

# ENGINEERING & CONSTRUCTION RISK INSTITUTE

Document number:  
ECRI-RQ-001

## Glossary of Risk Quantification Terms

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**Purpose:** The purpose of the glossary is to provide for the E&C industry a set of common definitions of the terms used in the quantification of risks associated with the industry's work. The intent is to provide a common vocabulary for communication among Project Controls personnel responsible for quantification of risks, the project team responsible for risk assessment and mitigation, and management responsible for the setting of pricing suitable for the risks involved.

**Application:** The document supplements the vocabulary contained in ISO Guide 73 Risk Management- Vocabulary- Guidelines for use in standards. Only the terms, not the definitions are listed in this descriptive summary

**Accuracy**

**Allowances**

**Confidence Level**

**Contingency**

See also **Estimate Accuracy Contingency** and **Risk Event Contingency**.

**Contingency Drawdown**

**Cost**

**Escalation Allowance**

**Estimate Accuracy Contingency**

**Estimate Class**

**Estimating Allowance**

**Estimate Elements**

Management Reserve

**MTO Allowance**

**Price**

**Project Risk**

**Project Risk Management**

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### **Project Risk Management Plan**

### **Project Opportunity**

### **Provision**

### **Quoted Items**

### **Residual Risk**

### **Residual Risk Estimate**

### **Risk Event Contingency:**

### **Risk Identification**

### **Schedule Contingency**

### **Uncertainty**

- **Schedule Uncertainties**
- **Estimate Accuracy Uncertainties**
- **Project Execution Uncertainties**