



Risk Assessment & Contract Monitoring Worksheet Instructions and Procedures

Purpose

To establish a procedure to identify contracts (expenditure or revenue) that require enhanced contract or performance monitoring, and report information on identified contracts.

Exceptions

The form is not required for a) real estate transactions, b) construction agreements, c) sponsorship agreements, d) sponsored research contracts, e) intellectual property agreements, f) athletic game contracts, or g) hotel reservation contracts.

General Guidelines

1. Risk Assessment & Contract Monitoring Worksheet (Risk Assessment) is required for **all** contracts that exceed \$500,000.00 for the life of the contract, with exception of those listed above. The worksheet is conducted as early in the development process as possible.
2. Using the Risk Assessment, prior to contract development, is an effective screening/selection strategy and identifies unique risks that may be mitigated by the addition of Special Terms and Conditions.
3. In determining the risk value, responsible LU department judgment may be a determining factor. If new factors are identified that do not appear on the list, use the "Other Potential Risks" 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 implemented.
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, the responsible LU department is encouraged to provide technical assistance throughout the contracting process as an effective risk management strategy.

Instructions

1. Completed by the responsible LU department prior to competitive solicitation or requisition processing.
2. Identify **known** risk factors that pertain to the project and enter corresponding number (in parenthesis) in the SCORE column.
3. If **no** factors apply, place a zero (0) in the box; if the department believes the risk value should be adjusted higher or lower, enter that number and explain circumstances in comment section.
4. The TOTAL score will be automatically calculated.
5. The responsible LU department will sign and submit the Risk Assessment to Contract Management (CM) for review. CM will either concur or discuss further changes with the responsible LU department.
6. The responsible LU department and CM shall monitor the contract performance for signs of fraud, abuse, or waste in accordance with the monitoring plan established in the form.
7. CM shall report contracts that exceed \$1,000,000 to the CFO & AVP for Financial Services. Responsible Director will review final report and distribute.
8. CM shall report contracts that exceed \$5,000,000 to the CFO & AVP for Financial Services and the TSUS Vice Chancellor and Chief Financial Officer. Responsible Director will review final report and distribute.

References

1. Texas Government Code 2261.253, 254, 255, and 256
2. The Texas State University System Contract Management Handbook, [Section 1.6.3](#)