### Definitions

* IVYHILL TECHNOLOGIES - Company that owns the completed work and who issued the contract
* Contractor - Company responsible for completing all obligations noted in the contract
* Project Manager – IVYHILL TECHNOLOGIES’s designated representative responsible for accepting the work as complete and operational
* Contract Administrator - IVYHILL TECHNOLOGIES’s designated representative responsible for the administration of the contract

### Contract Closeout

Contract closeout is formal termination of the contract between IVYHILL TECHNOLOGIES and the Contractor. Closeout takes place after all obligations have been fulfilled, the work has been fully accepted, and the required documents executed. If the contract is long-term, the Contract Administrator shall send the Contractor a closeout requirements reminder as completion approaches. All contract administration files shall be closed out in a timely manner.

### Acceptance or Rejection of Work

When contracted work is finished, the Project Manager determines whether the Contractor has fulfilled all obligations as it relates to the work performed. The Contract Administrator verifies that all other contract terms have been complied with.

If the work is acceptable in all respects, the Contractor may then submit the final invoice and make plans to leave the site. Acceptance marks the point when IVYHILL TECHNOLOGIES assumes care, custody, and control of the work. Applicable warranty periods begin at this time.

If the work is accepted conditionally (with minor deficiencies), the Contract Administrator lists on the notice of acceptance items that must be attended to before performance is considered complete. Once these deficiencies have been resolved, the Contractor is sent a new, unconditional notice of acceptance.

For work that is defective or incomplete, a notice or rejection is prepared by the Contract Administrator and signed by the Project Manager and the Contract Administrator. Rejections shall enumerate deficiencies that must be corrected before the work can be accepted. This notice is submitted to the Contractor.

IVYHILL TECHNOLOGIES must certify acceptance or rejection promptly after receipt of notice of completion. The certifications shall be made as soon as possible in order not to delay release of the Contractor’s final payment.

**Possession or use alone does not signify completion or provisional acceptance. Therefore, official transfer of care, custody, and control of completed work must be carefully documented. Claims might result from possession prior to completion of work, and the shift of liabilities and insurability is critical.** Consequently, if in doubt, the Contract Administrator shall consult with the CFO (or IVYHILL TECHNOLOGIES legal counsel, if necessary) before acceptance of contracted work.

Contract administration files are to be administratively closed out after the following actions are accomplished. These closeout actions apply to all contracts:

* The Contractor has completed all the required deliveries and/or services, and they have been inspected and finally accepted. See attached checklist for detailed items typically required.
* Receiving and inspection reports are in the files.
* Contractor’s final invoice has been submitted and paid.

For major contracts, when the Contractor’s notice of completion is received, the Contract Administrator distributes a closeout notice to project personnel including accounts payable. The notice informs others that the Contractor considers the work complete and solicits information about outstanding requirements that the Contractor needs to satisfy before the final invoice is processed. The Contract Administrator also reviews the Contract file to ensure all Contract documents are complete and fully executed and that all claims, backcharges, and problems have been resolved.

Based on responses to the closeout notice, the Contract Administrator forwards a notice of acceptance or rejection to the Contractor. Notices of rejection and conditional acceptance specifically describe unfulfilled requirements. The Contractor then submits the final invoice and notarized affidavit to IVYHILL TECHNOLOGIES in accordance with the contract terms. The final invoice normally covers the final progress payment, retainage, and adjusted amounts for claim settlements, backcharges, etc.

For cost-reimbursable, indefinite quantity contracts, or contracts with a not-to-exceed amount, a final closeout change order is required to establish the final contract price. The Contract Administrator shall forward a reminder to the Contractor of the continuing obligations past the closeout date, e.g., warranties, payment, retainage of records, etc.

Depending on the complexity of a contract or service agreement, the following are typical tasks that shall be performed by the Contract Administrator:

* Verify, settle and execute change orders covering any outstanding claims or pending backcharges.
* Inspect and accept the contracted work as substantially complete.
* Obtain a letter from the Contractor requesting acceptance or provisional acceptance as appropriate.
* Prepare the Final Acceptance Certificate for approval by the Project Manager and, when properly approved, issue to the Contractor.
* Consider whether Liquidated Damages/Bonus Penalties are applicable.
* Obtain affidavits from the Contractor certifying that:
  1. No insurance claims are pending that involve IVYHILL TECHNOLOGIES in any way.
  2. That all bills for materials and labor have been paid.
  3. No liens have been filed or pending on any part of the work.
  4. No patient infringement or other civil lawsuits have been filed or pending on any part of the work.
* Obtain and agree with Contractor's “Final Statement of Account” and the value for the final invoice.
* Prepare a Contract Closeout Report for internal distribution.
* Release retention.
* Complete Contract and Contractor evaluations.
* Verify, review, and coordinate approval and payment of final invoice.
* Obtain written confirmation from the Contractor that all payment obligations have been satisfied.
* Return any applicable payment and performance bonds.
* Prepare all the Contract files for transfer to permanent storage, ensuring conformity with IVYHILL TECHNOLOGIES requirements.

Sample Notice of Acceptance

Notice No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_

Project: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract No: \_\_\_\_\_\_\_\_\_ Description: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contractor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notice is hereby given to the specified Contractor that all work included in the above contract is accepted as of this date for the following purposes:

(Specify the exact reason for issuing this notice of acceptance.)

Pick one or specify special conditions:

* All work has been accepted and a final payment of all approved invoices, retainage, etc. is released for payment.
* Conditional Acceptance of the work contingent upon completion of the following work by the Contractor:
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If all work specified is not completed by \_\_\_\_\_\_\_\_, this conditional acceptance is void.

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This notice of acceptance constitutes assumption of care, custody, and control for the portion of work specified above. This notice does not relieve the Contractor of any responsibilities surviving the completion and acceptance of the work (i.e. warranty, confidentiality, service obligations, etc.) as specified in the contract terms.

Signed:

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: Ivyhill Technologies LLC

Date Signed:

Sample Notice of Rejection of Work

Notice No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Project: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract No: \_\_\_\_\_\_\_\_\_ Description: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contractor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notice is hereby given to the specified Contractor that the “Notice of Completion” dated \_\_\_\_\_\_\_\_\_\_ for work included in the above contract is rejected based on the following work either being defective or not completed:



The above work must be correctly completed, inspected, and accepted by IVYHILL TECHNOLOGIES prior to IVYHILL TECHNOLOGIES’s final acceptance of the work. Contractor is hereby instructed to submit to IVYHILL TECHNOLOGIES a correction and completion scheduled immediately.

Signed:

Title:

Company Name: Ivyhill Technologies LLC

Date Signed: