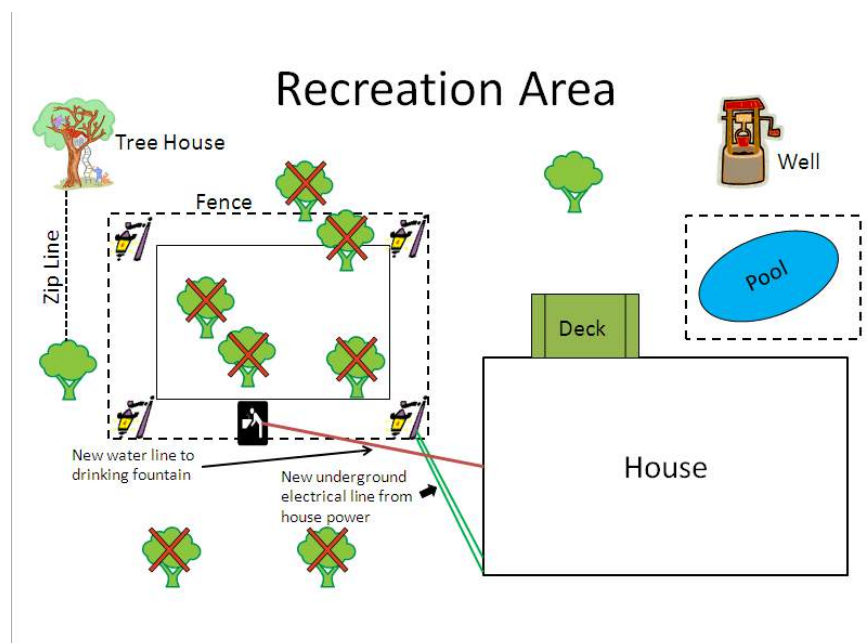


Your brother asked your help in planning a new recreation area in his backyard for personal use by utilizing your newly acquired risk management skills. Your brother's wife is not in agreement with her husband's plans as she feels the project is not viable and, therefore, wants to see the risk assessment. You agree to prepare a risk management plan that includes:

1. Risk identification
2. Risk register using both qualitative and quantitative risk analysis
3. Risk strategies for all risks
4. Assessment of contingency funds required

The objective of the recreation area is to provide additional exercise options for his three children and their friends. He wants to add an outdoor basketball court, surrounded by a fence. This area can also double as a play area for the younger children. He also wants to build a tree fort with a swing and zip line.



You have identified the following stakeholders:

- Your brother, who will be the project manager
- His wife, who is not very enthusiastic about the zip line, but will be providing all the funding
- His 3 children, of ages 5, 8, and 10

- His children's friends
- His next-door neighbor, who has not been fully briefed about the project and does not like loud noise
- Contractors, who will construct the recreation area

Assumptions About the Project:

- No permits are needed.
- Homeowner's Association approval is needed—two-day turnaround.
- Contractors will be available when needed.
- Project will be completed before winter arrives.
- Project will be fully funded.
- Project manager—your brother—will have time to work on the project

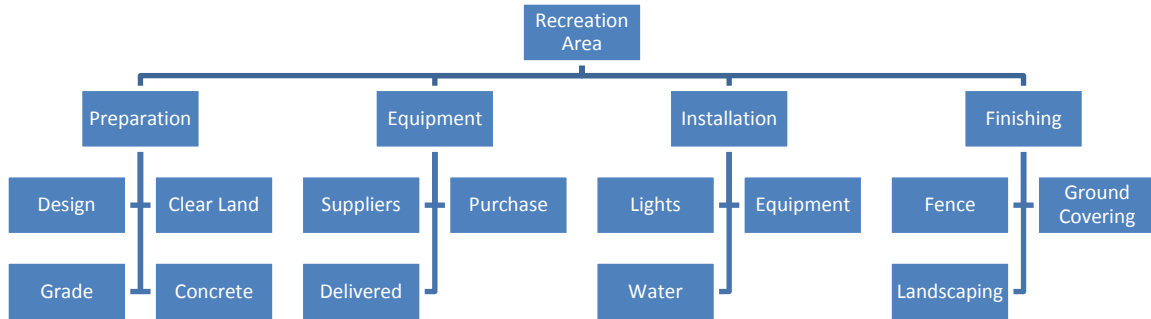
Constraints on the Project:

- The project cannot begin before the next Spring break. The budget is \$30,000.

Statement of Work:

- Construct a recreation area to provide a basketball court or a play area, tree fort, zip line, and swing.
- Include clearing and grading of land, pouring concrete, and procurement and installation of equipment.
- Install outdoor drinking fountain and lighting.

WBS:



Schedule:

WBS		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	
1	Preparation	█									
	1.1 Design	█									
	1.2 Clear Land		█								
	1.3 Grade			█							
	1.4 Concrete				█	█					
2	Equipment	█									
	2.1 Select Suppliers	█	█								
	2.2 Purchase	█	█	█							
	2.3 Delivery		█	█	█	█					
3	Installation				█						
	3.1 Lights				█	█					
	3.2 Water				█	█					
	3.3 Equipment				█	█	█	█			
4	Finishing								█		
	4.1 Fence								█	█	
	4.2 Landscaping								█	█	
	4.3 Ground Covering								█	█	

Budget:

Preparation	Design	\$500.00
	Land	\$2,000.00
	Concrete	\$2,000.00
Equipment	Materials*	\$6,000.00
	Tree Fort	\$9,000.00
	Landscape	\$3,000.00
	Lights/Water	\$2,500.00
Labor	Installation	\$3,500.00
	Finishing	\$1,500.00
	Total	\$30,000.00

- Materials includes swing, zip line, and other playground equipment

Tips to perform the project tasks:

- After studying the facts of the project and using your judgment, identify at least ten risks for the project, using the following sentence structure for each risk:
Due to <risk>, it is possible that <impact>, which could result in <this effect> on a project objective.
For example, due to the gas price increase, it is possible that the current budget will not cover the entire fuel cost, which could result in elimination of part of the vacation.
- Create a risk register and calculate the risk factor for each risk. Rank the risks in order from greatest to smallest risk. You will need to make assumptions on the likelihood and impact of each risk.
- Develop a risk strategy for each risk. Most risks should have more than one strategy. For instance, the example of the gas price increase might include strategies such as accept—add additional funds to the budget for fuel, mitigate—change the route to reduce gas consumptions, and avoid—cancel the trip.

Using your risk factors and the cost of each element of the project, determine an appropriate level of contingency for the project. List the assumptions and method you used in developing the recommended contingency.