



Commerce & Contract  
Management Institute

# The Contract Management Standard™

A global standard

CCM Institute was co-founded and is supported by:



**NCMA**  
NATIONAL CONTRACT MANAGEMENT ASSOCIATION



World Commerce  
& Contracting

**4th**  
edition

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# I-A. Introduction to the Contract Management Standard™



The Contract Management Standard™ was updated and reaffirmed through a rigorous global process involving materially affected and interested parties to broaden its relevance to the international marketplace.

Conceptually, the process was based on due process, which was established through consensus, openness, lack of dominance, and a balance of interests. Specifically, the process included a job task analysis survey, expert drafting, peer review, and public comment validation.

- This is an American National Standard approved and reaffirmed by the American National Standards Institute (ANSI),<sup>1</sup> which is the sole United States representative to the International Organization for Standardization (ISO). It is independent of other ANSI and ISO standards, and it is a document established through the consensus-based activities of an accredited, authoritative organization.<sup>2</sup> The common and repeated use of a consensus-based standard will improve productivity, increase efficiency, and reduce costs.<sup>3</sup>
- This is a global standard designed and developed with the entire world in mind to ensure the processes it presents through job tasks, competencies, and domains are internationally suitable, reliable, and of high-quality while being applicable to all jurisdictions and markets.
- This is a voluntary consensus standard developed or adopted by voluntary consensus standard bodies through the use of a development process characterized by openness, balance, due process, consensus, and the right to appeals. The inclusiveness and integrity of the ANS process encourages participation by the broadest range of subject-matter experts, resulting in high-quality standards that protect the public and foster fair commerce and innovation.

Effective contract management can produce contracts to serve as strategic enablers to foster business innovation, collaboration, and long-term value creation. The success of buyers and sellers can be assessed not only through direct interaction (e.g. negotiations, contract performance), but also when there is no direct interaction between the parties (e.g. planning). Success of one party is not likely to occur without the success of the other party. Successful contract management is more likely to occur when both parties clearly understand all job tasks, competencies, and deliverables.

## I-A.1 Purpose

The purpose of the Contract Management Standard™ is to describe contract management in terms of the processes and stakeholder relationships created through the integration and interaction of job tasks and competencies, and the purposes they serve.

## I-A.2 Scope

The scope of the Contract Management Standard™ includes all the contract management processes and business relationships required to develop buying strategies, develop selling strategies, form contracts, perform contracts, and close contracts for the furnishing of goods or services. The primary participants in this process are buyers and sellers in the discipline of contract management; the standard also includes buyer and seller collaboration with stakeholders such as engineering, estimating, finance, legal, logistics, pricing, project management, requirement development, supply chain management, quality control, customers, and others.

## I-A.3 Applicability

The Contract Management Standard™ is applicable to:

1. All acquisitions, framework agreements, grants, leases, licenses, orders, procurements, purchases, subcontracts, and any other types of legally enforceable contracts – from simple credit card purchases to complex acquisitions;
2. Any organization that works with any type of contract [e.g. government (jurisdiction, national/federal, state, and local), industry (business-to-business, business-to-government, large business, mid-size business, small business), subcontractors (all tiers)];
3. Any oversight activity involving contract procedural, regulatory, and statutory compliance (e.g. appeals, arbitration, audits, legal opinions and decisions, litigation, performance management reviews, protests, risk assessments, business process improvement/automation);
4. Any organization developing training courses and programs or education courses and curricula (e.g. professional associations, universities/colleges, training providers, schools); and
5. Any individual interested in developing and increasing competence or any organization interested in enhancing its workforce and process capability [e.g. focus scarce resources (personnel, money, equipment, time, etc.) to target competence gaps; achieve certification; obtain meaningful results].

1. ANSI homepage [www.ansi.org](http://www.ansi.org)

2. NCMA became an ANSI Accredited Standards Developer (ASD) in 2018. The ANSI directory of standards developing organizations is posted at [www.standardsportal.org/usa\\_en/resources/sdo.aspx](http://www.standardsportal.org/usa_en/resources/sdo.aspx)

3. Standards Boost Business  
[www.ansi.org/Impact-of-Standards/standards-boost-business](http://www.ansi.org/Impact-of-Standards/standards-boost-business)

## I-A.4 Definitions

In the discipline of contract management, the following are common terms with their basic definitions:

**1. Contract management** – a discipline that brings value through buying and selling via the execution of job tasks in accordance with the Guiding principles, as defined in the Contract Management Standard™. See Contract (5) and Management (11).

**2. Contract management discipline** – a career field comprised of multiple business professions, in parts carried out by professional contract managers.

**3. Contract management profession** – the career field dedicated to contract management.

**4. Award** – the execution, consent, or acceptance of a contract after the buyer and seller come to an agreement on terms and conditions to deliver goods and services.

**5. Contract** – a legally enforceable business instrument for the sale, purchase, or lease of goods or services; or the construction, alteration, or repair of real property. The agreement is either an exchange of obligations and/or rights to act or refrain from acting in a specified way (bilateral contract) or an exchange of an act for an obligation and/or right (unilateral contract, e.g. a purchase order). To be legally enforceable such agreements must satisfy the requirements of pertinent systems of laws, codes, regulations, treaties, and international agreements.

- Contracts include acquisitions, framework agreements, grants, leases, licenses, orders, procurements, purchases, subcontracts, transactions, and other legally enforceable agreements consistent with the above description.
- Orders may be issued by award, consent, or acceptance as standalone contracts themselves or as an order made against an established contract.

A contract must consist of four essential elements:

- Offer;
- Acceptance;
- Consideration; and
- The intention to create a legal relationship – entered into by parties with the legal competence to contract.

For a contract to be valid, both parties must indicate that they agree to the terms. For a contract to be binding, it must be for a legal purpose and it can only be made by parties who are competent.

Contracts have two major components:

- **General features** – These include such notions as principal and agency, types of authority, essential elements of a contract, market research, competition, fair and reasonable prices, governing law, authority of authorizing parties, and ethics; and
- **Terms and conditions to address specific contract matters** – These include such components as scope, delivery (e.g. International Commercial (INCO) Terms, insurance, timing/schedule), quality, acceptance, title transfer, force majeure, change in law, risk of loss, repudiation, bonds and warranties, payment terms (including currency), contract changes and claims, suspension, and termination.

**6. Contract manager** – the designated, professional representative(s) or agent(s) for a contracting party that brings value through buying and selling via the planning, execution, and/or monitoring of the management of contracts, as defined in the Contract Management Standard™.

**7. Contracting parties** – the two primary roles of a contract manager – the buyer and the seller.

- **Buyer** – the contracting party with the requirement for goods or services to be fulfilled by one or more sellers.
- **Seller** – the contracting party tasked with fulfilling the buyer's requirement for goods or services.

**8. Contract performance** – the execution of the terms of a contract.

**9. Customer** – the person or organization with the identified need and is the recipient or user of goods or services to be delivered under a contract.

**10. Delivery** – the formal act of transferring goods or performing services under the terms and conditions of a contract.

**11. Management** – the art of conducting business.

The key requirements of management are setting objectives and planning; organizing; motivating and communicating; measuring performance; and developing individual competence and organizational capability.

**12. Stakeholder** – a person, group, or organization with a vested interest or stake, that influences the decision making or activities of the contract.

