39.102 Management of risk.

(a) Prior to entering into a contract for *information technology*, an agency *should* analyze risks, benefits, and costs. (See part 7 for additional information regarding requirements definition.) Reasonable risk taking is appropriate as long as risks are controlled and mitigated. *Contracting* and program office officials are jointly responsible for assessing, monitoring and controlling risk when selecting projects for investment and during program implementation.

(b) Types of risk *may* include schedule risk, risk of technical obsolescence, cost risk, risk implicit in a particular contract type, technical feasibility, dependencies between a new project and other projects or systems, the number of simultaneous high risk projects to be monitored, funding availability, and program management risk.

(c) Appropriate techniques *should* be applied to manage and mitigate risk during the *acquisition* of *information technology*. Techniques include, but are not limited to: prudent project management; use of *modular contracting*; thorough *acquisition planning* tied to budget planning by the program, finance and *contracting offices*; continuous collection and evaluation of risk-based assessment data; prototyping prior to implementation; post implementation reviews to determine actual project cost, benefits and returns; and focusing on risks and returns using quantifiable measures.

Parent topic: Subpart 39.1 - General