

Procurement and Contractual Risks

Risk	Probability	Impact	Risk Rating	Mitigation
<b>Business Risks</b>				
Funding risks. Availability of funding could lead to some delays or may result in the scope being reduced.	Unlikely	Very Low	4	Requisition to be raised for tendering purposes to confirm financial approval for the requirements. Annual/milestone payments will allow for the budget to be monitored regularly. Budget review has been conducted.
Tender submissions are not suitable. Submissions submitted but are not deemed compliant or have not passed the minimum quality pass rate threshold	Unlikely	Very Low	4	Ensure the Specification is clearly defining the requirements. The questions are thought-out, and the use of clear evaluation criteria will minimise this risk.
No tender submissions submitted. No submissions are received at the point of the tender closing.	Unlikely	Very Low	4	Use of framework for the requirements will ensure that suppliers have the capabilities to provide a suitable response.
Procurement Challenge. From unsuccessful Supplier on the Framework	Unlikely	Very Low	4	Clear and transparent criteria will be used within this tender. Feedback Letters will provide Suppliers the relevant information as to why they were unsuccessful. Feedback will be provided where applicable.
Procurement Challenge. From a Supplier based on the use of the Framework instead of running an Open Tender	Unlikely	Very Low	4	Observe PCR (Public Contracts Regulations) 2015 and Treaty Principles to ensure that a robust procurement is carried out. Following UKRI Policies – Framework

				before running an Open Tender.
Compliance Risks. Risk of unintentional non-compliance to statutory regulations, guidelines, and best practices.	Unlikely	Very Low	4	Observe PCR 2015 and Treaty Principles to ensure that a robust procurement is carried out. By going through the Framework, we are following UKRI's policies and guidelines. This will continue throughout the tendering process.
Contractual Risks. Which can arise between the two parties	Unlikely	Very Low	4	Use of framework terms and conditions will minimise the risk as suppliers have pre-agreed to these terms. A review of the framework T&Cs compared to UKRI's T&Cs has been conducted as well.
Cost inflation Risk. This could happen throughout the duration of the contract	Likely	Moderate	12	This is a fixed term contract which will minimise any risks. Any request to increase the contract value will be examined very closely and only if justified would they be accepted (and inflation costs will not be accepted as a reason).

#### Project Risks

Project Risks				
Cannot source the required system.	Unlikely	Very Low	4	Following engagement with the market, we know that there are suppliers that can provide the system. We also know that the SSSNA

				framework contains a HPC specific lot, which we are using to ensure we can source the system.
Delay to the SCC Building which is due for completion before the HPC contract has been awarded. Resulting in the delivery of the HPC being delayed.	Moderate	High	12	Hold regular discussions with the supplier regarding the construction of the SCC building. Providing regular updates to the successful supplier of the HPC system. In the event of a significant delay, the successful supplier could store the equipment at their facility. This could be at a cost to UKRI.
Project schedule delay. Unforeseen delays throughout, the procurement process, delivery, integration etc.	Moderate	High	12	Hold regular project meetings with stakeholders. Monitor the progress throughout the procurement process. Highlight any areas which have the potential to be delayed and have an alternative or plan to manage this.
Potential Supply Chain risks. Delays with the manufacturing of some components for the system have increased lead times to approximately 10 months. and several nations are now beginning their exascale compute programmes, placing additional strain on the supply chain	Moderate	Moderate	9	While lead times are continuing to reduce, it is still a risk in which UKRI continue to monitor them as they have not fully returned to pre-pandemic levels. In addition, suppliers to be transparent about their supply chains and to highlight where the key components will come from.
Operational Risks.	Moderate	Low	6	The budget has been reviewed internally.

The operating costs may vary from the allocated budget				During Supplier Engagement Days, the budget has been highlighted and no concerns were raised.
Technology Risks. The technology of the requirements does not meet the specification. Changes in technology may have an impact on the solution.	Moderate	Moderate	9	UKRI will ensure that the Specification is clear and concise throughout. There will be mandatory pass/fail question in relation to the Specification.
Technology Disruption Risks. The risk of new techniques emerging that completely transform the way things are done.	Moderate	Moderate	9	This has been considered as part of the specification. The contract will be monitored closely and will ensure that the technology is to standard/specification and that there are no disruptions. Any emergent technologies will be reviewed, and any impact will be considered at the point of the contract.
Maintenance Risks. There is a risk that the costs of maintaining the requirements varies from the budget.	Moderate	Moderate	9	This has been considered and maintenance costs will be included within the price schedule and will be closely monitored throughout the duration of the contract. There could be a slight impact on the budget, however with good contract management the costs can be managed, and the impact will be minimal.

Scoring Matrix - As seen in the Risk Registers		Impact					
		Very Low	Low	Moderate	High	Very High	
Score		1	2	3	4	5	
Probability	Very Likely	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Very Unlikely	1	1	2	3	4	5