

The 4-Step Construction Risk Assessment

Use this 4-step process to identify risks, assess their business impact, and implement construction risk management tactics if necessary.

1. Understand Your Duties as an Employer

As you craft your construction risk assessment strategy, you need to be aware of your duties as an employer, as outlined by the Occupational Safety and Health Administration (OSHA) and state-run entities. Consult this documentation for more information.

1. [29 CFR 1926 Standard](#)
2. [Cranes and derricks standards and overview](#)
3. [Confined spaces standards](#)
4. [Trenching and excavation standards](#)
5. [Silica \(crystalline\) standards](#)
6. [The OSH Act of 1970](#)

2. Identify Risks On-Site

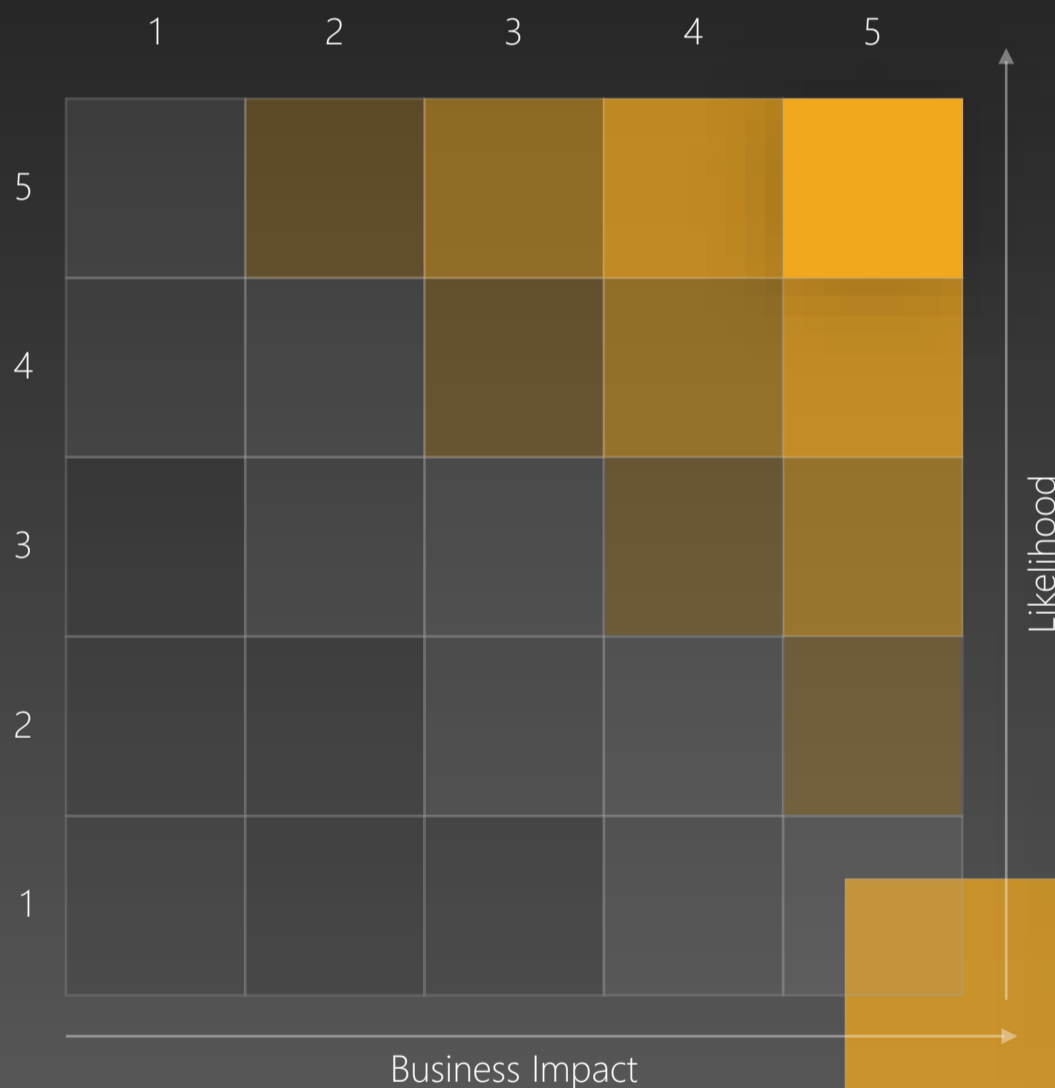
There is no shortage of risk present on a construction project. General Contractors and Construction Managers must be aware of financial risks, environmental risks, safety risks, productivity risks, as well as document, legal, and contract risks.

- Consult a list of construction risks
- Refer to past project data
- Anticipate unusual conditions
- Determine group-specific risks

Now, compile all your risks into a comprehensive list, including risk-specific details, such as:

- Risk name
- Risk description, including conditions/situations where the risk is prone to occur
- Risk response strategy (if one exists)
- Team members (or roles) responsible for managing risk

Once compiled, you are ready to assess each risk to determine priority and necessary controls.



3. Evaluate Risks with a Matrix

Assign a likelihood score and impact score for each risk. Then multiply these scores to determine a total impact score. All risks with a score of 10 or greater should be prioritized for risk management.

4. Implement Controls

Mitigate likely and impactful risks with controls.

Avoid the Risk

Bid on selective projects or change scope of work to eliminate risk.

- Ex. Only bidding on single storey projects to prevent workers falling from heights.



Mitigate the Risk

Create plans or processes that eliminate risks from the equations on your project.

- Ex. Implementing access control and secure perimeters to prevent unwanted site access.



Transfer the Risk

Re-allocating the risk to an external party to reduce risk exposure.

- Ex. Enrolling in workers' compensation insurance to cover potential injury costs.



Accept the Risk

Choosing to embrace the risk operationally or in exchange for other benefits/upside.

- Ex. Acknowledging that extreme weather events could lead to delays on a project.