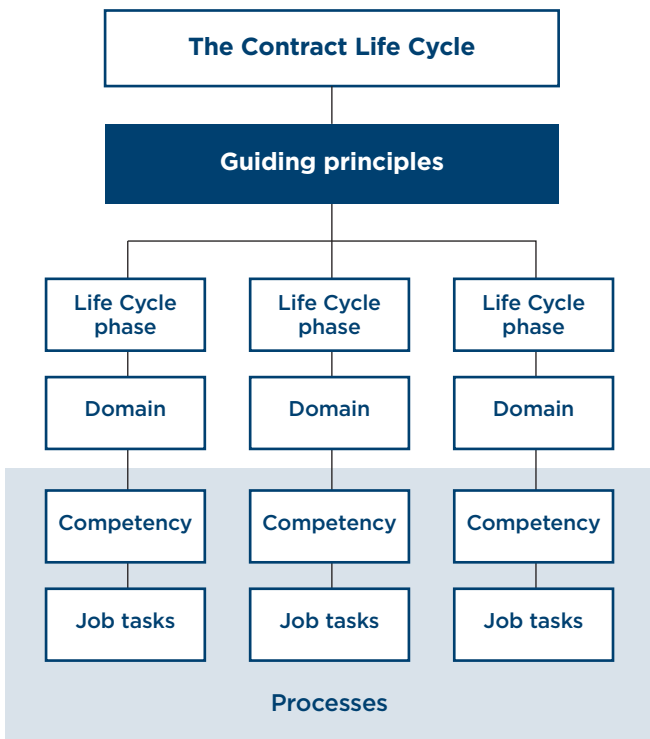


I-A.5 Structure

The Contract Management Standard™ structure is comprised of five components (see Figure 1):

- 1. Guiding principles** – These principles apply to all phases of the Contract Life Cycle.
- 2. Contract Life Cycle phases** – The phases of a contract: Pre-award; Award; and Post-award.
- 3. Domains** – The areas within a Contract Life Cycle phase that produce significant contract management outcomes.
- 4. Competencies** – The processes utilized to produce the expected contract management outcomes of the domains. These processes involve the ability to perform multiple job tasks, both simultaneously and sequentially, while achieving meaningful results.
- 5. Job tasks** – The tasks to be performed on a best practice basis by contract managers. Such job tasks are systematically processed to achieve the expected results of the competencies. Though the job tasks are presented as lists, contract management professionals are expected to skillfully process them concurrently or sequentially, as appropriate, throughout the Contract Life Cycle.

Figure 1. Component structure of the Contract Management Standard™



I-A.6 Global job task principles

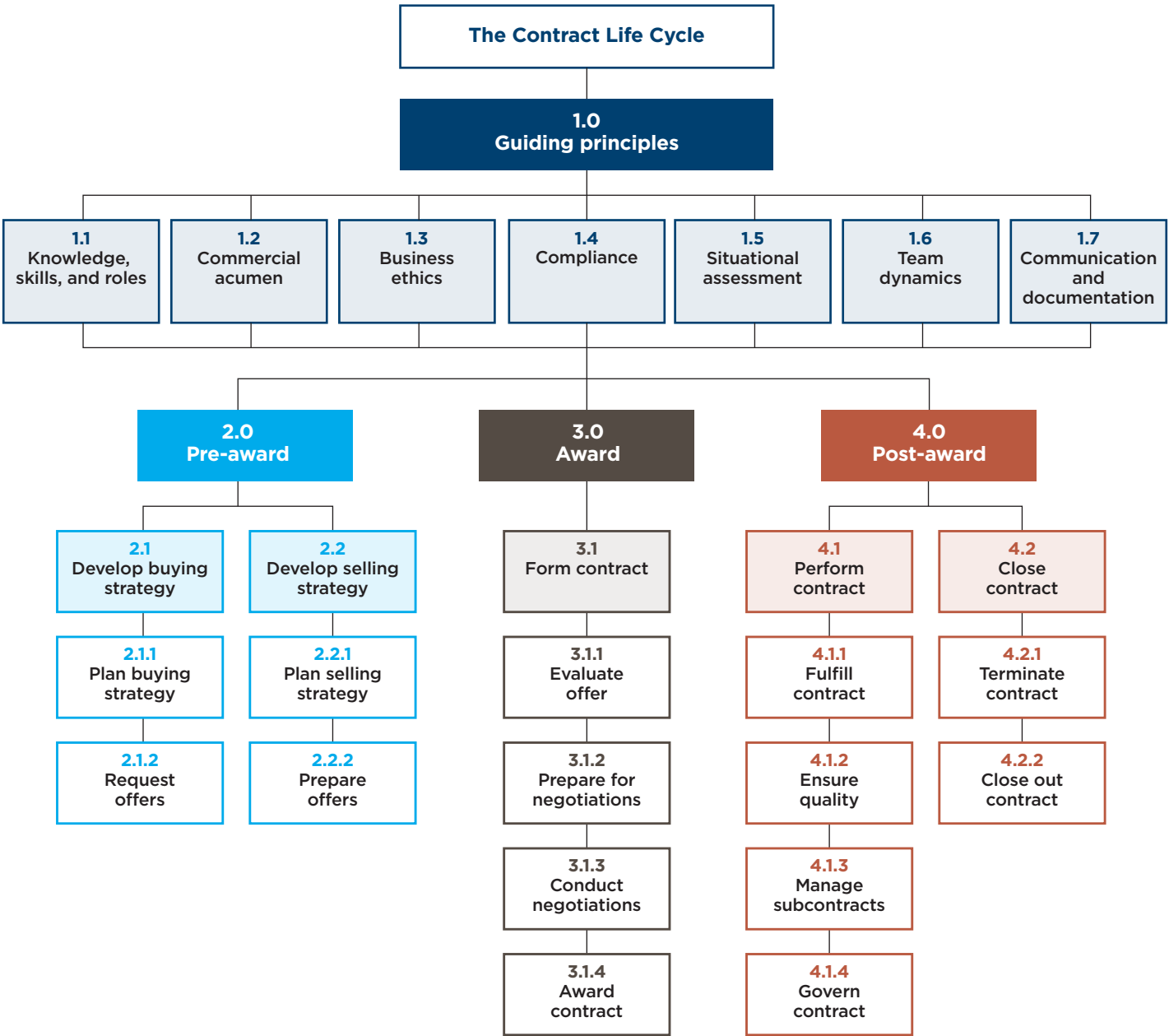
The following principles provide the perspective and intent of the consensus body as it designed and developed the job tasks for each phase of the Contract Life Cycle:

- 1. Job tasks describe a process and are not designed to be assigned to, nor describe, any specific role, function, or department of a buying or selling organization (including stakeholders, customers, suppliers, etc.).
- 2. The buyer and seller describe the organizations composing the buy-side and sell-side of a transaction.
- 3. Job tasks are worded in such a way as to be, as far as possible, universally applicable. This means that they do not attempt to align to any particular region, industry, customer, or contracting model. To this end, language has been kept clear and simple, and terminology was selected so as to be easily translated across languages to facilitate a common understanding of the intent of each job task.
- 4. The job tasks describe the ‘what’ (i.e. those high level), core activities that are central to exercising the global contract management discipline in regional and local practice. Job tasks do not describe the ‘how’ (i.e. the behaviors), skills, and expectations placed on individuals and teams who conduct the job tasks – the ‘how’ is addressed in the Guiding principles section.
- 5. Job tasks may not all be applicable to every industry or region. It should be noted that the job tasks should not be interpreted as a strictly linear process; some steps may not apply, or some steps may comprise greater complexity, for some over others.
- 6. Job tasks are flexible in terms of application, adaptability, and keeping pace with rapid and continuous development in various aspects (e.g. technology, legislation, transactions, dealings, etc.).



The Contract Management Standard™ is established as presented in Figure 2.

