

**FIGURE 2.4A**  
A Proposal Form for  
an Automatic  
Vehicular Tracking  
(AVL) Public  
Transportation  
Project

Project Proposal Form	
Date: <u>Jan 22, 2xxx</u>	Proposal # <u>11</u> Sponsor <u>J. Moran</u>
Project classification? Strategic <u>      </u> Infrastructure <u>X</u> Compliance <u>      </u>	
What business problem does the project solve? Increase customer satisfaction through kiosk and Web site for bus, streetcar, and fast rail Enhance driver and traveler safety Hyperlink to: AVL.tri-met.org	
How does this project align with our organization strategy? Increase customer ridership through better passenger travel planning & scheduling decisions Faster response to accidents	
What are the major deliverables of the project? GPS vehicle tracking system, Internet access, schedule screen	
What is the impact of not doing this project? Not meeting ridership goals	
What are the three major risks for this project? Cost overruns      Integration of fast rail, bus, and streetcar systems Hacking system	
How will we measure success? Increased ridership Customer satisfaction Meeting budget and schedule	
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Will this project require internal resources? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Available?	
What is the estimated cost of the project? <u>\$10 million</u>	
How long will this project take? <u>22</u> Weeks	
Oversight action:      Accept <input checked="" type="checkbox"/> Return <input type="checkbox"/>	
Signature <u>XXXXXX</u>	Date: <u>Feb. 7, 2xxx</u>

In some cases organizations will solicit ideas for projects when the knowledge requirements for the project are not available in the organization. Typically, the organization will issue an RFP (Request for Proposal) to contractors/vendors with adequate experience to implement the project. In one example, a hospital published an RFP that asked for a bid to design and build a new operating room that uses the latest technology. Several architecture firms submitted bids to the hospital. The bids for the project were evaluated internally against other potential projects. When the project was accepted as a go, other criteria were used to select the best qualified bidder.

**FIGURE 2.4B**  
Risk Analysis for a  
500-Acre Wind Farm

**Brief Risk Assessment**

**Purpose:** To draw attention to apparent project risks that will need management attention.

**What are the four major risks of this project?**

1. *Government incentives curtailed*

2. *Land use injunction*

3. *Energy price decrease*

4. *New import tax*

Rank risks above by “probability” and “impact” on the chart below by High, Medium or Low.

**Risk Intensity Rating**

Risk	Probability	Impact
1. <i>Government incentives curtailed</i>	<i>High</i>	<i>High</i>
2. <i>Land use injunction</i>	<i>Medium</i>	<i>High</i>
3. <i>Energy price decrease</i>	<i>Medium</i>	<i>Medium</i>
4. <i>New import tax</i>	<i>Low</i>	<i>High</i>

**Check other project risk factors:**

**Complexity**      Low       Average       High

**Resource skills**      Good       Okay       Lacking

**Technology**      Low       Average       High

**Reviewed by**     Rachel          **Date**     April 1, 2xxx

### Ranking Proposals and Selection of Projects

Culling through so many proposals to identify those that add the most value requires a structured process. Figure 2.5 shows a flow chart of a screening process beginning with the creation of an idea for a project. See Figure 12.3 for a template for evaluating contractors.

Data and information are collected to assess the value of the proposed project to the organization and for future backup. If the sponsor decides to pursue the project on the basis of the collected data, it is forwarded to the project priority team (or the project office). Note that the sponsor knows which criteria will be used to accept or reject the project. Given the selection criteria and current portfolio of projects, the priority team rejects or accepts the project. If the project is accepted, the priority team sets implementation in motion.

Figure 2.6 is a partial example of an evaluation form used by a large company to prioritize and select new projects. The form distinguishes between must and want objectives. If a project does not meet designated “must” objectives, it is not considered and is removed from consideration. Organization (or division) objectives have been ranked and weighted by their relative importance—for example, “Improve external customer service” carries a relative weight of 83 when compared to other want objectives. The want objectives are directly linked to objectives found in the strategic plan.