

This newsletter is published on a monthly basis to provide relevant information to government purchasing and contracting professionals regarding public procurement and contracting topics. Hope you enjoy!

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Workshop Added in San Marcos

A one-day Specification Writing workshop in San Marcos, Texas has been added to the training schedule. The workshop is scheduled for March 28th. Check out the [Training Schedule](#) for more information.

Determining Contract Risk

It is important to perform a risk assessment at the beginning of a large or complex procurement project.

Assessing the risk level allows you to identify the risks and address them as necessary.

This includes determining the appropriate amount of contract monitoring and oversight needed based on the risk level.

The following risk assessment factors should be considered to determine risk:

1. **Total Contract Price:** The higher the dollar value of the contract, the greater potential cost to the agency in the event that the vendor is unable to fulfill their contractually obligated responsibilities.

2. **Contract Duration:** The longer the contract period (original term plus any optional periods), the greater likelihood that changes may occur in key areas such as personnel, internal



Training Schedule



Workshop Prices:

\$225 1-day

\$450 2-Day

*Group Discounts
Available*

Essentials of Contract Management (NEW!)

Feb 22-23, 2012
Austin

Mar 28-29, 2012
Houston

Oct 3-4, 2012
Houston

Oct 24-25, 2012
Austin

Nov 7-8, 2012
DFW - Irving

Ethics in Contracting

customers' environment, general business climate, etc.).

3. **User Involvement:** The more agencies involved or impacted by the contract, the greater the complexity of the initiative in terms of coordination.

4. **Criticality of Delivery:** The degree to which the procurement process is expedited must be considered. Projects that require accelerated or urgent delivery may require greater management.

5. **Contract Failure Impact:** The impact of a failure to fulfill the contract will vary depending on the scope of the parties affected.

6. **Locations Impacted:** The more locations impacted by the contract, the greater complexity of the initiative and thus the higher the risk.

7. **Availability of Resources for Contract Management:** Risk increases if the agency does not provide sufficient resources to manage and support the performance of the contract.

8. **Complexity:** The statement of work is critical to establish a contract that accurately projects the needs of the agency relative to the completion of the contract. Incomplete or complex requirements increases the risk.

9. **Business Process Impact:** This refers to the extent in which existing business processes will be impacted with the implementation or lack of implementation of the contract. The greater the impact, the higher the risk.

10. **End User Training Needs:** Addresses the risks associated with not having the requisite skills to adapt to new policies, procedures, or technology.

Information Technology Projects should consider these additional factors:

11. **Software Technology Customization:** Pre-released or newly released products using "leading edge" technology, pose greater risks. Products that have been widely used for more than one year are considered mature. Mature products are typically reliable and pose little risk. Highly customized products also pose greater risks than commercial off-the-shelf (COTS) packages.

12. **Impact on Existing Application or Infrastructure:** Considers the impact contract implementation will have on existing application(s) or environment(s). The greater the impact, the higher risk potential.

Feb 28, 2012
Houston

June 5, 2012
Austin

Sept 11, 2012
Houston

Oct 9, 2012
DFW -Irving

Dec 11, 2012
Austin

**Fundamentals of
Public
Purchasing**

June 21-22, 2012
Houston

July 19-20, 2012
DFW -Irving

**Negotiation
Skills**

March 22, 2012
Houston

April 18, 2012
DFW -Irving

May 9, 2012
Austin

Oct 24, 2012
Houston

Nov 8, 2012
Austin

Dec 5, 2012

13. **Interface Connectivity:** The higher number of existing applications a new system must connect to, the higher the risk for the implementation of the contract.

Source: Adapted from the State of Michigan Department of Technology, Management and Budget.

For more information on assessing risks and how to calculate the above risk factors for a total risk assessment score, attend the [Essentials of Contract Management](#) workshop.

Question of the Month

QUESTION:

What is the difference between a Competitive Sealed Proposal and a Request for Proposal?

ANSWER:

This is a common question as it can be confusing with so many similar terms. One is a procurement method and the other is a solicitation type. Let me explain.



There are generally two types of procurement methods - Competitive Sealed Proposals and Competitive Sealed Bids.

A Request for Proposal (RFP) is the **solicitation type** used with the Competitive Sealed Proposal **method**. Similarly, an Invitation for Bid (IFB) is the **solicitation type** used with the Competitive Sealed Bid **procurement method**.

Hope to see you in a workshop soon!

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DFW-Irving

Specification Writing

Mar 21, 2012
Houston

Mar 28, 2012
San Marcos

April 17, 2012
DFW - Irving

May 8, 2012
Austin

Oct 23, 2012
Houston

Nov. 7, 2012
Austin

Dec 4, 2012
DFW-Irving

Using Request for Proposals

Feb 29-Mar 1, 2012
Houston

June 6-7, 2012
Austin

Sept 12-13, 2012
Houston

Oct 10-11, 2012
DFW -Irving

Dec 12-13, 2012
Austin

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