Description: Project Risk and Procurement Management

<table>
<thead>
<tr>
<th>Subject</th>
<th>Cat-nbr</th>
<th>Class</th>
<th>Term</th>
<th>Mode</th>
<th>Units</th>
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<td>MGT</td>
<td>8024</td>
<td>34259</td>
<td>2, 2004</td>
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Academic group: FOB005
Academic org: FOB005
Student contribution band: 2
ASCED code: 080315

STAFFING

Examiner: Barrie Todhunter
Moderator: David Cowper

RATIONALE

The size, complexity, technology, cost, time and stakeholders' objectives inherent in a large project can make the total risks high indeed, and considerable effort will be devoted by the stakeholders to control and minimise their exposure to risk. Risk and uncertainty are natural ingredients in the development and execution of all complex projects, and proper identification of risk and a structured approach to its analysis and monitoring are essential if the project is to overcome the challenges in technical performance, schedule and cost limitations. Acknowledgment of these risks is evident in the procurement processes that are necessary to obtain resources and carry out the project activities. Risk mitigation is a primary objective of successful contracting and procurement, and the optimum outcome is achieved by allocation of risks to the stakeholders who are best situated to deal with the respective risks. Procurement management is a fundamental component of project management, and guides the formation of contractual relationships, and the structure and management of the formal contracts that flow from the relationships in order to deliver the finished project.

SYNOPSIS

The course examines the following: identification of those risks that are most likely to have a beneficial or adverse impact on the outcome of the project; analysis and evaluation of the likelihood of occurrence of any particular risk, and the consequences of such risks; development of responses to identified risks to eliminate or reduce the consequences for the project; procurement planning to determine those resources, goods and services required to carry out the project; design and documentation of products required for the project; solicitation of proposals, quotations and tenders, and selection of suppliers and contractors; creation of contractual relationships between the respective stakeholders; administration
of those contracts; and completion of the contract administration and handover of works
carried out.

**OBJECTIVES**

On successful completion of this course, students will be able to:

1. identify the risks inherent in any project;
2. quantify the likelihood and consequences of project risks;
3. develop appropriate risk responses;
4. recommend procurement strategies, and contractual relationships appropriate for
   the stakeholders' objectives;
5. understand the legal aspects of procurement management;
6. determine the resources, goods and services necessary to carry out the project;
7. manage the design and documentation of products necessary for the project;
8. solicit proposals, quotations and tenders for the supply of goods and services, and
   the carrying out of the project works;
9. understand the requirements of the formation of contracts in a commercial context;
10. carry out the administration of such contracts; and
11. complete the procurement process, hand over the works carried out under the
    contracts, and bring the project to final completion in due course.

**TOPICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
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<tr>
<td>1. Introduction to Project Management</td>
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<tr>
<td>2. Risk management process</td>
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<td>3. Risk analysis</td>
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<td>4. Risk treatment</td>
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<tr>
<td>5. Procurement planning</td>
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<td>6. Legal aspects of procurement management</td>
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<td>7. Procurement strategies</td>
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<td>8. Solicitation planning</td>
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<td>9. Source selection</td>
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<td>10. Contract administration</td>
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<td>11. Project completion</td>
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**TEXT and MATERIALS required to be PURCHASED or ACCESSED:**

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless
otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone
07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or
phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at http://bookshop.usq.edu.au click 'Semester', then enter your 'Course Code' (no spaces).

(The Carvan et al text may be replaced by any current text that covers all business and commercial law issues, such as one of the following texts: Griggs, L, Clark, E, Streeter, J & Iredale, I 2003, 'Managers and the law', LBC Information Services, 2nd edn Lawbook Co., Sydney OR Turner, C 2003, 'Australian commercial law', 24th edn., Lawbook Co., Sydney OR Vermeesch, RB & Lindgren, KE 2001, Business law of Australia, 10th edition, Butterworths, Sydney.)

Knight, KW 1999, A basic introduction to managing risk, Standards Australia, Strathfield, New South Wales.
(Available online from Standards Australia Database via USQ Library Database Services/Electronic Resources - search for HB 142-1999. There is no cost to USQ students.)

(revised and updated edition)

REFERENCE MATERIALS:

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.


STUDENT WORKLOAD REQUIREMENTS:

<table>
<thead>
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<th>ACTIVITY</th>
<th>HOURS</th>
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<tbody>
<tr>
<td>Assessment</td>
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<tr>
<td>Directed Study</td>
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<tr>
<td>Private Study</td>
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<td>Residential Schools</td>
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ASSESSMENT DETAILS

<table>
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<tr>
<th>Description</th>
<th>Marks out of</th>
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<td>ASSIGNMENT 1</td>
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<tr>
<td>ASSIGNMENT 2</td>
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<td>50.00</td>
<td>08 Nov 2004</td>
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IMPORTANT ASSESSMENT INFORMATION

1 Attendance requirements:
   There are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.

2 Requirements for students to complete each assessment item satisfactorily:
   To complete each of the assessment items satisfactorily, students must obtain at least 50% of the marks available for each assessment item.

3 Penalties for late submission of required work:
   If students submit assignments after the due date without prior approval then a penalty of 20% of the total marks available for the assignment may apply for each working day late.

4 Requirements for student to be awarded a passing grade in the course:
   To be assured of receiving a passing grade a student must achieve at least 45% in each of the summative assessments and at least 50% of the available weighted marks for the summative assessment items.

5 Method used to combine assessment results to attain final grade:
   The final grades for students will be assigned on the basis of the weighted aggregate of the marks (or grades) obtained for each of the summative assessment items in the course.

6 Examination information:
   There is no examination in this course.

7 Examination period when Deferred/Supplementary examinations will be held:
   Not applicable.

8 University Regulations:
   Students should read USQ Regulations 5.1 Definitions, 5.6. Assessment, and 5.10 Academic Misconduct for further information and to avoid actions which might contravene University Regulations. These regulations can be found at the URL http://www.usq.edu.au/corporateservices/calendar/part5.htm. Students should also read the Faculty of Business Guide to Policies and Procedures of the Faculty which can be found at the URL http://www.usq.edu.au/handbook/current/buspolproc.html.

ASSESSMENT NOTES

1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the Examiner. (ii) Students must retain
a copy of each item submitted for assessment. This must be produced within 24 hours if required by the Examiner. (iii) The Examiner may grant an extension of the due date of an assignment in extenuating circumstances. Students may apply for an extension before the due date or by including an application with the submitted assignment after the due date. Such applications should be in writing and include supporting documentary evidence. The authority for granting extensions rests with the relevant Examiner. (iv) The Examiner will not accept submission of assignments by facsimile. (v) In the event that a due date for an assignment falls on a local public holiday in their area, such as a Show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the Examiner's convenience.

2 Course Weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to assessment.

3 Make-up Work: Students who have undertaken all of the required assessments in a course but who have failed to meet some of the specified objectives of a course within the normally prescribed time may be awarded the temporary grade: IM (Incomplete - Make up). An IM grade will only be awarded when, in the opinion of the examiner, a student will be able to achieve the remaining objectives of the course after a period of non directed personal study.

4 Deferred Work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. The temporary grade of IDM (Incomplete Deferred Make-up) may be awarded.