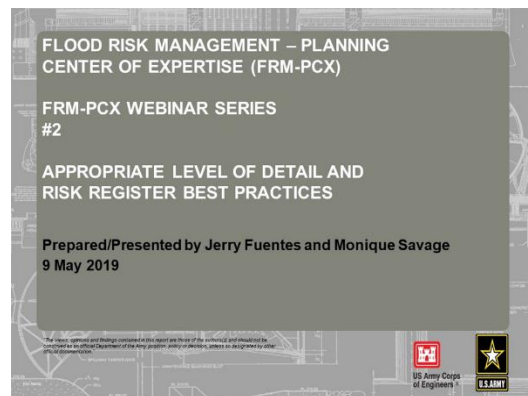


FRM-PCX Webinar #2 – Appropriate Level of Detail and Risk Register Best Practices

May 9, 2019

Q&A Session

The 9 May webinar discussed progressive strategies for better defining the proper level of detail throughout various iterations and phases of Flood Risk Management Feasibility studies. Scoping and managing study risk can be challenging for project delivery teams (PDTs), but through utilization of the Risk Register and other tools teams can be successful. The webinar was presented by Ms. Monique Savage (Plan Formulation Section Chief, St. Louis District) and Mr. Jerry Fuentes (Regional Technical Specialist, Sacramento District). This is the second in a series of webinars from the FRM Planning Center of Expertise (FRM-PCX) focused on helping PDTs with current and relevant challenges on their FRM Planning studies through tips, tools, and lessons learned. Any feedback on or suggestions for the webinar series can be sent to Nick Applegate (National Technical Specialist, FRM-PCX).



This summary of the Question / Answer session of the webinar is not a transcription; questions and responses have been edited and reordered for clarity.

It seems like a slippery slope to say the future without project (FWOP) conditions are an “unknown unknown,” because our FWOP estimates form the baseline for comparing and evaluating quantitative net benefits of alternative plans (reference chart on Slide 14 of presentation). Can you provide some clarification on this point?

Although a certain piece of information starts out in one quadrant of the “knowledge vs. awareness of risk” chart doesn’t mean it can’t, and shouldn’t, be moved around as the study proceeds.

For future without project conditions, for example, you might not know what rainfall or climate change conditions will be in your FWOP scenario at the outset of your study, and acknowledging this can help the team identify data gaps, and where the team needs to focus its time.

It’s also important to recognize that there are some study elements in the unknown / unknown quadrant that will never move no matter how much they’re studied; it’s okay to acknowledge these elements as risks and move on.

The presentation mentioned that the risk register should be reviewed at every meeting. However, teams do not generally do this; they complete the register at or after the charette / very early in the study and do not look at it again until vertical team engagement raises the question of how it is being used. How can project managers be incentivized to encourage use of the available tools, including the risk register, throughout the planning process or study?

Project Managers should view the risk register as an effective tracking tool that supports the necessary scope of ongoing technical work. The incentive for using the risk register and other tools is to transparently manage risk or reduce risk as the study progresses. It should also be noted that it is not just up to a PM to decide how and when the risk register is used. For a planning study, the lead planner

should be leading the regular and recurring PDT meetings and it's at his or her discretion what tools to use to maximize efficiency and effectiveness of the team.

Could you elaborate on the statement: "don't confuse NED with BCR" (*reference Slide 34 of presentation*)?

National Economic Development (NED) measures *net* economic benefits, while the benefit-cost ratio (BCR) shows the relationship between the relative costs and benefits of a proposed project. These can be different numbers. Study teams are required to identify the NED plan, which is the plan that reasonably maximizes the greatest net economic benefit. However, the team could select a different plan, e.g. based on life safety, or the desire of the non-federal sponsor to go with a Locally Preferred Plan (LPP).

How new is the cost engineering risk register?

The Cost Schedule Risk Analysis (CSRA) tool has been around longer than SMART Planning and the planning-specific risk tools; CSRAs have been required on civil works projects over \$40M since WRDA 2007. At the beginning of SMART Planning and introduction of a planning focused risk register (which was developed in coordination with the Cost Engineering Mandatory Center of Expertise), the community struggled to differentiate between the planning risk discussion (focused on the risk related to the successful completion of the study) and the cost risk discussion (focused on the risk related to the successful implementation of the project).

Planners on study teams should be aware of the CSRA, and ensure that at least one member of the PDT is part of its development so that the analysis isn't completed in a vacuum and so that the rest of the PDT can be kept informed about the process and provide input as needed.

There is an ongoing effort underway to develop a tool to interface between the planning risk register and the CSRA/cost risk register to ensure the two tools sync up throughout the entire lifecycle of a project. The tool should be completed within the next six months or so, after which communication between the two risk registers will be more seamless.