Figure 2. The Contract Management Standard™

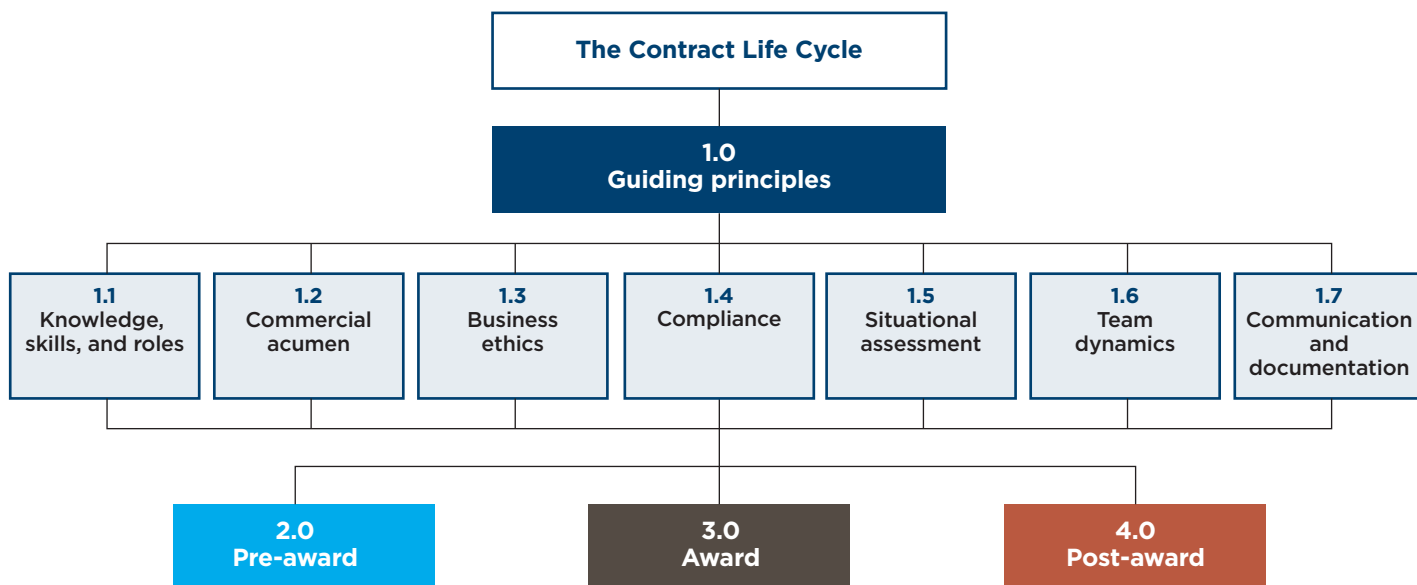


# 1.0 Guiding principles



Guiding principles apply throughout all phases of the Contract Life Cycle. They provide the framework of behaviors and approach to conducting contract management by contract managers or delegated personnel. Simply put, while the processes describe what contract managers commonly do, the guiding principles describe how contract management should be conducted (see Figure 3).

**Figure 3. The guiding principles of contract management**





## 1.0 Guiding principles (continued)



### 1.1 Knowledge, skills, and roles

Contract management requires learning a body of knowledge, using a broad and unique set of skills, and performing several roles.

#### 1.1.1 Knowledge

Contract management requires learning a body of knowledge, which is a special knowledge gained through research, academic study, training, certification, and continuous learning. The Contract Management Standard™ informs what is included in this body of knowledge. There are many sources of the contract management body of knowledge including government, industry, academia, legal bodies, associations, and international bodies. Contract managers apply the contract management body of knowledge to achieve the goals of the stakeholders and the contract management discipline.

#### 1.1.2 Skills

Skill is the ability to use one's knowledge effectively and readily in execution or performance. Proficiency in a skill is typically characterized by years of experience, a degree of competence, the results achieved, and the manner of achievement. Contract management requires skills in the following areas. The words inside the parenthesis are some examples of the application of the skill and are not to be interpreted as a comprehensive list of applications of that skill:

1. Agency (fiduciary responsibility, duties, authority);
2. Budgeting (spending plan, income, expenses, allocation of resources, tracking);
3. Business capture (teaming, proprietary agreements);
4. Business ethics (adherence, resolving gray areas);
5. Collaboration with other contract management professionals (including project, technical, financial, supply chain, quality, legal, property, data, information technology);
6. Communicating (written, oral, visual);
7. Compliance with requirements (legal, regulatory, organizational, contractual);
8. Contract formation (statement of work requirements, terms and conditions, offer, acceptance, consideration, valid purpose, legality);
9. Contract interpretation (rules, order of precedent, case law);
10. Contract performance (price/cost, technical, delivery, closeout);
11. Conflict resolution (contract interpretation, claims, disputes);
12. Due diligence (exercise of care, transaction);
13. Negotiations (good faith, principled, interest-based bargaining);

14. Leading (vision, mission, guide, influence, emotional intelligence, alignment to organizational goals);
15. Personal initiative (timely decisions within authority, advise others outside their authority);
16. Planning (strategic, operational, contract required);
17. Process improvement (effectiveness, efficiency, metrics, measurement, innovation);
18. Relationship management (customers, stakeholders, internally, externally);
19. Request analysis and evaluation (price, cost, technical, best value);
20. Requesting (work requirements, terms and conditions, contract type, methods);
21. Responding (price, technical, value proposition, compliance to requirements, responsiveness);
22. Risk management (assessment, strategies);
23. Sound professional judgment (acumen, objectivity, experience, determinations, findings, justifications, approvals, memoranda);
24. Sourcing (make or buy, market research, business relationship, responsibility);
25. Staffing (organizing, hiring, developing, training, coaching, mentoring).

#### 1.1.3 Roles

Contract managers use their contract management skills to accomplish the roles they are assigned. A role is a set of responsibilities or duties that a person is expected to perform within a certain position or job. While there is some overlap between roles and skills, roles define broad job functions, while skills specify abilities. A role can require multiple skills, and a single skill can be useful in multiple roles.

Roles can be organized into three broad categories:

- 1. Interpersonal roles** – These are responsibilities related to interacting with team members and stakeholders. This includes figurehead, leader, and liaison.
- 2. Informational roles** – This category describes the duties for processing, generating, and exchanging information to reach organizational goals. This includes monitor, disseminator, and spokesperson.
- 3. Decisional roles** – These roles involve using available information to make strategic business decisions. This includes negotiator, disturbance handler, resource allocator, and entrepreneur.



## 1.0 Guiding principles (continued)



### 1.2 Commercial acumen

Commercial acumen describes the process knowledge of strategic governance and oversight of contractual relationships in the context of the organization's intended outcomes, buyer and seller objectives and capabilities, market conditions, commercial risk management, and other elements comprising the overall context in which the contracts are formed and managed. Commercial acumen therefore comprises all areas of professional practice that are relevant to conducting commerce, insofar as they are of direct relevance to the structuring, content, and performance of contracts.

The 'commercial process' is therefore to ensure that all relevant stakeholder views have been incorporated and evaluated, to ensure that the needs (of the buyer/customer) and capabilities (of the seller and subcontractors) have been aligned, monitoring and evaluating the performance of a contract consistent with the organization's strategic goals and objectives, and ensuring that the buyer and seller are capable of delivering the intended outcomes of the contract.

In this sense, the contract may be viewed as a tool to undertake and oversee 'commercial assurance' of a deal or commercial relationship, and this may be from either a buyer or seller perspective.

Commercial acumen is a critical skill set for creating and maintaining contractual relationships, for performing contract management job tasks, and for aligning and achieving the strategic objectives of the buyer or seller.

### 1.3 Business ethics

Business ethics are principles that guide decision-making. They are a guide to what is right or wrong for a business situation. The principles provide a shared way of addressing business situations. These principles may be called a code, standard, or practice. Most principles require business to be conducted with confidentiality, fairness, openness, respect, and trust.

To achieve this goal, the principles commonly address accountability, compliance, confidentiality, good faith, integrity, and professionalism. Principles commonly specify prohibited behavior. Principles also provide guidance and resources for reporting and resolving business ethics issues.

Contract management requires business ethics because contract management is in service to the interest of others. Contract managers serve their organization while maintaining the trust of stakeholders and ensuring confidence in the integrity of the contract management process.

Contract managers adhere to the business ethics of their organization, their contracts, and their professional business associations. The contract manager makes decisions and resolves ethical issues by applying these principles to the situation at hand.

A code of ethics is an essential element of any profession. Adhering to business ethics builds trust in and preserves the integrity of the contract management process. It also holds contract managers and contracting organizations accountable for their actions. Business ethics help avoid the loss of jobs and business, reputational harm, and civil and criminal penalties.

### 1.4 Compliance

A key contract management skill is compliance with applicable laws, government regulations, contracts, policies, and business ethics. Compliance with multiple requirements can occur throughout the Contract Life Cycle.

Contract managers have compliance responsibilities regarding business ethics, prevention, internal control systems, monitoring, auditing, reporting, investigating, enforcement, discipline, and corrective action.

To be compliant with requirements, contract managers must have a working knowledge of the laws, codes, regulations, policies, and other sources of guidance that define the environment in which the contract manager operates. Also, it is crucial for the contract manager to know when and how to access specific legal advisory services to support contract objectives.

Furthermore, it is essential for the contract manager to abide by and advocate for all local and international compliance regulations, including trade compliance and trade control laws, copyright laws, privacy and data protection, cyber and physical security, and anti-trust and anti-competition regulations.

## 1.0 Guiding principles (continued)



### 1.5 Situational assessment

Leveraging lessons learned to manage current and future contracts is a crucial responsibility in contract management. Successful contract managers:

1. Capture, document, and share knowledge effectively;
2. Apply learning from past contracts through documented lessons learned;
3. Shape and manage requirements to align with an organization's vision, mission, and strategic goals;
4. Recognize how seemingly independent contract actions impact each other now and in the future;
5. Understand product and systems life cycle principles;
6. Use market research techniques to collect, analyze, and implement market intelligence;
7. Identify and implement opportunities for process improvement and optimization;
8. Seek subject matter experts for input and insight;
9. Ensure the closure of contract management processes within defined time limits; and
10. Negotiate meaningful contract terms and conditions that meet the needs of customers and stakeholders.

### 1.6 Team dynamics

The buyer and seller teams combine the functional disciplines of buyers and sellers for the common purpose of satisfying customer needs. While buyer and seller teams may work independently in the pre-award phase, the relationship becomes formal upon contract award and continues as a single team until the contract is closed. Members of the buyer and seller teams are expected to add value by performing their functions and knowing their roles throughout the Contract Life Cycle phases.

To be successful, each member must have a working knowledge of all stakeholder roles on the team. The roles with whom the contract manager will likely interact can include engineering and technology, sales and account management, finance, legal, logistics, project management, procurement, supply chain, quality control, and others. Buyer and seller teams may include members internal to their organization and/or external representatives.

Familiarity with each role helps the team work cohesively, identifying gaps or overlaps in responsibilities and ensuring seamless operations.

The buyer and seller teams must be able to:

1. Conduct meaningful collaboration to make accurate and timely decisions while solving complex contracting problems and forming an effective contract relationship;
2. Identify opportunities for process improvement and optimization; and
3. Collect and record lessons learned.

### 1.7 Communication and documentation

#### 1.7.1 Communication

Effective communication among all affected parties is crucial for ensuring contract management outcomes. Communication must:

1. Minimize the effect of personal biases;
2. Maximize the likelihood of accurate results; and
3. Facilitate communication among affected parties.

#### 1.7.2 Documentation

Contract managers facilitate communication through clear, concise documentation and unambiguous processes. Documentation is often prepared, recorded, and retained in appropriate systems, regardless of medium, to support decisions made and actions taken. Examples of topics to document include, but are not limited to:

1. Contracts and the planning strategy leading to a contract;
2. Verbal and nonverbal exchanges;
3. Rationale used in decision-making and business judgment;
4. Mutually agreed-upon expectations;
5. Planned and unplanned events;
6. Performance issues and accountability;
7. Conflicts and their resolutions;
8. Changes and proposed solutions;
9. Risk management and mitigation;
10. Opportunity development and execution;
11. Contract compliance and performance quality;
12. Buyer and seller relationship management programs; and
13. Knowledge gained and lessons learned.

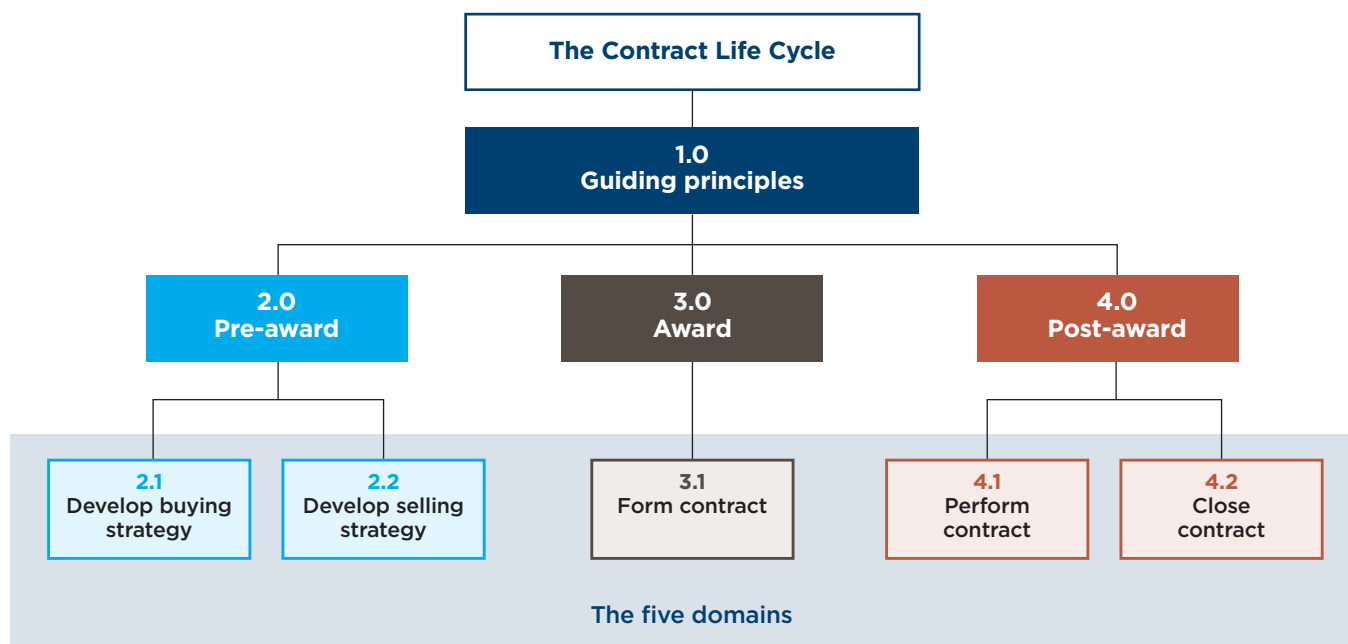
# I-B. Introduction to the Contract Life Cycle phases



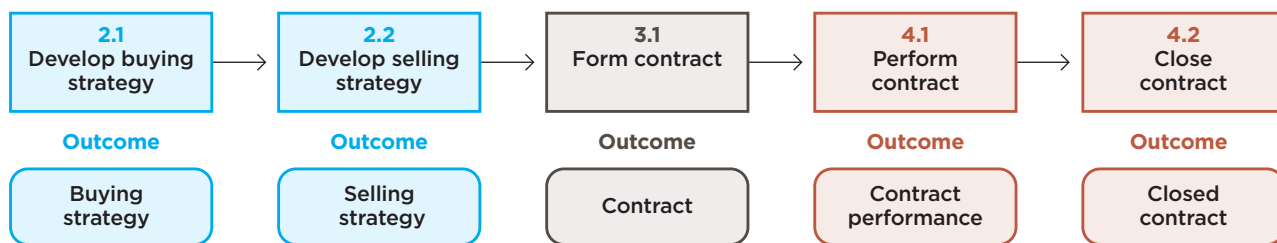
Contracts have a distinct beginning and end, and the Contract Life Cycle defines these parameters. The Contract Life Cycle generally consists of three contract phases: 2.0 Pre-award, 3.0 Award, and 4.0 Post-award.

