

PPI150 - Risk Management

XBID

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1 Introduction

This document describes the overall approach to risk management as defined in the Project Quality Plan. It establishes an approach to monitor, evaluate and manage risks throughout this project.

For the purpose of risk management, a risk is defined as an uncertain event or condition that, if it occurs, has a negative or positive effect on the project's objectives in terms of timeline, costs or quality.

The objective of the project's risk management is to define the strategy to manage identified negative effect risks in a way to mitigate and/or minimise their potential impact on cost, timeline and quality.

1.1 Purpose

The risk management document will detail the following areas of risk management:

- It describes how risk management activities for the project will be conducted by means of the risk management planning
- It documents risk identification as the initial and continuous effort to identify, quantify and document risks as they are identified
- It describes the risk analysis that will evaluate all identified risks in terms of probability of occurrence and impact on timeline, costs and/or quality
- Under risk planning / mitigation it will establish how actions will be taken for risks and detail the responsibilities of risk mitigation tasks
- The document illustrates how risk monitoring and control will ensure that risks are captured, compiled and reported for with the help of the Risk Register

1.2 Intended Audience

- Project steering committee members
- Project management
- Project team members
- DBAG's contractual party, The PXs

1.3 Reference Documents

[Redacted content]

2 Risk Management Planning

[Redacted]

[Redacted]

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2.1 Risk Identification

A baseline set of risks will be identified during the project preparation phase, as a common task of DBAG and The PXs. This task will be initiated by DBAG.. These baseline risks initiate the Risk Register that will be repository and working tool for all risk management activities shared by all parties. DBAG will evaluate the identified risks and plan and document the related mitigation actions in cooperation with the PXs. The identified set of risks will be documented in “PPI120 - Project Plan Description” as baseline project risks.

During the project, risk identification is an on-going activity. All project stakeholders are responsible for identifying new risks. Any new risks identified shall be captured and added to the risk statement in the Risk Register within two working days of its identification, by the project member that identified the issue. Monitoring, prioritization and mitigation of these risks are a common activity of DBAG and The PXs. DBAG and PXs are jointly responsible that the above targets will be accomplished. The responsible project body will be the Project Board.

2.2 Risk Analysis

The project will use a qualitative approach to risk analysis. This methodology uses a risk level matrix based on probability and impact. This allows for an independent assessment of probability and impact of risk.

The identifier of a risk shall evaluate the attributes impact and probability of occurrence as well as its relationship to other risks initially. The Project Board shall be responsible for further analyses and prioritisation of the risks. The criteria for analysing risks are defined in Chapter 4 of this document.

2.3 Risk Handling

Risk handling defines the course of action for a risk under analysis. The goal is to choose the course of action that optimises the trade off between the positive effects of risk mitigation and the costs of the selected action. All identified risks shall be handled. In order to reduce the efforts connected to the cost / benefit calculations, specific action options are pre-selected for given impact and probability profiles. These are specified in chapter 4.3.

The DABG Project Manager will suggest the action that should be taken for each risk. The risks will be discussed during the regular Project Board meetings. Should the need arise; a separate risk handling meeting will be initiated. The Project Board shall also determine whether to keep the risk, delegate responsibility, or transfer the risk responsibility up to the Joint Steering Committee. The Project Board, if necessary, may also transfer a risk(s) to external organizations, if that organization is best suited to handle the risk.

Risk planning requires a decision to:

- Transfer – Shifting some or all of the negative impact or responsibility for mitigation actions to a third party (E.g. get an insurance to cover certain risks)
- Accept – Decision to take no action. Document acceptance rationale in the Risk Register and close the risk
- Mitigate – Implies the decision to reduce or minimise the risk
- Watch – No action for this period. Define monitoring requirements, document in the Risk Register

Mitigation activities shall be documented in the Risk Register or by creating a separate mitigation plan. DBAG project manager or an assigned responsible shall write a mitigation plan for any effort that requires allocation of additional project resources and consequently triggers a change request. The JSC shall determine whether to use a mitigation plan when deciding on the related change request.

2.4 Risk Monitoring and Control

Risk information and metrics defined during planning shall be captured, tracked and analysed for trends. The person assigned responsibility for the risk shall provide status information on research and/or mitigation activities to the Project Board on a weekly basis. Watched risks shall be reported on during the project meetings. The Risk Register shall be used to report risk summary status, and shall be used by the Project Board to report progress to Joint Steering Committee at the monthly reviews.

Decisions shall be reported to the Project Board during the weekly meetings to close risks, continue to research, mitigate or watch risks, re-plan or re-focus actions or activities, or invoke contingency plans.

4 Risk Classification

[Redacted]

4.1 Impact Classification

Very High

[Redacted]

High

[Redacted]

Medium

[Redacted]

Low

[Redacted]

Very Low

[Redacted]

4.2 Likelihood Classification

Very High (>80% chance of occurrence)

Occurrence is very likely and may not be entirely controlled by following existing processes, procedures and plans.

High (>60% <80% chance of occurrence)

Occurrence is likely and may not be entirely controlled by following existing processes, procedures and plans.

Medium (>40% <60% chance of occurrence)

Occurrence is possible and may not be entirely controlled by following existing processes, procedures and plans.

Low (>20% < 40% chance of occurrence)

Occurrence is unlikely and may not be entirely controlled by following existing processes, procedures and plans.

Very Low (<20% chance of occurrence)

Occurrence is very unlikely and is generally controlled by following existing processes, procedures and plans.

4.3 Risk Classification Matrix and Action Options

Once impact and likelihood have been defined an overall risk classification will be calculated automatically in the Risk Register. In addition the Risk Classification Matrix is generated that provides a visualisation of the risk exposure into grade white, light yellow, yellow, orange or red:



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