Metropolitan Sewer District of Greater Cincinnati

Wastewater Engineering Division

***<Project Name>***

Risk Management Plan

***<CONSULTANT NAME>***

*<mm/dd/yyyy>*

***How to use this Document***

***DELETE THIS PAGE BEFORE SUBMITTING TO MSD***

*[This document is a template for building a Risk Management Plan for your project. It provides a best-practice approach that will support a consistent method of risk management across MSD. The sections and subsections should be modified to fit the size and complexity of your project.*

* *Blue italicized text enclosed in square brackets ([text]) provides instructions to the document author or describes content included in this document.*
* *Blue italicized text enclosed in angle brackets (<text>) indicates a field that should be replaced with information specific to a particular project.*
* *Text and tables in black are provided as boilerplate examples of wording and formats that may be modified to a specific project. These are offered as suggestions to assist in developing project documents.*

*When using this template, it is recommended that you follow these steps:*

1. *Modify boilerplate text as appropriate to the specific project.*
2. *Please do not remove an entire section or subsections from this document. If an entire section or subsection does not apply, include a statement under the section heading which reads, “This Section is not applicable for this project.”*
3. *Before submission of the draft of this document, delete this “How to use this Document” page and all instructions to the author, which appear throughout the document as blue italicized text enclosed in square brackets.]*

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**Section 1 – INTRODUCTION**

**1.1 Purpose Of The Risk Management Plan**

The purpose of this document is to provide a management framework to ensure risks are properly managed for the project. This is important so we identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed.

This document achieves this by detailing the risk management steps of Identifying, Assessing, Responding and Reporting including monitoring and control.

This Risk Management Plan defines how risk management will be implemented on this project, who will be involved, and the governance documents to be used. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates for recording and prioritizing risks. MSD’s Risk Management Guidelines and Risk Register Template are an integral part of the risk management governance documents.

**Section 2 - risk management**

**2.1 Process**

*[Summarizes the risk management process phases that align with MSD’s Risk Governance Documents.]*

Risk management involves four major phases: risk identification, risk assessment, risk response, and risk reporting including monitoring and control. The steps for carrying out risk management are outlined in the following sections.

**2.2 Risk Identification**

*[Consultant usually identifies risks and populates the risk register early in the project lifecycle. MSD team members will have a different risk perspective than the design consultant and MSD’s input needs to be included in risk identification efforts. A long list of identified risk is preferred (quantity is quality) over a short list and only the top risks will end up being managed. MSD uses “Risk” and “Cause of Risk” categories on the risk register to ensure we have well-defined risks by revealing the Root Cause of the risk.]*

Risk identification will involve both the consultant and MSD team. Careful attention will be given to the project deliverables, assumptions, constraints, and other key project documents.

A Risk Register it typically created in the planning phase and will be submitted for MSD review with updates at each future project milestone or sooner as needed.

MSD’s project team including the MSD Technical Review Committee will participate in Risk Identification efforts at *<insert when risk identification exercises will occur with MSD team. These will typically occur at each milestone submittal review meeting. As an example, include MSD review team submitting identified risks on sticky notes at review meetings. Consultant will “set the stage” by briefly describing the benefit if risk identification and include a call for discussion of risks.>*

*< State if separate risk identification meetings will be used. >*

*< For large or complex projects state if an outside facilitator will be used and when. >*

*<List what risk identification methods will be used and who will be involved. Examples - review lists of assumptions to see if they add to list of risks, will checklists be used, prompt lists, brainstorming, pre-mortem, expert interviews, etc. >*

**2.3 Risk Assessment**

*[Usually the Consultant assesses the identified risks back at the office and includes MSD input as needed.]*

All risks identified will be prioritize for subsequent ongoing management based on their likelihood of occurrence and degree of potential impact. Risks can impact a project in several basic ways: objectives reduced or delayed, schedule extended, cost increased, or quality reduced. The MSD Risk Register Template will be updated with the prioritization and categorization of risks from the detailed analysis.

The scoring of the risks in the [Risk Register](http://www.loc.gov/staff/pmo/pmlc_xls/Risk_Register_Template.xlsx) is facilitated by use of the tables in the MSD Risk Management Guidelines; Table 2: Consequence Rating, Table 3 Likelihood of Occurrence Rating and Table 4: Risk Score Classifications(aka, Probability and Impact Matrix). *<It is recommended not to modify these tables. However, they can be modified on certain projects and then those modified tables shall be inserted here.>*

Risks arefirst analyzed and evaluated in terms of **likelihood** (probability) of occurrence and the **consequence** (seriousness) if they should occur. Then using these ratings in conjunction with the Risk Scoring Matrix, the risks can be scored to provide a measure of the project’s risk exposure for each risk.

**2.4 Risk Response**

The Risk Responses will determine what can be done to reduce overall risk of the project by decreasing probability and impact of threats and increase the probability an impact of opportunities. This information is documented in the Response category of the risk register.

Each significant risk (those generally falling in the Red, Orange & Yellow zones) will have the response category of the Risk Register completed.

For each significant risk that is to be mitigated or that is accepted, a course of action will be outlined in the event that the risk does materialize in order to minimize its impact.

**2.5 Risk Peporting - includes Monitoring and Controlling**

Risk management is an iterative process throughout the project lifecycle with updates noted in the Risk Register. This process includes monitoring previously identified risks, reevaluating these existing risks for effectiveness and identifying new risks to be analyzed for their possible impact.

Activities involved in Risk Monitoring, Controlling and Reporting include:

* *<Establish how frequently review of the risks will occur and ensure that emerging risks are identified and are addressed, eg. Risk identification efforts at weekly, monthly, design meetings and construction meetings, etc.>*
* *<Establish when MSD will received Risk Register submittal updates. This should at least occur with each milestone submittal during design phase. For projects with extensive risk registers a Summary of Top risk may be considered for ease of reading by MSD>*
* *<Evaluate and re-status previously included risks.>*
* *<Establish the project Risk Manager’s name who will be responsible to ensure that the requirements of this Risk Management Plan are being implemented and list the members of the consultant team that will participate in risk management efforts.>*
* *<For complex construction projects detail what risk management activities will occur during the construction phase.>*

**Section 3 - Governance Documents**

*[Insert the name, version number, description, and physical location of any additional documents referenced in this document. Add rows to the table as necessary. Two of the MSD required documents are prepopulated]*

The following table summarizes the documents referenced in this document.

|  |  |  |
| --- | --- | --- |
| **Document Name and Version** | **Description** | **Location** |
| *<Document Name and Version Number>* | *[Provide description of the document]* | *<URL or Network path where document is located>* |
| *Risk Management Guidelines, (Revised October 19, 2011)* | *The minimum MSD requirements to implement Risk Management.* | *MSD’s Capital Project Resource Library:*  *http://www.msdgc.org/downloads/customer\_care/forms\_and\_documents/risk/risk\_management\_guidelines.pdf* |
| *Project Level Risk Register, (Revised June 17, 2011)* | *An established tool to implement risk management that includes a list of project risks.* | *MSD’s Capital Project Resource Library, (see “Risk” for Project Level Risk Register Template download):*  *http://www.msdgc.org/customer\_care/forms\_and\_documents/capital\_project\_resource\_library/index.html* |