

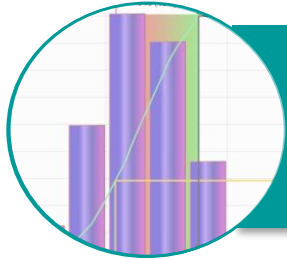
“Project Risk Evolved: Integrating Cost and Schedule Risk Analysis”

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Presentation for ProjCon Expo Dubai
14th February 2024



Joined Palisade (@RISK) in 2008, and have 15+ years' experience of teaching quantitative methods



Provided training and consulting services within the project controls space, across a wide range of industries & geographies



Director & co-founder of The Ferryfield Group, who provide services in the field of risk & project controls



Safran

1. Presenter: Doug Oldfield, Ferryfield Group



3. The past: cost & schedule silos



5. The past & present: issues to address

	Roads	Energy	Rail	Dams	IT	Olympics
Cost Overrun	20%	36%	45%	90%	107%	219%
Frequency of Cost Overrun	9/10	9/10	9/10	7/10	5/10	10/10
Schedule Overrun	38%	23%	45%	44%	37%	0%
Benefits Shortfall	10%	n/a	51%	11%	29%	n/a
Duration (years)	5.5	5.3	7.8	8.2	3.3	7.0

6. The future is now

(PUBLIC REVIEW DRAFT) AACE® International Recommended Practice No. 117R-21

INTEGRATED COST AND SCHEDULE RISK ANALYSIS AND CONTINGENCY DETERMINATION USING A HYBRID PARAMETRIC AND CPM METHOD

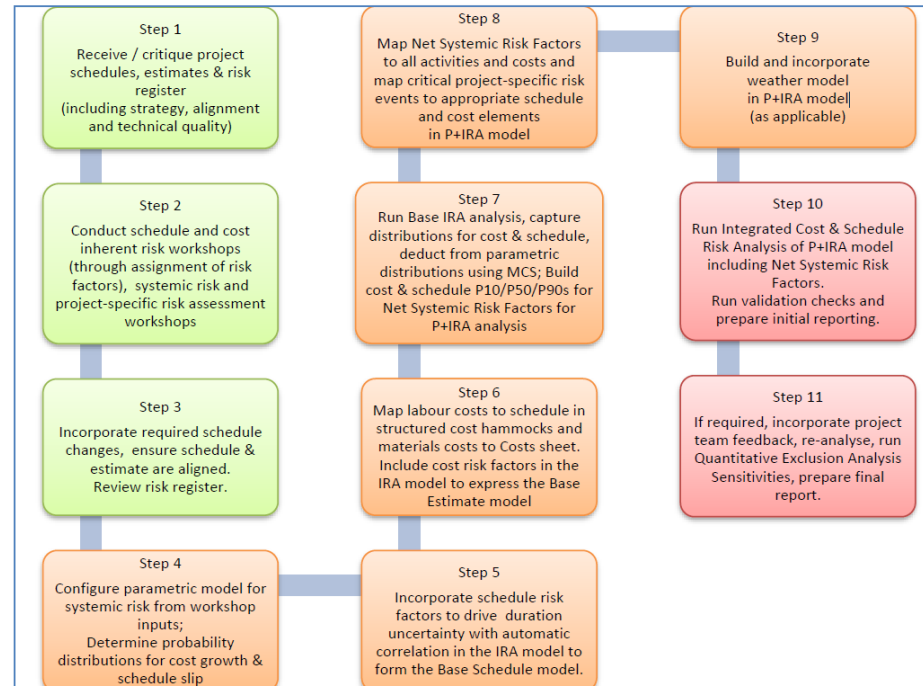
TCM Framework: 7.6 – Risk Management



October 7, 2021

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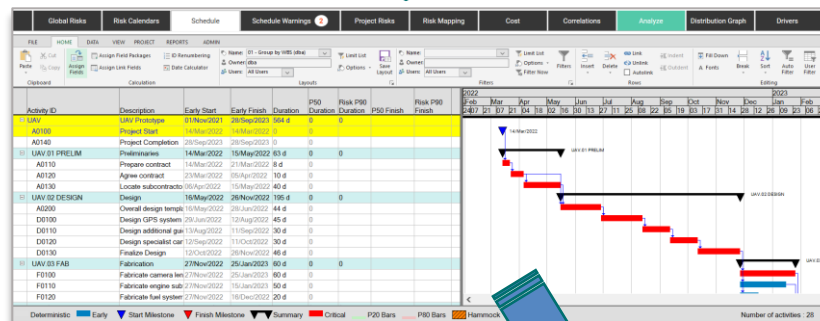
7. What does the hybrid approach look like in theory?

