Presentation to the SRS
CAB Strategic & Legacy Management Committee

Risk Management Process

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Purpose

Provide an overview of the Risk Management Process used at Savannah River Site
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ARRA</td>
<td>American Recovery &amp; Reinvestment Act</td>
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<td>CAB</td>
<td>Citizens Advisory Board</td>
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<td>DOE</td>
<td>Department of Energy</td>
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<td>EM</td>
<td>Environmental Management</td>
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<td>FPD</td>
<td>Federal Project Director</td>
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<td>RHS</td>
<td>Risk Handling Strategy</td>
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<td>RMP</td>
<td>Risk Management Plan</td>
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<td>ROAR</td>
<td>Risk and Opportunity Assessment Report</td>
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<td>SME</td>
<td>Subject Matter Expert</td>
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<td>SRS</td>
<td>Savannah River Site</td>
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SRS Risk Management

- Risk Management begins in the earliest stages of a program or project and continues through its total life cycle.

- There is risk in every program or project. Ignoring risk does not make it go away.
What is a Risk?
- An uncertainty with a negative outcome

What is an Opportunity?
- An uncertainty with a positive outcome

Why Manage Risk and Opportunities?
- Facilitates the development and implementation of strategies to:
  - Minimize the negative impacts from risks
  - Maximize the benefit to be gained from opportunities
SRS Risk Management

- Aligned with the EM Risk Management policy and guidance

- Standardized process applied to develop our “Risk Management Plans” (RMPs) and “Risk and Opportunity Assessment Reports” (ROARs)
  - Risk Management Guide (DOE G 413.3-7 (9-16-08))

- Our risk assessment and risk oversight teams are composed of:
  - Federal Project Director (FPD)
  - Contractor(s)
  - Risk Analysts
  - Subject Matter Experts (SMEs)
  - Risk Facilitator
Responsibility for Risk Management

Federal Project Director is responsible for ensuring that:

- a risk assessment is conducted (FPD leads Risk Team in assessing)
- risks are assigned to the DOE or contractor to manage
- risk handling strategies (RHS) are identified
- DOE risks are managed
- risk monitoring is being conducted
- project risk assessment report is developed and updated as required
- risks are statused and results communicated to the stakeholders
- new risks, as they are identified, are added to the project’s risk list (risk register) for assessment

Contractor is responsible for:

- managing risks and RHS assigned to the contractor
- maintaining the risk database and risk register
- reporting status of risk mitigation efforts
SRS Risk/Opportunity Process

- **Planning** → **RMP (Risk Management Plan)**
  - development and approval of the Risk Management Plan
  - review and evaluate the work scope
  - selection of risk team members

- **Assessment Process** → **ROAR (Risk and Opportunity Assessment Report)**
  - **Identification** – “Brainstorming Session”
  - **Grading** – Consequence and Likelihood Qualitative Analysis
  - **Handling** – How and whom manages the risk
  - **Impact Determination** – Determine cost and schedule impacts after successful implementation of handling strategies
Benefits of the Risk Management process

- Ensures adequate funds are identified to manage risks
- Increase likelihood of:
  - completing objectives on time and within budget,
  - increasing likelihood of meeting compliance and government requirements, and
  - achieving performance consistent with commitments
- Supports a better decision making process
Questions?