## SR 520 Program Risk Register Overview                    May 23, 2013

The Washington State Department of Transportation is committed to comprehensively managing risks as an integral part of project management.

The SR 520 Bridge Replacement and HOV Program uses WSDOT-developed tools and methods to identify risk and uncertainties in order to establish a cost estimate range for projects. These tools include Cost Risk Analysis (CRA) and the Cost Estimating Validation Process (CEVP®). WSDOT is a leader in the transportation industry and is recognized for its openness and transparency in the field of project risk management.

More information regarding WSDOT risk management can be found online at:
http://www.wsdot.wa.gov/Projects/ProjectMgmt/RiskAssessment/

### Overview of Risk Registers

In order to determine an accurate range of cost and schedule estimates for a particular project, WSDOT creates a "risk register," or listing of risks, opportunities and other factors.

Cost and schedule estimates contain two key components:
1. **Base cost component**: The likely cost of a planned project if no significant problems occur.
2. **Risk (or uncertainty) component**: The risks, opportunities and other factors that could affect a project and its costs.

The risk register is a catalog of the risk components, and records the description of *each potential factor* and the associated consequences if the event were to occur, along with the likelihood of occurrence. The register also prioritizes risks, showing which risks have the highest potential of significantly affecting project outcomes.

A thoroughly developed risk register helps project managers minimize, mitigate or eliminate the risks *before* a risk event occurs. Development of a risk register also improves internal and external communication among team members as they identify and record potential risks.

Risk management is an iterative process; new risks are regularly identified, assessed and documented. Previous risks are retired as appropriate. Risk registers are updated as needed to reflect new information that could potentially affect the project throughout its development.

The project team begins identifying risks and building its risk register early in project development. The project manager, supported by the project risk manager, maintains the risk register and conducts regular risk workshops.

Developing a risk register and keeping it updated helps to provide a consistent and convenient way to monitor and track risks at the appropriate level of detail.