

Certified Texas Contract Manager Practice Exam (Sample)

Study Guide



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SAMPLE

Questions

- 1. What does the Deliverable Level Risk Assessment (DLRA) focus on?**
 - A. Overall contract costs**
 - B. Risks associated with financial management**
 - C. Monitoring of specific deliverables**
 - D. General project timelines**
- 2. What does contract development encompass?**
 - A. Finalizing contracts with vendors**
 - B. Assessing needs and preparing solicitation documents**
 - C. Purchasing supplies**
 - D. Conducting post-contract evaluations**
- 3. What is the duration typically allowed for contract extensions?**
 - A. Fixed length defined at inception**
 - B. Indefinite until further notice**
 - C. Set by mutual agreement of parties**
 - D. Defined by agency regulations**
- 4. Which of the following correctly identifies the phases involved in post-payment audits?**
 - A. Initiation, Execution, Closure**
 - B. Planning, Analysis, Review**
 - C. Collecting of information, Fieldwork, Reporting**
 - D. Preparation, Assessment, Conclusion**
- 5. What role does the State Travel Management Program primarily focus on?**
 - A. Procurement of travel services**
 - B. Management of travel expenses and related services**
 - C. Regulation of transportation services**
 - D. Coordination of vehicle management across the state**

- 6. Who are considered first-degree relatives by affinity?**
- A. Children and grandchildren**
 - B. Spouse and spouse's parents**
 - C. Uncles and aunts**
 - D. Grandparents and great-grandparents**
- 7. What is necessary before contract execution in contract development?**
- A. Understanding vendor motivations**
 - B. Finalizing payment options**
 - C. Assessing needs and identifying procurement methods**
 - D. Contract negotiations**
- 8. What is the primary purpose of the Records Retention Schedule (RRS)?**
- A. To determine record destruction timelines**
 - B. To guide agencies in scheduling records retention**
 - C. To monitor agency compliance with policies**
 - D. To create new record-keeping laws**
- 9. What defines a substantial conflict of interest?**
- A. Financial gain from a business**
 - B. Influence over decision-making**
 - C. Ownership of company stock**
 - D. Receiving gifts from contractors**
- 10. What aspect of contract management does the timeline provide the contract manager?**
- A. A summary of contract costs**
 - B. A schedule for project deliverables**
 - C. A method for financial reporting**
 - D. A database of contacts**

Answers

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1. C
2. B
3. C
4. C
5. B
6. B
7. C
8. B
9. C
10. B

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Explanations

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1. What does the Deliverable Level Risk Assessment (DLRA) focus on?

- A. Overall contract costs**
- B. Risks associated with financial management**
- C. Monitoring of specific deliverables**
- D. General project timelines**

The Deliverable Level Risk Assessment (DLRA) specifically concentrates on monitoring individual deliverables within a project. This focus allows for a more granular understanding of risks that may affect the successful delivery of specific outputs or components of a contract. By assessing the risks related to each deliverable, stakeholders can identify potential issues early, facilitating proactive management and ensuring that each aspect of the project aligns with the overall objectives. In contrast, the other options address broader themes. Overall contract costs pertain to financial considerations rather than the specifics of individual deliverables. Risks associated with financial management deal with the financial aspects of the contract as a whole, which is not the focus of the DLRA. Finally, general project timelines encompass the overall timeline for the project rather than focusing specifically on the monitoring of distinct deliverables, which is the primary concern of the DLRA.

2. What does contract development encompass?

- A. Finalizing contracts with vendors**
- B. Assessing needs and preparing solicitation documents**
- C. Purchasing supplies**
- D. Conducting post-contract evaluations**

Contract development is a critical phase in the contracting process that involves assessing the needs of an organization and preparing the appropriate solicitation documents. This stage includes understanding what goods or services are necessary, determining specifications, and outlining the criteria for potential vendors. The purpose of this phase is to ensure that the solicitation documents accurately reflect the requirements, which helps in attracting suitable bids and proposals from vendors. Finalizing contracts is more a part of the contract negotiation and execution phase rather than development. Purchasing supplies pertains to the procurement process, which occurs after a contract is awarded. Conducting post-contract evaluations focuses on assessing the performance and compliance of the contract once it is in effect, which comes after the development phase. Therefore, assessing needs and preparing solicitation documents is the foundational step that guides the entire contract lifecycle, making it the correct answer.

3. What is the duration typically allowed for contract extensions?

- A. Fixed length defined at inception**
- B. Indefinite until further notice**
- C. Set by mutual agreement of parties**
- D. Defined by agency regulations**

The typically allowed duration for contract extensions is determined by the mutual agreement of the parties involved in the contract. This approach allows both parties to negotiate and agree on how long they wish to extend the contract, taking into account their specific needs and circumstances at the time of the extension. This flexibility is essential in contract management, as it enables parties to align their interests and ensure that they are in consensus about the ongoing terms of their agreement. While there can be fixed lengths defined at the inception of a contract, this does not apply to extensions, as those are usually subject to negotiation. Indefinite durations until further notice may lead to ambiguity and uncertainties in contractual obligations, which is generally not advisable. Similarly, while agency regulations may influence contracts, they do not universally dictate extension durations, as these are often based on the agreement between the contracting parties.

4. Which of the following correctly identifies the phases involved in post-payment audits?

- A. Initiation, Execution, Closure**
- B. Planning, Analysis, Review**
- C. Collecting of information, Fieldwork, Reporting**
- D. Preparation, Assessment, Conclusion**

The phases involved in post-payment audits are effectively described by collecting information, fieldwork, and reporting. In the context of post-payment audits, collecting information involves gathering all necessary documentation and data related to the transactions being audited. This can include invoices, contracts, and other relevant financial records. The next phase, fieldwork, is where auditors actively engage with the data, conducting examinations and tests to verify the accuracy and legality of the payments made. Finally, the reporting phase entails summarizing findings, presenting conclusions, and delivering recommendations based on the audit results. This progression of collecting information, engaging in fieldwork, and then reporting is critical to ensure that the audit is thorough and effective in identifying any discrepancies or areas for improvement.