Description	Risk Type	Probability	Color
Flight corridor closed due to ash clc	Standard	40%	Orange
Goods must be transported by Air n	Standard	30%	Yellow
Parts not available from preferred s	Standard	15%	Orange
Reactive fix needed during testing b	Standard	37%	Purple
COVID Lost Production	Estimate Uncertainty	100%	Yellow
High Uncertainty = Low Confidence	Estimate Uncertainty	100%	Red
Low Uncertainty = High Confidence	Estimate Uncertainty	100%	Green
Medium Uncertainty -5/+15%	Estimate Uncertainty	100%	Orange
Design specification change	Standard	50%	Green
External communication issues	Standard	40%	Green
Changes to legal governance	Standard	20%	Red
Changes to legal governance	Standard	20%	Red
Internal communication issues	Standard	70%	Yellow
Organizational changes following r	Standard	10%	Blue
Outsource fabrication to larger prov	Standard	0%	Purple
Procurement process delayed	Standard	35%	Cyan
Reactive fix needed during testing b	Standard	37%	Green
Change in strategic direction	Standard	25%	Orange
Subcontractor enters liquidation	Standard	5%	Pink
Wind Speed Over 15m/s (33mph)	Calendar	100%	Yellow

Schedule Impact

Type: Absolute Distribution: Triangle Min: 80d Likely: 100d Max: 150d

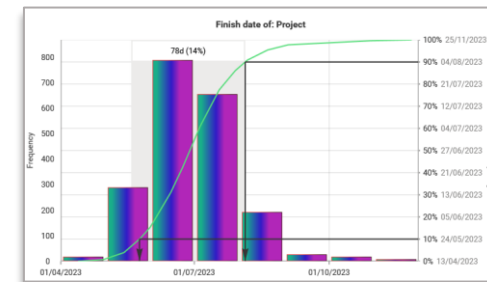
Days Hours



Description	Base	Base Distribution	Quantity	Quantity Distribution	Total	Activity
Project					15,024,000	
Material Costs					10,790,000	
Parts for Fuel System	7,000,000	Triangle(3000000 ; 6000000 ; 6650000)	1		7,000,000	25% A0120 - Agree contract; 25% A0110 - Prepare contract
Additional Parts	0		1		0	
Proposed Mitigations	0		1		0	
Parts for Specialist Camera Lens	1,790,000		1		1,790,000	25% A0120 - Agree contract; 25% A0130 - Locate subcontractor
Parts for GPS System	2,000,000		1		2,000,000	
Other Costs					449,000	
Transportation	123,000	Uniform(98400 ; 184500)	3	Triangle(2 ; 3 ; 6)	369,000	20% R0100 - Ship to site
Best Guess Penalty Fees	56,400		1		56,400	
Financial Year Uplift %	23,600		1		23,600	
Labour Costs					9,824,000	

Cost Impact

Type: Absolute Distribution: Triangle Min: 200 Likely: 310 Max: 480



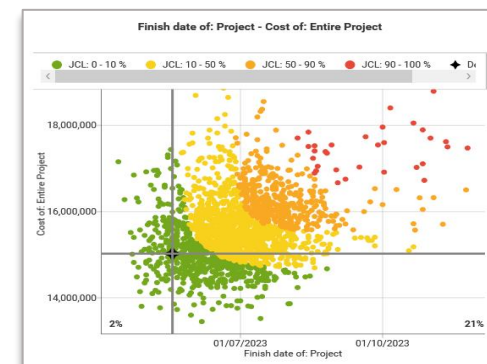
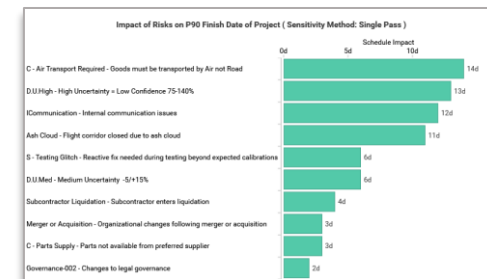
Iteration 266 of 2000

13%

Next Step

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Thank You!



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