

## Instructions and Procedures

### Risk Assessment Worksheet & Enhanced Contract Monitoring

#### **Purpose:**

To establish a procedure to assess what level of risk the contract is to the university and identify the type of contract monitoring that will be required. All contracts regardless of dollar amount are required to follow the routine monitoring tasks as outlined in the **TXST Contract Monitoring & Responsibility Procedures**. The [Risk Assessment Worksheet](#) shall be required for all contracts \$500,000 and greater. The [Enhanced Contract Monitoring](#) form shall be required for contracts with a Risk Assessment score of 26 and greater regardless of dollar value, or all contracts \$1,000,000 and greater, and must then follow the requirements outlined in routine and enhanced contract monitoring.

#### **General Guidelines:**

- These documents shall be completed prior to contract execution.
  - Any contract \$500,000 and greater will not be processed until the completed forms are attached to the TSUS Marketplace Contract.
- Using the Risk Assessment prior to contract development is an effective strategy to identify risks that may be mitigated before the contract is executed. This action can take the form of special contract requirements, conditions, limitations, training, and/or technical assistance.
- A **Contract Manager** (department stakeholder) should have a proficient understanding of all contract terms and conditions, the ability to communicate the contract requirements to all parties involved and to maintain responsibility over the vendor's performance for any contract they are a stakeholder for.
- While the risk level determines the type and frequency of monitoring, the contract type may also influence the monitoring method needed.
- Risk level ratings can be adjusted during the life of a contract depending on changes that impact the product or service.
- Once the risk level is identified, a monitoring schedule shall be implemented as outlined in the Routine and Enhanced Monitoring.
- Regardless of the contract risk level, or dollar threshold, Contract Manager shall monitor the contract throughout the contract term as outlined in the routine and enhanced contract monitoring for all of its contracts.

#### **Instructions:**

1. Identify risk factors that pertain to the project and enter corresponding number (0 low - 5 high) in the scoring column. If **no** factors apply, input a zero (0).
2. In determining the risk, the department evaluation will be a determining factor. If other risk(s) are identified that do not appear on the Risk Assessment Worksheet, use the "[Other Potential Risks/Comments](#)" space to explain.
3. The TOTAL score will automatically be calculated. If the total risk score is evaluated at 26 or higher (high-risk), an Enhanced Contract Monitoring form will be required regardless of the dollar amount.
4. These two forms will be completed by the Contract Specialist, in conjunction with the Contract Manager.
5. If the department believes the risk value should be higher, work with your Contract Specialist to update the document prior to signing.
6. The Contract Specialist will attach these documents in the TSUS Marketplace Contract in the Internal Only section of the contract attachments.
7. The Department and Procurement & Strategic Sourcing ("P&SS") shall monitor the contract performance for signs of fraud, abuse, or waste in accordance with the monitoring plan established.
8. All contracts, \$100,000 and greater will automatically route through the TSUS Marketplace Contract workflow to the CFO for review and approval.
9. P&SS routes all contracts that require either the TSUS Board of Regents or Chancellor signature to the CFO.

Reference to "Contract Specialist" in this document refers to the Procurement and Strategic Sourcing role. These duties are also completed by the Contract Specialist/Buyers in Facilities and Facilities Planning and Design (FPDC) and Procurement Manager/Buyers in Information Technology.

#### **References**

Texas Government Code 2261.253, 254, 255, and 256

The Texas State University System Contract Management Handbook, Section 1.6.3