Risk Self-Assessment Instruction Guide

The following guide is provided to help guide agencies in their completion of the Risk Self-Assessment (RSA).

# Risk Scores

In evaluating risk factors for the RSA, the agency will need to enter information into the RSA template provided. The Costs/Budget and Schedule factors are self-scoring based on the information entered as outlined below. For all other factors, the agency will enter a score of zero (0) to five (5) into the RSA template. The focus of the RSA is on the likelihood that the risk will occur. At this point we are not concerned with the impact of the risk. That will be part of a future risk assessment process.

**0 – No Risk**

A score of zero (0) means that there is no chance of the risk factor occurring during the life of the project. In most cases, agencies will not use a score of zero unless the risk factor is not applicable to their project. For instance, the technology risk factor would be a score of zero (0) if there were no technology in the procurement project.

**1 – Unlikely**

A score of one (1) means that there is very limited chance that the risk factor will occur during the life of the project. If they choose this score, the agency believes the risk factor is unlikely to occur at all during the life of the project.

**2 – Reasonable**

A score of two (2) means the there is a reasonable chance the risk factor will occur during the life of the project. If they choose this score, the agency believes it is still not likely the risk will occur, but that it is reasonable to expect that it could occur during the life of the project.

**3 – Probable**

A score of three (3) means that it is probable that the risk factor will occur during the life of the project. If they choose this score, the agency believes that there is a good chance that the risk will occur at least once during the life of the project.

**4 – Very Likely**

A score of four (4) means that it is very likely that the risk factor will occur during the life of the project. If they choose this score, the agency believes that there is a high probability that the risk will occur at least once, if not multiple times, during the life of the project.

**5 – Definite**

A score of five (5) means that it is definite that the risk will occur during the life of the project. If they choose this score, the agency believes that it is certain that the risk will occur at least once, if not multiple times, during the life of the project.

# Risk Self-Assessment Risk Factors

The following are the risk factors that the agency will be required to evaluate as part of their procurement project RSA. Although scoring for most risk factors is subjective, agencies should seek to be honest and forthright in their evaluation and scoring of each risk. Not doing so threatens the long-term success of the contract and the procurement project.

#### Cost/Budget

The Cost and Budget risk factor is a self-scoring risk factor in the risk self-assessment template. In evaluating this risk, the Agency should base the cost on the estimated Total Cost of Ownership (TCO) of the project over its life and not simply rely on the initial project budget. Once the TCO is entered in the template, an associated score will be assigned based on a formula in the spreadsheet.

#### Schedule

The Schedule risk factor is also a self-scoring risk factor in the risk self-assessment template. In evaluating this risk, the agency should consider the total estimated schedule in months to receive the final goods and/or services. Once the estimated schedule is entered in the template, an associated score will be assigned based on a formula in the spreadsheet.

#### Scope

The Scope risk factor is meant to evaluate what risk is present based on the scope of the project. When evaluating this risk, the Agency should consider the answers to the following questions to determine the appropriate score to assign to this risk factor:

1. How complex is the project?
2. Is there a clear understanding of the project outcome?
3. How well are the business/functional requirements for the project defined?
4. How clear are the business/functional requirements for the project?

Having considered these questions, the agency will enter a score of 0 to 5 based on the scale provided. For this factor a score of one (1) would mean that the scope is well defined and that the project team has a well-defined set of business and/or functional requirements for the projects. A score of five (5) would mean that the agency does not have a clear understanding of the scope or requirements for the project.

#### Technology

The Technology risk factor is meant to evaluate what risk is present based on the anticipated technology to be used to implement the project. If the project is not a technology project, or has no technology component, then this risk is zero (0). When evaluating this risk, the Agency should consider the answers to the following questions to determine the appropriate score to assign to this risk factor:

1. Is the technology tested, evolving or bleeding edge?
2. Is the system to be housed on state owned equipment?
3. Is the system going to be hosted or outsourced?
4. What impact will the new system have on existing systems (e.g., incremental, replace non-core systems, replace core systems, new non-core system, new core system)?
5. What type of data will the system house and what level of security is required (e.g., HIPAA, PII, etc.)

Having considered these questions, the agency will enter a score of 0 to 5 based on the scale provided. For this factor a score of one (1) would mean that the project utilizes familiar technology and is limited in scope to an existing system. A score of five (5) would mean that the technology is unfamiliar to the Commonwealth, that the project has highly sensitive data, and/or that it is likely a new or replacement system.

#### Internal Stakeholder Impact

The Internal Stakeholder Impact risk factor is meant to evaluate what risk is present based on the anticipated number of entities impacted by the project. When evaluating this risk, the Agency should consider the number of departments impacted by the project in determining the appropriate score to assign to this risk factor. For example, if it is an internal division or department project, the risk would likely be a one (1), whereas a statewide project impacting all departments would likely be a five (5).

#### Constituent/Customer Impact

The Constituent/Customer Impact risk factor is meant to evaluate what risk is present based on the anticipated number of external constituents and/or customers impacted by the project. When evaluating this risk, the Agency should consider the number of constituents and/or customer impacted by the project in determining the appropriate score to assign to this risk factor. For example, if the impact does not impact customer or constituents, the risk would likely be a zero (0), whereas a project impacting all state constituents would likely be a five (5).

#### Project Leadership

The Project Leadership risk factor is meant to evaluate what risk is present based on the level of project leadership that exists. When evaluating this risk, the Agency should consider the answers to the following questions to determine the appropriate score to assign to this risk factor:

1. Does the project have an Executive Sponsor?
2. Does the project have a Project Manager?
3. Does the project team reflect the stakeholders?

Having considered these questions, the agency will enter a score of 0 to 5 based on the scale provided. For this factor a score of one (1) would mean that the project has a clear project lead, a supporting team and a charter signed by an Executive Sponsor in the agency. A score of five (5) would mean that the project does not have a clear project lead, team and/or executive sponsor.

#### Political/Reputation

The Political/Reputation risk factor is meant to evaluate what risk is present based on the visibility of the project in the press, with the state leadership and among constituents. When evaluating this risk, the Agency should consider the answers to the following questions to determine the appropriate score to assign to this risk factor:

1. Is the project being tracked by the legislature and/or state leadership?
2. Does the project have a politically active constituency that has a vested interest in its outcome?
3. Is the press following the project?
4. Would the department likely find itself in the news if the project falters or fails?

Having considered these questions, the agency will enter a score of 0 to 5 based on the scale provided. For this factor a score of one (1) would mean that the project is not externally visible. A score of five (5) would mean that the project is highly visible and extremely political in nature.

# Risk Self-Assessment Scores

One RSA should be completed for each project identified in the Annual Procurement Plan. To accomplish this, the agency should copy the template tab, and rename the tab with the Project number and Title from the Annual Procurement Plan. Once the RSA is fully completed for each project identified, the agency will save the file with an appropriate title as to identify the agency submitting the RSA. They will submit the RSA with the Annual Procurement Plan.

The scores submitted are a barometer of the anticipated risk for the identified project. There is no good or bad score. The score is the score. It helps the Division of Contract Management (DCM) assess your project in comparison to other agency projects and determine the appropriate course of action for your project to ensure it is procured and executed to meet the expectations of the agency and state leadership.