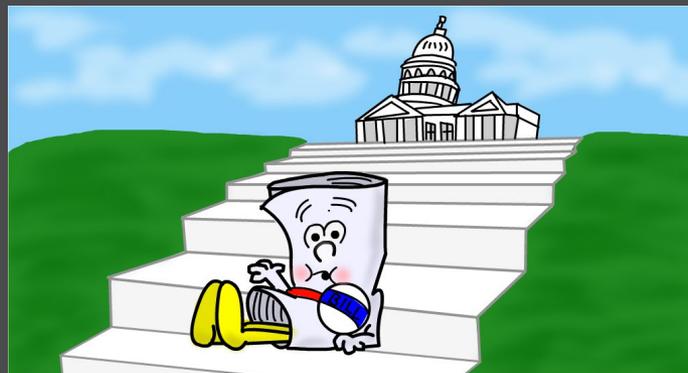


# Risky Business? Exploring High- Risk Contract Reviews

Barb Layman, CPPO, CPPB, VCM, VCO  
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# House Bill 1668



- 2016 JLARC study on Development and Management of State Contracts in Virginia
- Created Section §2.2-4303.01 of the *Code of Virginia*



# House Bill 1668

- Defines high-risk contracts
- Effective July 1, 2020; performance of high-risk contracts shall be posted in eVA
- DGS and VITA shall develop guidelines for administering these contracts



# High-Risk Contract



Any public contract with a state public body for the procurement of goods, services, insurance or construction that is anticipated to either:



# High-Risk Contract



1. Cost in excess of \$10 million over the initial term of the contract; or
2. Cost in excess of \$5 million over the initial term of the contract and meet at least one of the following criteria:



# High-Risk Contract

- a. being procured by 2 or more state public bodies; or
- b. anticipated term of the initial contract, is greater than 5 years; or
- c. has not procured similar goods, services, insurance, or construction within the last 5 years



# Office of the Attorney General

Reviews all high-risk contracts

More information can be found at  
<https://www.oag.state.va.us/>



# Virginia Information Technologies Agency

Reviews all high-risk contracts for goods and services related to information technology

More information can be found at  
<https://www.vita.state.virginia.us/>



# Department of General Services

Reviews all high-risk contracts for goods, nonprofessional and professional services that are not for information technology or road construction or design



# High-Risk Contract Solicitations

- Must submit *draft* solicitation for goods, nonprofessional and professional services for review prior to issuing





# High-Risk Contract Award

- Must submit *draft* contract for goods, nonprofessional and professional services for review prior to award





# High-Risk Contract Renewal

- Contract awarded prior to July 1, 2019
- Has 2 or more remaining renewals
- Must submit such contract for goods, nonprofessional and professional services for review prior to renewing



# High-Risk Contract Review

- Complete High-Risk Contract Review Form, Annex 3-L

1. Solicitation

2. Pre-Awarded Contract

3. Contract Renewal

Commodity/Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated Value (Initial Term): \_\_\_\_\_

Initial Term: \_\_\_\_\_

Available Renewals: \_\_\_\_\_

Terms & Conditions Section: \_\_\_\_\_ Page Number: \_\_\_\_\_

Performance Metrics Section: \_\_\_\_\_ Page Number: \_\_\_\_\_

Enforcement Provisions Section: \_\_\_\_\_ Page Number: \_\_\_\_\_



# High-Risk Contract Review

- Email the entire package to [highriskcontracts@dgs.Virginia.gov](mailto:highriskcontracts@dgs.Virginia.gov)
- DGS must review within 30 business days (M-F, excluding holidays)

# High-Risk Contract Review



- Review will be based on a number of factors, including but not limited to the following:



# High-Risk Contract Review

1. Complies with applicable state law and policy;
2. Appropriateness of the solicitation's terms and conditions;
3. Measurable performance metrics; and
4. Clear enforcement provisions (*Code of Virginia §2.2-4303.01C*)

# High-Risk Contract Review



DGS will provide an evaluation to the agency once completed.



# Contract Administration

- Must have prior contract administration experience
- Delegated in writing by the agency's Chief Procurement Officer



# Contract Administration

- Online Course
- Required to complete a project and pass a test
- Successful completion = VCARM certification





# Contract Administration

## Virginia Contract Administration and Risk Management

Coming Fall 2020



# Questions

