

## CONTRACT RISK ASSESSMENT WORKSHEET

Business Unit: \_\_\_\_\_ Project Service(s): \_\_\_\_\_

1	SERVICE RISK FACTORS	Points	RISK VALUE	RESPONSE STRATEGIES (Suggested Considerations for Risk Value Assignment)
1	This is a new program or service, or a significant change to an existing service (within the last year).	(3)		New programs or services may require early monitoring to ensure any technical assistance issues are addressed adequately.
2	Statement of Work is complex – there are multiple components to the service to be provided.	(3)		Complex programs or services may require early monitoring to ensure any technical assistance issues are addressed adequately.
3	Payment method to be used: <ul style="list-style-type: none"> <li>Performance Based</li> <li>Fee for Service</li> <li>Cost Reimbursement</li> </ul>	(1) (2) (3)		<ul style="list-style-type: none"> <li>Performance Based – Contract must include adequate reporting to ensure required performance is achieved.</li> <li>Fee for Services – Reporting must include adequate tracking of services performed.</li> <li>Cost Reimbursement – Contract must include language to track progress toward achievement of contract to ensure budget is not overspent in early stages.</li> </ul>
4	Contract will be/were awarded for this project utilizing: <ul style="list-style-type: none"> <li>Competitive Procurement</li> <li>Non-competitive or Sole Source</li> </ul>	(0) (2)		
5	Vendors for this/these services must maintain accreditation or licensure requirements.	(2)		Contract must address the requirement and consequences if the accreditation or licensure is not maintained for the life of the contract.
6	Project has a high profile or negative press.	(5)		
7	This project will represent a significant portion of Agency Operational objectives.	(5)		Determine the potential impact on Agency if a vendor does not meet their obligation.
8	Project Maximum Amount: <ul style="list-style-type: none"> <li>TBD</li> <li>\$1,000,000 and above</li> <li>\$500,000 to \$999,999</li> <li>\$100,000 to \$499,999</li> <li>\$50,000 to \$99,999</li> <li>\$25,000 to \$49,999</li> <li>Below \$25,000</li> </ul>	(6) (5) (4) (3) (2) (1) (0)		
9	Vendor will be allowed to subcontract key activities of this project.	(2)		If subcontractors are allowed, identify in the contract the monitoring that the vendor must complete to ensure subcontractors are compliant with requirements.
<b>TOTAL PROJECT RISK SCORE</b>				<b>RISK LEVEL:</b> <input type="checkbox"/> <b>HIGH (23 OR &gt;)</b> <input type="checkbox"/> <b>MEDIUM (13-22)</b> <input type="checkbox"/> <b>LOW (0-12)</b>

Worksheet completed by: \_\_\_\_\_ Date: \_\_\_\_\_

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

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### Instructions

1. To be completed by Business Unit prior to competitive solicitation.
2. **Identify** risk factors that you **know** pertain to the project and enter corresponding number (in parenthesis) in the **RISK VALUE** column.
3. If **no** factors apply, leave the box empty; if you believe the risk value should be adjusted higher/lower enter that number and explain circumstances in comment section.
4. **Add** the risk value numbers and enter the total score in the red box – Enter a total score of “0” if no factors applied. Using the scoring system, place an (**X**) in the appropriate box to indicate the level or risk.

### General Guidelines

1. A risk assessment worksheet is required for all projects. The worksheet is conducted as early in the process of development as possible; preferably prior to competitive solicitation.
2. Using the risk assessment worksheet prior to contract development is an effective screening/selection strategy for business units, and identifies unique risks that may be mitigated by the addition of Special Terms and Conditions.
3. In determining the risk value, the Contract and Vendor Management’s Staff judgment may be a determining factor. If new factors are identified that do not appear on the list, use the “Other Risk Factor” space to explain.
4. While the risk level largely determines the type and frequency of monitoring, the contract type may also influence the monitoring method used.
5. Risk level ratings may be adjusted either up or down during the life of a contract.
6. Once the risk level is assigned, an appropriate monitoring schedule must be developed and implemented. Goals for Frequency of Review based on Risk Level are as follows:
  - High risk contracts annually,
  - Medium risk contracts every two years, and
  - Low risk contracts every three years.
7. Each risk factor can be mitigated by some action or response, either before or after the contract is executed. This action or response can take the form of training, technical assistance, special contract requirements/conditions/limitations.
8. Regardless of a project risk level, staff is encouraged to provide technical assistance throughout the contracting process as an effective risk management strategy.