5. What role does the State Travel Management Program primarily focus on?

- A. Procurement of travel services**
- B. Management of travel expenses and related services**
- C. Regulation of transportation services**
- D. Coordination of vehicle management across the state**

The primary focus of the State Travel Management Program is on the management of travel expenses and related services. This includes overseeing the budgeting and expenditure related to state travel, ensuring compliance with policies and regulations, and optimizing travel operations to ensure efficient use of state resources. By concentrating on the management aspect, the program aims to provide a systematic approach to handling all travel-related expenditures while ensuring accountability and cost-effectiveness. In contrast, procurement of travel services involves acquiring travel services but does not encompass the broader management and expense oversight functions. Regulation of transportation services and coordination of vehicle management across the state are also essential functions but pertain to specific aspects of travel and transportation rather than the comprehensive approach to managing overall travel expenses and services.

6. Who are considered first-degree relatives by affinity?

- A. Children and grandchildren**
- B. Spouse and spouse's parents**
- C. Uncles and aunts**
- D. Grandparents and great-grandparents**

First-degree relatives by affinity are defined as individuals who are related through marriage rather than through blood. In this context, a spouse and a spouse's parents represent this affinity relationship. This is because the marriage creates a direct, recognized legal connection between the spouse and their in-law parents. The other options do not fit this definition. Children and grandchildren are considered first-degree relatives by blood rather than by affinity. Uncles and aunts, while closely related within a family tree, also reflect blood relations rather than those formed through marriage. Grandparents and great-grandparents fall into a similar category of blood relatives, not by design of affinity. Therefore, the relationship between a spouse and their parents-in-law accurately embodies the concept of first-degree relatives by affinity.

7. What is necessary before contract execution in contract development?

- A. Understanding vendor motivations**
- B. Finalizing payment options**
- C. Assessing needs and identifying procurement methods**
- D. Contract negotiations**

Before executing a contract, it is essential to assess needs and identify procurement methods. This process involves a thorough analysis of what is required to fulfill the project's objectives and the appropriate process for acquiring goods or services. Understanding the specific needs ensures that the contract aligns with the project's goals, while identifying the right procurement methods helps streamline the buying process, ensuring compliance with applicable regulations and policies. By establishing needs clearly, you reduce the risk of entering into agreements that do not fully satisfy the project's demands, which could lead to disputes or unmet expectations. Moreover, clear identification of procurement methods ensures that the approach taken adheres to organizational standards and achieves the best value for money. While considerations like vendor motivations, payment options, and negotiations are important aspects of the contract development process, they come into play after the foundational understanding of needs and procurement methods has been established. These elements will be effective and relevant only when the initial groundwork has been completed successfully.

8. What is the primary purpose of the Records Retention Schedule (RRS)?

- A. To determine record destruction timelines**
- B. To guide agencies in scheduling records retention**
- C. To monitor agency compliance with policies**
- D. To create new record-keeping laws**

The primary purpose of the Records Retention Schedule (RRS) is indeed to guide agencies in scheduling records retention. This schedule serves as a critical tool for managing records effectively, ensuring that organizations know how long they should keep different types of records and when they can be disposed of. By providing a structured approach to the retention of records, the RRS helps ensure both compliance with legal requirements and the efficient management of resources. While determining record destruction timelines is an important aspect of the RRS, it is more accurate to say that its overall function is to establish guidelines for how long records should be retained rather than solely focusing on destruction. Similarly, while monitoring compliance is relevant, it is not the primary function of the RRS; rather, it is a secondary benefit of following the schedule. Finally, the creation of new record-keeping laws is not a purpose of the RRS, as it primarily acts within the framework of existing laws rather than creating new ones.

9. What defines a substantial conflict of interest?

- A. Financial gain from a business
- B. Influence over decision-making
- C. Ownership of company stock**
- D. Receiving gifts from contractors

A substantial conflict of interest is primarily defined by an individual's ownership stake or financial interest in a company that could affect their decisions in a professional setting. Owning stock in a company directly ties one's personal financial outcomes to the performance and decisions regarding that company's contracts or business dealings. This can create a situation where personal gain may cloud judgment or influence actions, thereby affecting neutrality and objectivity. While financial gain from a business and influence over decision-making can also indicate potential conflicts of interest, owning stock reflects a direct and quantifiable interest that often necessitates disclosure or management under conflict of interest policies. Receiving gifts from contractors can also introduce conflicts, but they do not usually represent the same level of substantial and ongoing financial interest as ownership of company stock does.

10. What aspect of contract management does the timeline provide the contract manager?

- A. A summary of contract costs
- B. A schedule for project deliverables**
- C. A method for financial reporting
- D. A database of contacts

The timeline serves as a critical tool for a contract manager by offering a schedule for project deliverables. It outlines key milestones, deadlines, and the sequence of activities that need to be completed throughout the course of the contract. This aspect is essential for ensuring that all parties involved are aligned on when specific tasks should be performed and enables effective tracking of progress toward the completion of the contract obligations. While other aspects like financial reporting, contract costs, and databases of contacts are important in contract management, they do not specifically provide a visual or scheduled framework for the timing of tasks and deliverables, which is fundamentally what a timeline is designed to accomplish. The timeline facilitates planning, organization, and accountability within the contract lifecycle, making it an indispensable component in overseeing contract execution.