Contract management processes performed by contract managers generally fall into five domains within the three Contract Life Cycle phases. Figure 4 illustrates how the domains relate to the life cycle phases, and Figure 5 illustrates the domains and their outcomes. Each Contract Life Cycle phase and domain have specific competencies and job tasks that together are called 'processes'.

**Figure 4. Contract Life Cycle phases with associated domains**



**Figure 5. Contract management domains and their outcomes**



## 2.0 Pre-award Contract Life Cycle phase



Pre-award is the first phase of the Contract Life Cycle. The pre-award process involves the contract management functions of ‘contract planning’ and includes the business processes for buyers to produce requests and sellers to prepare offers.

There are two domains within the pre-award life cycle phase:

**2.1 Develop buying strategy** – The buyer competencies for this domain are ‘Plan buying strategy’ and ‘Request offers’.

**2.2 Develop selling strategy** – The seller competencies for this domain are ‘Plan selling strategy’ and ‘Prepare offer’.

The processes in the pre-award life cycle phase interact with each other and continuously integrate with the Guiding principles. In addition, the pre-award processes have a direct impact on the performance and results of the award and post-award life cycle phases. The domains, competencies, and common job tasks in the pre-award life cycle phase are presented in Figure 6 (buyer) and Figure 7 (seller).

### 2.1 Develop buying strategy

Develop buying strategy is primarily the domain of the buyer. It contains the processes of describing all the elements of the customer requirements (technical, business, regulatory, etc.) to the sellers. The value added by this domain is the accurate presentation of the customer requirement through a buying strategy leading to responsive offers and resulting in successful contract performance.

#### 2.1.1 Plan buying strategy

Plan buying strategy is the process by which efforts of all personnel responsible for acquiring goods or services are coordinated and integrated through a comprehensive plan for fulfilling the customer’s need(s) in a timely manner at a reasonable price. It includes developing the overall strategy for managing the buying process.

#### 2.1.2 Request offers

Request offers is the process of implementing the plan by soliciting responses from sellers in order to fulfill a customer need. It produces a clear and concise buying strategy that effectively communicates all the buyer’s requirements and enables the sellers to provide comprehensive, responsive offers.

### 2.2 Develop selling strategy

Develop selling strategy is primarily the domain of the seller. It contains the processes of applying business practices and developing strategies to pursue and obtain contract award. The value added by this domain is in developing an offer with the intent of entering into a contract subject to any changes arising during the Form contract domain.

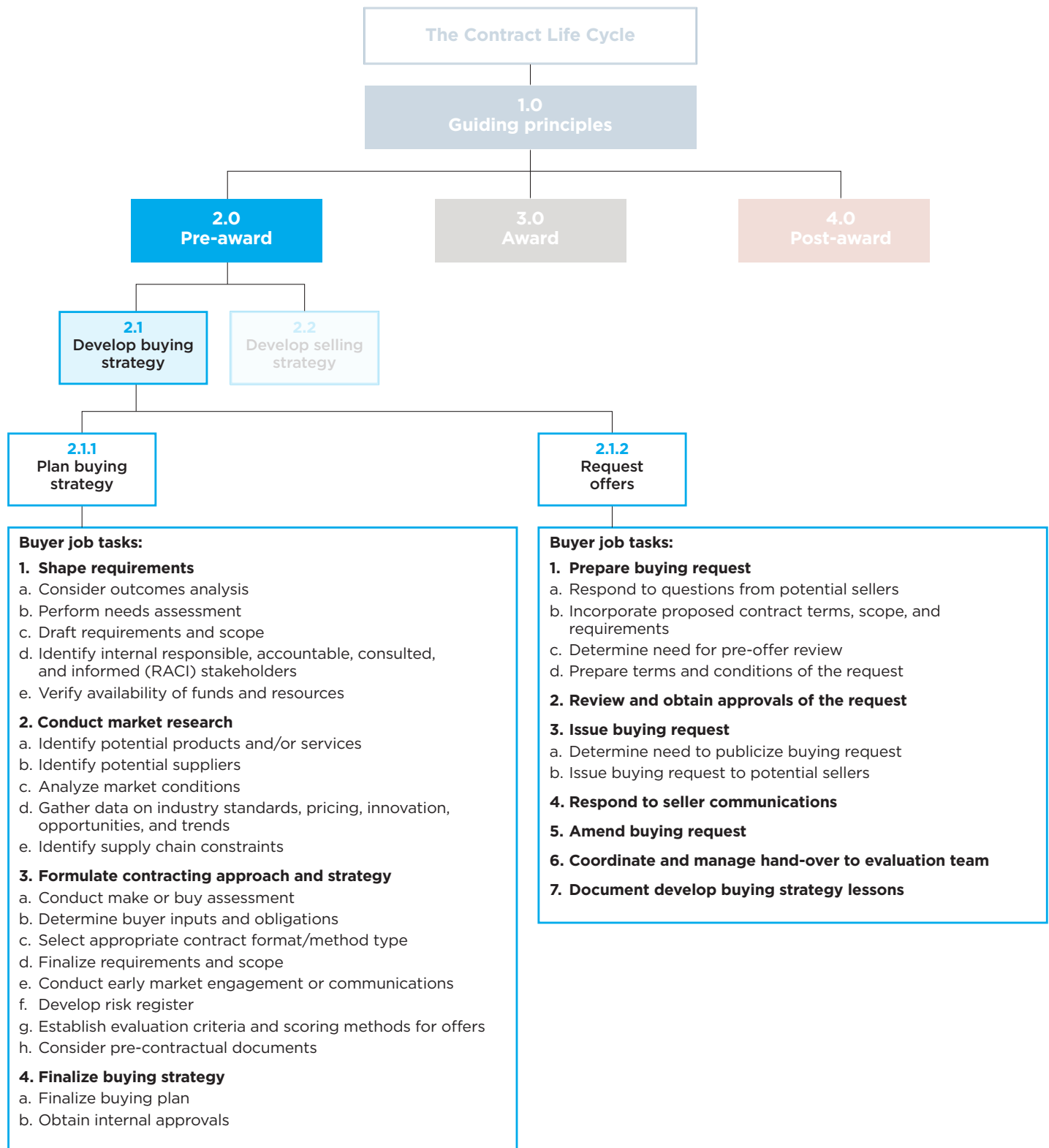
#### 2.2.1 Plan selling strategy

Plan selling strategy is the process of understanding the buyer’s needs aligned to the seller’s organizational goals, assessing the market (including potential partners, suppliers, and competitors), determining the proposed offer governance model (prime contractor, consortium, joint venture, etc.), and organizing pre-sales offer activities to plan for the preparation of the offer.

