



Defence
Infrastructure
Organisation

Call-Off Schedule 32

Risk Management

Built Estate

REF: RM6089

Version: 1.0 dated 01 Jun 21

CALL-OFF SCHEDULE 32

RISK MANAGEMENT

1. COMMERCIAL RISK

- 1.1 The Supplier's owned risks associated with its activities to deliver this Contract ("Commercial Risks") may have an impact on its ability to deliver within performance, cost and time. The Supplier shall create and maintain a Risk Management Plan that will set out how it will manage its Commercial Risks throughout the life cycle of this Contract.
- 1.2 The Supplier shall maintain its own risk management process, as described in this Schedule, for the purposes of managing its commitments and Commercial Risks under this Contract.
- 1.3 The Supplier shall review its Risk Management Plan, as a routine part of its contract management and governance arrangements with the Buyer, as set out in Call-Off Schedule 15 (Contract Management)).

2. ESTATE RISK

- 2.1 There is Risk associated with the Buyer's Affected Property being safe, legal and fit for purpose ("Estate Risk"). The Supplier shall assist the Buyer to manage Estate Risk by:
 - 2.1.1 maintaining a central risk management process, as described in this Schedule; and
 - 2.1.2 contributing to the risk management processes for each Establishment or Site where it provides the Deliverables.

3. RISK MANAGEMENT PROCESS

- 3.1 The Supplier shall identify, assess, document and track the management of Risks in a Risk Register that shall be consistent with, or able to be presented in the form of the DIO Corporate Governance Format as at Annex A "Risk Register".
- 3.2 The Risk Register for Estate Risks shall be maintained on the CAFM system and be accessible to the Buyer.
- 3.3 The records of each Risk included on the Risk Register shall include as a minimum:
 - 3.3.1 unique Risk reference number;
 - 3.3.2 name of originator and date on which the risk was identified;
 - 3.3.3 details of the Risk, such as description, establishment, location and affected property details;
 - 3.3.4 the assessment and evaluation of the risk – its potential impact and likelihood;
 - 3.3.5 details of mitigation or other action taken to manage the risk, recommendations, estimated cost and date for resolving the risk;
 - 3.3.6 progress against mitigation and name of the person currently holding the action relating to the Risk.

- 3.4 The Supplier shall use suitable qualified and experience people (SQEP) to:
 - 3.4.1 identify and assess the relative significance of risks;
 - 3.4.2 assess them using quantitative techniques according to Good Industry Practice;
 - 3.4.3 consider and evaluate the combined or aggregate effect of risks;
 - 3.4.4 recommend mitigation or any other action to manage the risk, including estimated costs and timeframes.
- 3.5 The Supplier shall manage and track the management of each Risk, unless the Buyer agrees that it is better placed to do so.
- 3.6 To manage Estate Risk, the Supplier shall set up a Risk Reduction Meeting on a monthly basis, to include appropriate stakeholders from the Supplier and Buyer organisations.
- 3.7 At a Risk Reduction Meeting, those who attend shall co-operate in:
 - 3.7.1 making and considering proposals for how the effect of the registered risks can be avoided or reduced;
 - 3.7.2 seeking solutions that will bring advantage to all those who will be affected;
 - 3.7.3 deciding on the actions which will be taken and who, in accordance with this Contract, will take them; and
 - 3.7.4 deciding which risks have now been avoided, terminated or have passed and can be removed from the Risk Register.
- 3.8 If a decision made needs a Variation, the Buyer shall instruct the Variation as soon as reasonably possible in accordance with the process set out in Call-Off Schedule 15 (Contract Management). No decision taken and/or change to the Risk Register will operate to change the contractual allocation of risk hereunder or the obligations of the Buyer or the Buyers Authorised Representative or a Head of Establishment, unless specifically instructed otherwise in writing by the Buyer.
- 3.9 The Supplier shall send a sufficiently empowered representative to consider Early Warnings issued to the Buyer since the last risk reduction meeting.
- 3.10 Attendance of the Buyer and the Supplier is enough to conduct a Risk Reduction Meeting. Non-availability of other supporting staff will not be a valid reason for not conducting a meeting unless the Buyer agrees otherwise and the Supplier shall record this on the CAFM System.
- 3.11 The Buyer or the Supplier may instruct that an Early Warning be dealt with at an urgent and ad-hoc Risk Reduction Meeting.
- 3.12 The updated records from the previous Risk Reduction Meetings shall be tabled by the Supplier for discussion, review, amendment and formal approval by the Buyer at the beginning of every such meeting. The approved records from each meeting shall be uploaded in to the CAFM System by the Supplier within two (2) Working Days of approval by the Buyer.
- 3.13 The Supplier shall revise the Risk Register to record the decisions made at each Risk Reduction Meeting and issue the revised Risk Register for the approval of the Buyer.

ANNEX A

DIO CORPORATE GOVERNANCE RISK REGISTER FORMAT



CG Risk Register
Template v2.0.xlsx