How to Manage Risks during Project Development and Design

2016 MDT Preconstruction Conference
Objectives

- Understand MDT’s new Risk Management Policy
- Become familiar with Risk Management tools
- Others?
Rationale

- Every project has risks, regardless of project size or complexity
- Risks have negative or positive effects on at least one project objective (scope, cost, time, and quality)
- Risk Management minimizes surprises that hinder project delivery through effective communication and documentation
- Actively managing risks will help manage project scope, schedule, and budget
Introduction

- Scenario 1: Routine oil change and vehicle inspection
- Scenario 2: Minor annoyances noted that need attention
- Scenario 3: Engine light comes on and car quits

Impact to budget? Time? Expected scope of work?
Risk Management Policy

- Apply scaled Risk Management process to all projects
- Use level of project risk to determine minimum process
- Actively manage risk for all medium and high risk projects
- Actively manage risk for all NH and restricted funding projects
What’s all this mean?

<table>
<thead>
<tr>
<th>Project Level of Risk</th>
<th>Minimum Process</th>
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<tbody>
<tr>
<td>See table in Appendix A</td>
<td>Project managers may use a higher level process as</td>
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<tr>
<td></td>
<td>needed</td>
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<tr>
<td>Low Risk</td>
<td>Risk identification using the Project Risk</td>
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<tr>
<td>Pavilion Preservation or minor projects</td>
<td>Documentation worksheet and document in milestone</td>
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<td></td>
<td>reports</td>
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<tr>
<td>Medium Risk</td>
<td>Qualitative risk analysis using the RMP</td>
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<tr>
<td>Rehab or Reconstruct</td>
<td>worksheet</td>
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<tr>
<td>High Risk</td>
<td>Risk analysis workshop using the RMP</td>
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<tr>
<td>Complex projects</td>
<td>worksheet</td>
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</table>
Low Risk

- Identify potential areas of risk
- Document and communicate
- Handle as necessary for meeting project objectives (MANAGE)
Medium Risk

- Identify potential areas of risk
- Document and communicate
- Actively MANAGE risks through project development
  - Identify
  - Analyze qualitatively
  - Strategize
  - Manage
High Risk

- Identify potential areas of risk
- Document and communicate
- Actively MANAGE risks through project development
  - Identify
  - Analyze quantitatively
  - Strategize
  - Manage
Risk Management Plan

RMP
RMP


Internal:
Departments > Highways Bureau > Cost Estimating

External:
Doing Business > Design Consulting > Cost Estimating
Contact Information

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