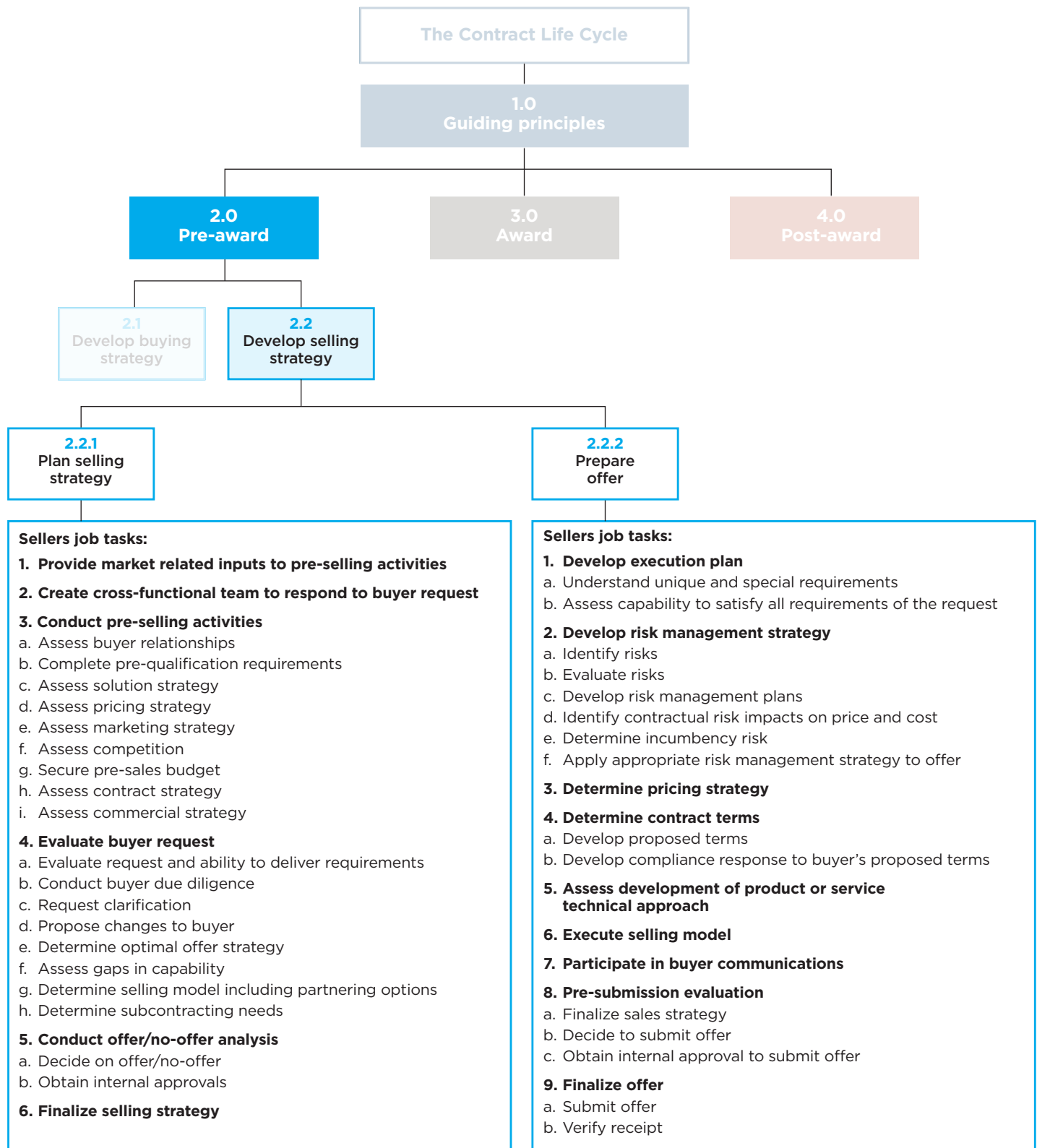
#### 2.2.2 Prepare offer

Prepare offer is the process of executing the selling strategy through developing a compelling offer aimed at winning the contract. The skillful application of common job tasks in preparing an offer will enhance both risk management and opportunity capitalization by clearly demonstrating the seller’s capability, compliance to requirements and terms, and any assumptions or dependencies.

**Figure 6. Competencies and common tasks for the develop buying strategy domain**



**Figure 7. Competencies and common tasks for the develop selling strategy domain**



## 3.0 Award Contract Life Cycle phase



The second Contract Life Cycle phase is Award. The award process involves the contract management functions known as ‘contract formation’ and reflects all the business processes performed by both the buyer and seller that produces an awarded contract. Some contracts are very simple, and others are exceedingly complex, but the majority fall somewhere in between.

The processes in the award life cycle phase interact with each other and are continuously integrated with the Guiding principles. In addition, the results of the processes of the award life cycle phase are directly impacted by the cumulative effect of the processes and results in the pre-award life cycle phase, and they will have a direct impact on the performance and results of the processes in the post-award life cycle phase. The domain, competencies, and common job tasks in the award life cycle phase are presented in Figure 8.

There is one domain in the award phase:

**3.1 Form contract** – The processes involved in the Form contract domain produce the contract.

### 3.1 Form contract

Form contract involves the process of evaluating the offer, planning for and conducting negotiations, selecting the source, and awarding the contract.

The value added by this domain is in mitigating or eliminating contract performance risk by determining reasonable cost and pricing; assessing commercial and contractual conditions; negotiating prices, terms, and conditions; and selecting the best source.

#### 3.1.1 Evaluate offer

Evaluate offer is the process of analyzing submitted offers in accordance with the buying request evaluation criteria to select the source that has the highest probability of satisfactory contract performance. This process involves mitigating buyer risk by selecting the offeror most likely to satisfactorily perform the contract and assures the seller of a consistent and fair selection process. The buyer should also evaluate 1) the contract harmonization of clauses and processes, and 2) the overall coherence with the other potential or existing contracts (e.g. with its own customer, its partners, its other suppliers, etc.).

#### 3.1.2 Prepare for negotiations

Prepare for negotiations is the process of preparing for interaction between the buyer and seller regarding all aspects of the offer and its terms, and often involves clarifying requirements and parties requesting changes or consideration of an alternate approach that may be consistent with the buying strategy requirements. This process involves selecting offers for negotiation, assessing offer analysis, preparing negotiations, issuing notice of negotiations to offerors, amending offers, and withdrawing offers.

#### 3.1.3 Conduct negotiations

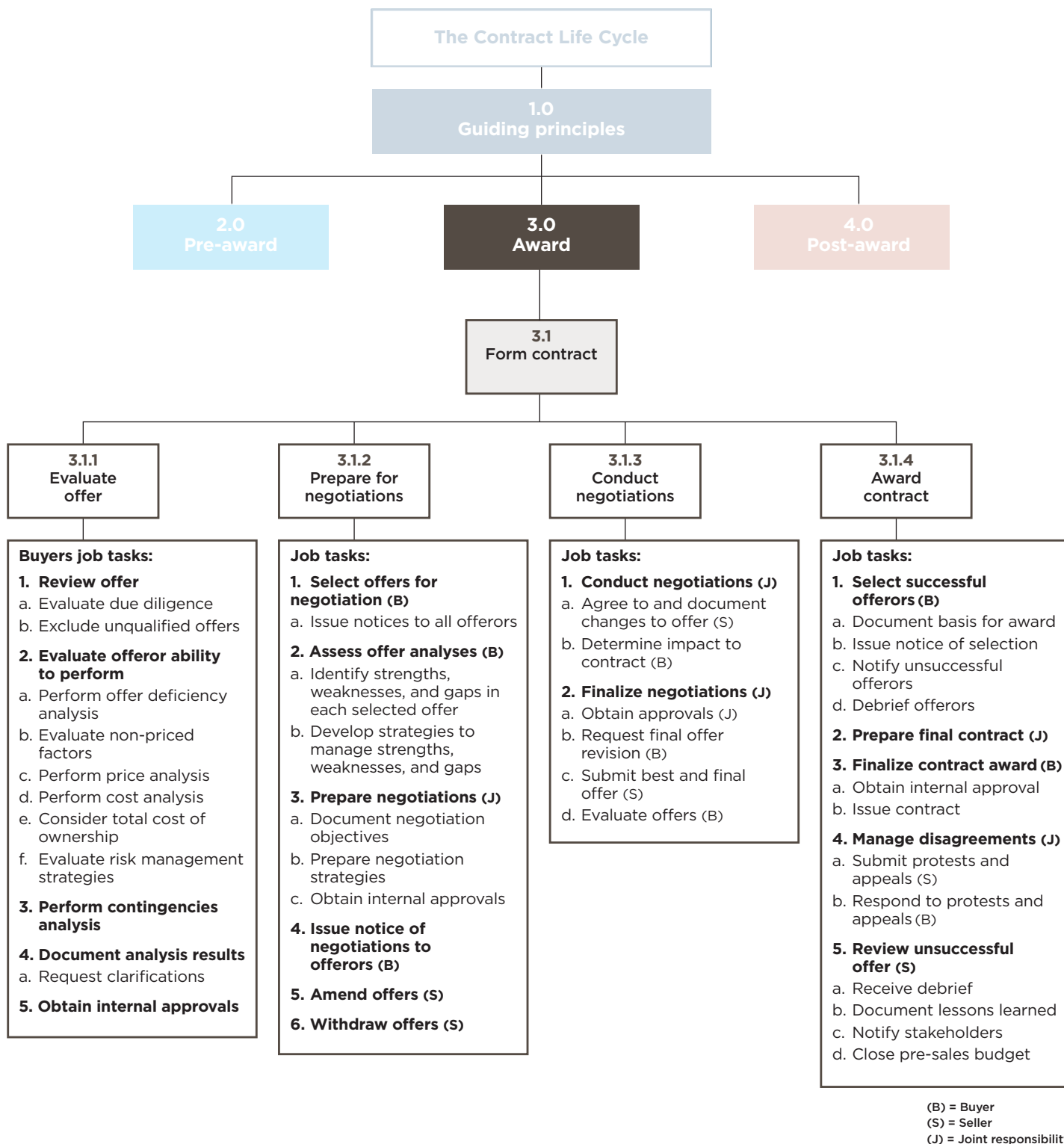
Conduct negotiations is the interaction between the buyer and seller regarding all aspects of the offer and its terms, and often involves clarifying requirements and parties requesting changes or consideration of an alternate approach that may be consistent with the buying strategy requirements. This interaction involves both parties collaborating to find common ground or offer compromises among their differences in quantity, price, delivery, quality, governing laws, contract period, or other factors.

#### 3.1.4 Award contract

Award contract is the process of the buyer and seller executing a contract after coming to an agreement on the terms and conditions to deliver goods and services. This process involves selecting the successful offeror, finalizing the contract award, and managing disagreements.



Figure 8. Competencies and common job tasks for the form contract domain



# 4.0 Post-award Contract Life Cycle phase



## 4.0 Post-award Life Cycle phase

Once the award phase is completed, the post-award Contract Life Cycle phase begins. This involves the contract management functions known as ‘contract execution’ and ‘contract closeout’. The specific management of the contract tasks will vary greatly depending on the complexity of the contract. Both the buyer and seller are actively involved in the execution of the contract to ensure satisfactory performance and to bring the contract to a successful conclusion.

There are two domains within the post-award phase:

**4.1 Perform contract** – The job tasks and competencies for this domain produce the contract performance (see Figure 9).

**4.2 Close contract** – The job tasks and competencies for this domain produce the closed contract (see Figure 10).

The post-award processes interact with each other, and they continuously integrate with the Guiding principles. Post-award processes and results are directly impacted by the cumulative effect of the performance and results from the pre-award and award processes.

### 4.1 Perform contract

Perform contract involves the process of executing both technical and non-technical contract requirements, managing business relationships, ensuring quality, confirming payment obligations are met, and managing changes.

The value added by this process is in monitoring risk, assessing its impact on contract performance, and ensuring compliance with contractual terms and conditions during contract performance up to contract closeout or termination.

#### 4.1.1 Fulfill contract

Fulfill contract is the process of managing remedies and dependencies, maintaining communication channels, processing contract documentation, and managing contract performance.

This process involves building and maintaining a contractual relationship to managing risk and ensuring compliance with contract terms, increasing the likelihood of mutually expected contract performance and achievement of intended goals.<sup>4</sup>

#### 4.1.2 Ensure quality

Ensure quality is the process of planning for contract performance and delivery, monitoring performance, and inspecting and accepting contract deliverables.

This process involves ensuring the delivered goods or services meet the specifications, terms, and conditions of the contract.

#### 4.1.3 Manage subcontracts

Manage subcontracts is the process of planning, awarding, and managing subordinate contracts determined necessary to support and successfully fulfill the prime contract.

The subcontracting process aligns to and is integrated with the pre-award, award, and post-award life cycle phases, domains, competencies, job tasks, and Guiding principles applicable to the prime contract.

Though managing subcontracts takes place during the post-award life cycle phase of a contract, the need for subcontracting is typically determined in the pre-award life cycle phase.

The same contract/subcontract manager or organization can perform both buyer and seller processes to successfully fulfill the prime contract.<sup>5</sup>

### 4.1.4 Govern contract

Govern contract is the process of initiating, negotiating, and executing contract changes while keeping control of the contract’s overall structure and performance.

This process allows flexibility in making necessary contract changes while protecting the integrity of the contract and intended outcomes.

Though managing changes, remedies, and disputes occur during the post-award life cycle phase of a contract, the Guiding principles, Contract Life Cycle processes, and significant outcomes are applicable to contract modifications.

## 4.2 Close contract

The Close contract domain is the domain of both the buyer and seller. It involves the process of verifying all the requirements of the contract are satisfied, settling unresolved matters, and reconciling the contract to make final payment.

The value added by this process is in determining that the buyer and seller contract obligations have all been satisfied and any and all liabilities discharged by both parties (see Figure 10).

### 4.2.1 Terminate contract

Terminate contract is the process ending a contract partially or completely prior to the performance being completed.

This process includes issuing a termination notice, settling contract obligations, and preparing contract termination documents.

### 4.2.2 Close out contract

Close out contract is the process of ensuring all performance has been accomplished, final performance has been evaluated, final payment has been made, and the contract has been reconciled. This includes finalization of any transition activities and survivable obligations.

This process involves the completion, delivery, and acceptance of the contract requirement(s) in accordance with the terms and conditions of the contract.

4. Fulfill contract describes the necessary processes to achieve the expected contract performance and intended outcomes. To this end, this competency includes those processes of contract management often expressed as ‘contract administration’, such as processing documentation, maintaining and storing records, analysis of performance data, maintaining trackers/registers, and other administrative tasks required to facilitate the daily activities required to fulfill the intent of the competency.

5. For instance:

- A prime contractor is a seller to the prime customer.
- When the prime contractor issues a subcontract, it becomes a buyer for the needs of the prime contract.
- If that subcontracted seller cannot provide all the requirements of the subcontract, it becomes a buyer to another seller.

This tiered subcontracting effect continues, as needed, until all the requirements of the prime contract are met.

