



Contractor Management

2018 CDBG-DR Problem Solving Clinic

Atlanta, GA | December 12-14, 2018

Welcome & Speakers

- Session Objectives
 - Provide best practices and tips for procuring and managing contractors
- Speakers
 - Ryan Flanery, HUD DRSI Assistant Director
 - Jeff Haley, State of Louisiana
 - Ransford Reinhard, Agency Operations Manager, South Carolina Disaster Recovery Office (SC DRO)



Agenda

- Practical tips for contractor management
- Best practices from grantees
 - Louisiana
 - South Carolina



Practical Tips for Contractor Management



Look to the End!



- Good contractor management begins with a good scope of work in the RFP and subsequent contract.
- Set milestones and only adjust with unexpected situations demand it.
- Don't rely on termination clauses. Set performance requirements and reasonable liquidated damages.



Why is Contractor Management Important?

- Critical to overall success
- Stewardship of Federal taxpayer dollars
- Consistency and Stability of Relationship
- Failure to manage vendors leads to:
 - Duplicative work
 - Repayment
 - Bad publicity
 - Delays in implementation
 - Lawsuits



Louisiana Division of Administration



Restore LA Homeowner Assistance Program



How the program works

1



TAKE THE SURVEY

2



**ENVIRONMENTAL
REVIEW RECORD**

3



**COMPLETE THE
FORMAL APPLICATION**

4



ELIGIBILITY

5



**DAMAGE AND LEAD
ASSESSMENT**

6



**POTENTIAL AWARD
DETERMINATION**

7



**GRANT AGREEMENT
EXECUTION**

8



**REIMBURSEMENT/
REPAIR**



Critical Contract Support Decision Points

- Action Plan Development
- Program policy development
- Program system development and maintenance
- One prime contractor
- Construction management and program management separate
- Damage Assessments
- QA/QC



Proposal Review

- Taking the time to thoroughly evaluate proposals
- Oral presentations
- References and past performance
- Request for documents and outcomes on other projects
- Verifying current and projected capacity



Vendor Management

- Start up and surge costs
- Strong state program and process manager embedded with the vendor
- Invest in the relationships: regular and multiple forms of direct communication
- Regularly tracking and communicating on deliverables
- Third party review of files and building in controls
- Communication plan



South Carolina



South Carolina's 12 Bits of Free Advice Concerning Contractor Management

- Public Administrator...**do your Homework**: study the problem you are trying to solve and build options...know your disaster
- The Public Administrator must have the **'vision'** for recovery...the contractor/consultant/expert can shape...but the vision must come from the Grantee
- Shape the vision into a strong and meaningful **'outcomes based contract'** ...anybody can spend money...pay for an outcome...not an effort...generate Metrics
- Be **very specific in your pre-bid** or pre-submittal conference....give business **your vision** and let them cost it out and compete for your business



South Carolina's 12 Bits of Free Advice Concerning Contractor Management

- No free chicken...capitalism works with carrots and sticks...incentives and penalties ...adjust as required by the market...not by the contractor
- Make contractors 'show cause' for change orders
- Public Administrators must have 'business sense' and be good negotiators
- All Grantees but especially Millionaire grantees...watch every tax payer dollar in your program
- Write Letters of Concern when warranted, and don't be afraid to fire outfits who can't get it done



South Carolina's 12 Bits of Free Advice Concerning Contractor Management

- State wants recovery and contractor wants successful business venture...requires 'honest' talk
- Meet quarterly with all Decision Makers from both the state and the contractor and put it all on the table
- Remember: it's your contract and you are the customer...on the behest of the citizen and don't ever forfeit that relationship



Questions

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