Contracts Unit (CCU) will monitor State agencies and institutions of higher education (Agencies and IHEs) review their performance under and compliance with the provisions of the contract approval delegation from the State Controller.  
**Frequency.** The CCU anticipates monitoring Agencies and IHEs every other year, or as frequently as necessary if, in the sole judgment of the OSC, an Agency or IHE is at risk.
- 2) **Pre-Monitoring Process.** Monitoring will be scheduled and arranged as follows:
  - a. **Time and Place.** The CCU will contract Agencies or IHEs to arrange a mutually agreeable time and place to conduct the monitoring. Monitoring will usually take place at the Agency or IHE headquarters, although the OSC reserves the right to require submission of contracts and other documents to the OSC for in-house desk review. The Agency or IHE is responsible for providing a place where CCU staff can conduct interviews and review contracts and other documents for the duration of the monitoring.
  - b. **Contracts, Documents, and Interviewees.** The CCU will provide Agencies or IHEs a list of requested contracts and other documents to review and staff to interview not less than one week before the monitoring. Agencies or IHEs shall promptly inform the CCU of problems in meeting such request. The CCU will select contracts using various criteria designed to produce a representative sample of delegated contracts.
- 3) **Contract File Contents.** Agencies and IHEs are responsible for ensuring that in addition to the requested contracts, all information relevant to such contracts, is available for CCU review during the monitoring, including, but not limited to, the following:
  - a. All exhibits, attachments, schedules, tables, etc. referenced in the contract,
  - b. A copy of the original contract in the case of a contract modification,
  - c. A copy of any contract completeness checklist used,
  - d. Any documentation supporting a "fair and reasonable" determination; for example, an appraisal for purchase of an interest in real property or and RFP,
  - e. A copy of applicable Colorado Secretary of State information Webpage regarding the Contractor,
  - f. Documentation that required insurance and/or bonds have been obtained,
  - g. Copies of any necessary Central Approver approval documents, including, but not limited to, the following
    - i. OIT certifications for IT contracts,
    - ii. DPA HR personal services review or certification form,
    - iii. An approval by the State Purchasing Director to extend the contract beyond the 5-year term limit, and
    - iv. DPA Procurement Sole Source waiver.
  - h. A copy of the encumbrance,
  - i. A copy of the CLIN and CL12 or other method used to track contracts,
  - j. A copy of the original contract if a contract modification (amendments, options, change orders, task orders, assignments, etc) is submitted for approval,
  - k. A copy of any risk analysis performed, and
  - l. All other necessary documentation such as explanations (emails, letters, etc) regarding contract issues, unusual contract situations, extenuating circumstances, statutory violations, and late contracts.
- 4) **Monitoring Process.** Monitoring consists of interviewing staff and reviewing contracts, contract files, and other documentation. Agencies and IHEs should have staff available to answer questions during the contract reviews. Most monitoring reviews take less than a day to complete.
- 5) **Pre-Monitoring Process.** Following the monitoring, the CCU will prepare a written report detailing the results of the monitoring, including staff interviews, processes and contracts reviewed, compliance issues, recommendations, technical assistance rendered and requested, and Agency feedback received. The Agency or IHE has 45 days in which to respond to the initial report. The CCU will then incorporate such responses, add its responses, and issue a final report.

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David J. McDermott, CPA  
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