Welcome!

Joint Engineer Training

2015 JETC
Conference & Expo

hosted by the Society of American Military Engineers
Leadership & Business Development Track: Risk Analysis for Pursuit Preparation

Moderator
• Richard Delaney, Federal Client Service Leader, Northeast US, CDM Smith

Panelists
• Allen Davis, PE, DoD BD Manager, CH2M HILL
• Danielle Barner, Business Development Manager, KBR
• Bob Davis, PE, DBIA, Co-Leader, Federal Water and Facilities, CDM Smith
CH2M HILL’s Approach

1st and foremost – leverage lessons-learned

Opportunity Identification
• Understand the customer
• Understand the project and contracting approach

G/NG
• Initial risks are identified with approach to manage – contract, technical, etc.
• Formal review of opportunity to include risks
• Formal Approval Matrix with authorities that includes BD, Delivery, Contracts (and sometimes legal)
Proposal Development ongoing risk reviews
• Technical/operational approach
• Risk Register Tool
• Risk Management Plan (RMP)

Delivery
• RMP used during project execution
• Reviewed and adjusted as required
• Managed change
• Capture lessons-learned in Risk Register Tool
Approach to Pursuit Selection

Pursuit selection is generally based on the following criteria:

- **Fit with Corporate Strategy**
- **Contract Value and Funding Stream**
- **Anticipated Project Risk Profile**
- **Customer and Competitor Intelligence**
- **Articulated Win Strategy & Differentiation**
- **Demonstrated Level of Positioning**
- **Available Resources (staffing)**
- **Available Bid and Proposal Budget**
- **Return on Sales Investment (ROSU)**

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Approach to Pursuit Risk Analysis

Once approved to pursue, opportunities are reviewed for:

**Contractual Terms and Conditions**
- Government
- Commercial

**Execution Risks**
- Safety
- Security
- Environmental
- Concept of Operations
- Project Risk Register

**Financial Risks**
- Creditworthiness
- Currency
- Payment Terms
- Insurance
- Pricing Assumptions
Approach to Pursuit Risk Analysis

Develop Review Documents
- KBR Stakeholders provide input
- Document circulated to management committee

Internal Review Committee Meeting
- Size and Contract type dictate approval level
- Seek approval for minimum terms and conditions, and pricing

Sales/Operations Handover
- Upon award, sales team holds formal handover meeting to operations/project team to communicate contract expectations

CONTRACT AWARD
Risk Analysis for Pursuit Preparation

Prior to submitting…

• The “quarterback” for the pursuit is the Client Service Leader (CSL) who leads the pursuit team
• Pursuit linkage to the firm-wide strategy, initial go-stop
• Lots of up-front work with intelligence gathering, understanding the client requirements, understanding the procurement, assembling the team (internal and external resources) to meet the client needs
• Continuation of the formulation of the response to the solicitation prior to release of the solicitation, to include a presentation to the Corporate Risk Management Committee (RMC), if appropriate
The Risk Management Committee (RMC)

- **RMC Composition:**
  - Chairman – Senior manager with extensive experience with sales and delivery of both services and construction
  - Members: Cross section of sales, delivery, health and safety, legal/contracts, technical leaders

- **Frequency:** Once per month, but special sessions can be convened

- **Input:** Standard briefing format focusing on risk and mitigation

- **Output:** RMC makes recommendations and RMC Chair briefs the CEO one-on-one, feedback back to the team quickly
RMC - High Risk Elements

- Projects over a specified size (dollar amount):
  - Professional services
  - Design-build
  - Design-build-operate
  - Construction-only projects
- Joint Venture arrangements
- All projects with a finance component.
- Projects with O&M commitments beyond start up and commissioning

- Health and safety issues (hazardous materials, security)
- New/innovative technology that has not been demonstrated
- Work in particular countries/regions where there are country related risks issues (e.g. currency fluctuations, .
- Onerous owner/client contract terms
- Projects that deviate from published strategies
Thank you!

Questions?