

# CASE STUDY: RISK MANAGEMENT

CLIENT	Major Power Distributor
PROJECT	Major power upgrade programme to the London Underground
CONTRACT	Bespoke
CONTRACT VALUE	c. £750m
WORK SCOPE	Major upgrade to the power supply to the London Underground
BLAKE NEWPORT SERVICES PROVIDED	Full risk management services



## SITUATION

Blake Newport's client was awarded a 30 year Private Finance Initiative (PFI) contract to operate, maintain, finance and renew London Underground's power distribution system.

Following the restructuring of the London Underground operating company into three infrastructure companies Metronet Rail SSL Ltd, Metronet Rail BCV Limited and Tubelines, the capacity of London Underground's power system needed to be increased to meet the requirement for new and more frequent trains. The programme was set up to cover a number of major projects to include at least one new bulk supply point and significant substation and HV cable reinforcement. It is expected to cover upgrades for the next 15 years.

Whilst the client has a well established corporate risk management process they lacked the resources and specialist knowledge to apply the process to a major project.

## IMPLICATIONS

The client recognised that there was a real danger that, without more knowledgeable and specialist resources, the risk management process would become a tick-box exercise and not provide the necessary benefits required to contribute to a successful project.

## OBJECTIVE

Blake Newport was appointed with the objective of developing and implementing a risk management process based on a standard best practice risk management process; specifically customised for this project. The objective of the process is to ensure a robust and continuous risk management methodology to benefit the project by helping to reduce unexpected problems and improve project control. This is to be achieved through the establishment and management of a robust cost plan and programme while ensuring the process causes minimum disruption.

## BLAKE NEWPORT SOLUTIONS

Blake Newport undertook the role of Risk Manager for the project which included:

- Development and management of the project risk register (merged all existing registers into one master)
- Taking the lead role in the Risk Management Group (RMG), established to oversee the management of risk
- Establishment and regular review and management of mitigation actions against specific risks
- Management and expediting of actions assigned to project team members
- Management and control of the risk quantification process to establish input data for the risk analysis process.

## OUTCOME

As a direct result of Blake Newport's involvement in the project a fully developed and updated risk register was maintained throughout the project through which a robust and fully quantified set of project costs were developed for submission to the client for acceptance. Blake Newport's involvement ensured that the project management resources could concentrate on the key aspects of the programme including dealing with the significant threats identified through the risk management process.