

Contract Risk Assessment

In accordance with UIC's Contract Monitoring Policy & Procedures, for certain contracts, a Contract Risk Assessment should be completed to analyze the risks of the contract and whether additional Central Office involvement may be required. This tool also assists the User Department and Central Office in identifying specific areas that may require heightened monitoring.

A Contract Risk Assessment should be completed for all contracts with a value of \$250,000 or greater.

For contracts below \$250,000, a Contract Risk Assessment should be completed only if other "High Risk" factors are known to exist. These include:

- A. Contracts defined as "High Risk" in the Risk Management Insurance Matrix: <https://www.obfs.uillinois.edu/bfpp/section-6-insurance/determine-minimum-insurance-requirements-vendors>;
- B. Contracts for services that involve the sharing or transfer of personal data or sensitive data with outside entities (including data subject to European Union General Data Protection Regulation (EU GDPR), HIPAA, FERPA, export controls, etc.);
- C. Contracts for the provision of healthcare or administrative services (e.g., coding, claims processing, transcription) or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI);
- D. Contracts that involve intellectual property licensing; and
- E. Contracts that involve non-disclosure agreements (NDA's).

How do I use the Contract Risk Assessment?

You will assess a **Risk Score** for each **Risk Factor** listed in the Contract Risk Assessment Matrix of 1 (Low Risk), 2 (Medium Risk), or 3 (High Risk).

What is the impact of the Risk Scores?

If the Risk Score for any single Risk Factor is 3 (High Risk), please contact the Central Office to discuss whether additional Central Office involvement is required.

For any Risk Factor(s) that are scored as 2 (Medium Risk) or 3 (High Risk), the Contract Monitor should ensure that heightened monitoring occurs to mitigate the associated risk(s).

Contract Risk Assessment Matrix

	Risk Factor	1 (Low Risk)	2 (Medium Risk)	3 (High Risk)	Risk Score (1-3)	Comments
1	Contract \$ Amount	Less than \$10,000	\$10,000 to \$249,999	\$250,000 or Greater		
2	Risk Management Insurance Matrix Tier Level, see https://www.obfs.uillinois.edu/bfpp/section-6-insurance/determine-minimum-insurance-requirements-vendors	Tier 3 – Low Risk	Tier 2 – Medium Risk	Tier 1 – High Risk		
3	Sharing or transfer of personal data or sensitive data with outside entities (including data subject to European Union General Data Protection Regulation (EU GDPR), HIPAA, FERPA, export controls, etc.)	No personal data or sensitive data is being shared with outside entities	N/A	Personal data or sensitive data is being shared with outside entities		

	Risk Factor	1 (Low Risk)	2 (Medium Risk)	3 (High Risk)	Risk Score (1-3)	Comments
4	Intellectual Property Licensing	Contract does NOT involve intellectual property licensing	Contract involves intellectual property licensing	Contract involves intellectual property licensing and has specific requirements, such as number of user seats or instances; term limitations; or impact to other University systems		
5	Provision of healthcare or administrative services (e.g., coding, claims processing, transcription) or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI)	Contract is NOT for provision of healthcare or administrative services or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI)	N/A	Contract is for provision of healthcare or administrative services or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI)		
6	Non-Disclosure Agreements (NDA's)	Contract does not involve an NDA	N/A	Contract involves one or more NDA's		

	Risk Factor	1 (Low Risk)	2 (Medium Risk)	3 (High Risk)	Risk Score (1-3)	Comments
7	Impact of Supplies or Services to User Department Operations	Contracted Supplies or Services are not essential to User Department's Operations	Contracted Supplies or Services are moderately essential to User Department's Operations	Contracted Supplies or Services are Critical to User Department's Operations		
8	Past Performance	Past performance by Contractor met or exceeded User Department expectations	User Department has not previously worked with Contractor.	Past performance by Contractor did not meet User Department expectations.		
9	Number of years in business	More than 5 years or Intergovernmental Agreement	1-5 years	Less than 1 year		
10	User Department Contract Monitor experience with contract type/subject matter	User Department Contract Monitor has extensive experience with contract type/subject matter	User Department Contract Monitor has limited experience with contract type/subject matter	User Department Contract Monitor has no experience with contract type/subject matter		