## 4.0 Post-award Contract Life Cycle phase (continued)



**Figure 9. Competencies and common job tasks for the perform contract domain**

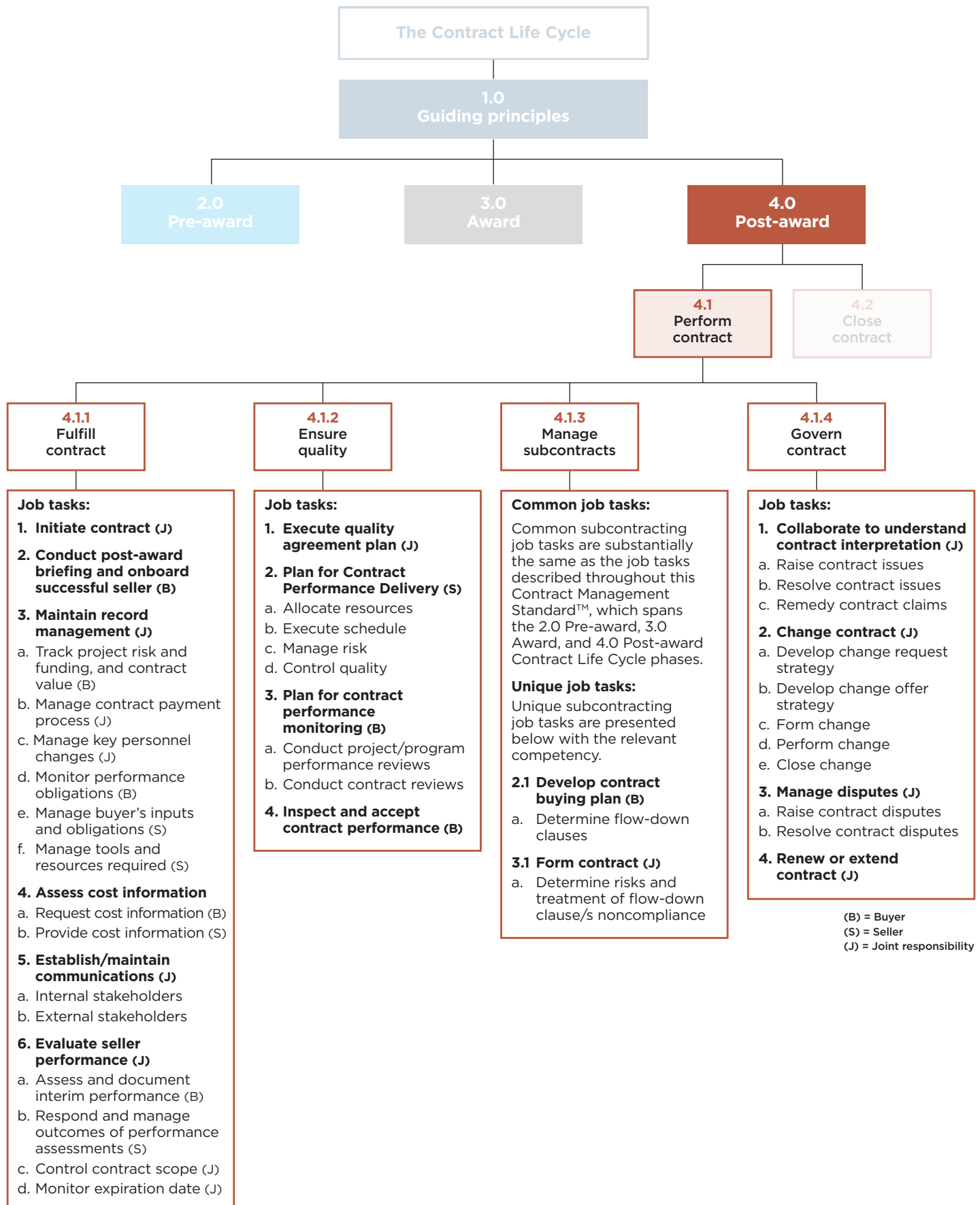
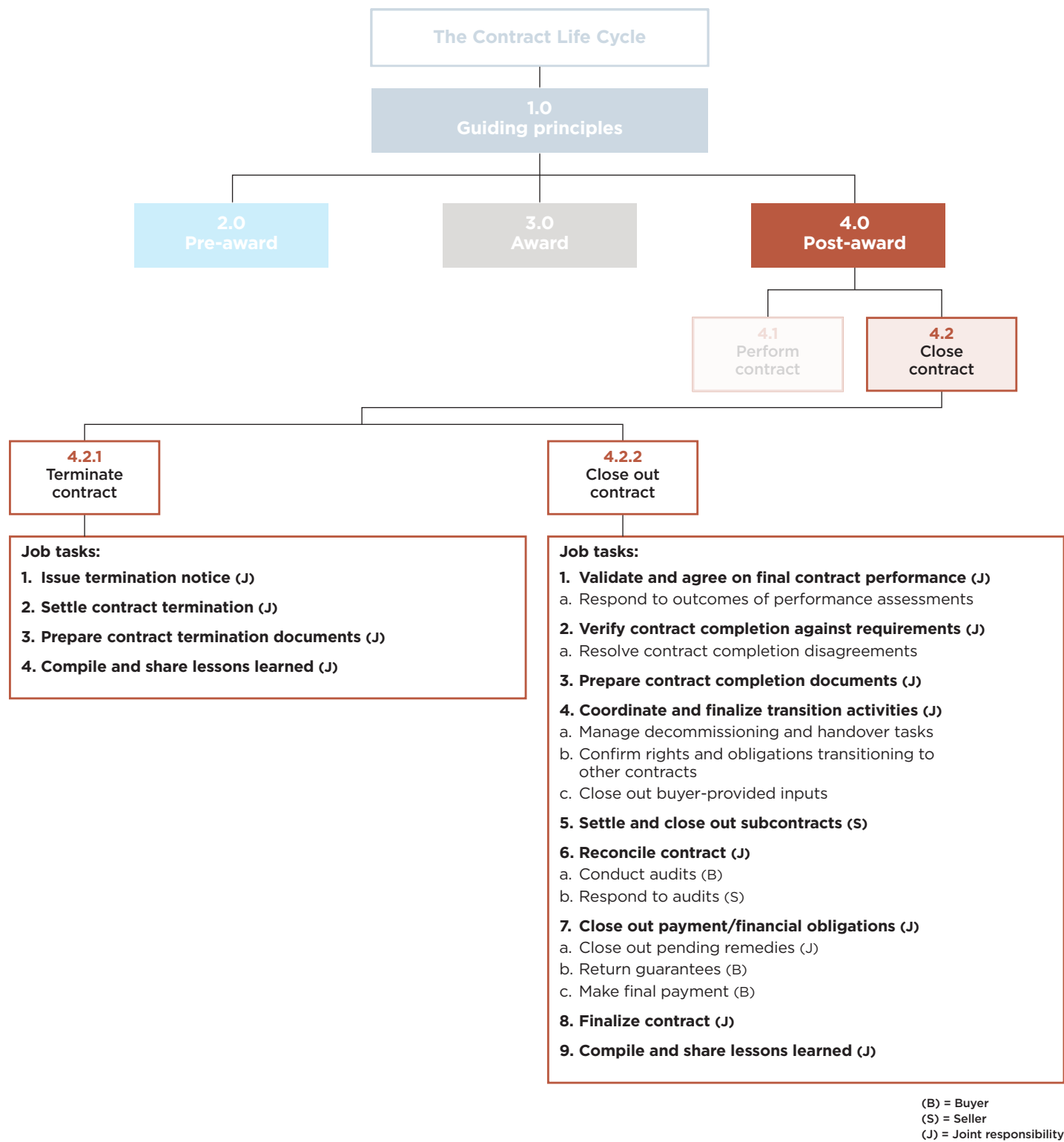


Figure 10. Competency and common job tasks for the close contract domain



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