

DATE OF MEETING APRIL 29 2019

AUTHORED BY POUL ROSEN, SENIOR MANAGER, ENGINEERING

SUBJECT PROJECT MANAGEMENT FRAMEWORK AND POLICY

OVERVIEW

Purpose of Report

To inform Council about the Project Management Framework and Capital Project Management Policy and to recommend that Council adopt the Policy.

Recommendation

That the Governance and Priorities Committee recommend that Council adopt the Capital Project Management Policy 11-5210-01.

BACKGROUND

The Core Services Review recommended the City adopt a Capital Project Management Policy. The purpose of the Policy would be to formalize capital construction project processes, in particular, on high value and high risk projects. Staff supported the approach to formalize a framework to implement the Policy across the organization.

The City engaged the consulting firm, Capex Project Advisory, to develop a project management framework and assist Staff in the development of a draft policy to establish best practices and ensure a consistent approach to project management.

The Policy will establish the requirement for projects to be completed in accordance with the Project Management Framework (PMF), which is a living document and sets minimum standards for project management.

The framework sets out standards and guidelines for project management based on project size, complexity and risk. The chapters include:

1. Project Governance
2. Procurement and Contract Management
3. Cost Management
4. Schedule Management
5. Risk Management
6. Stakeholder Management
7. Scope Management
8. Project Reporting
9. Resource Management

It also includes a series of templates to assist with use of the framework and facilitate compliance.

Not all projects fit into the traditional definition of a capital project, for example Information Technology projects. The policy sets out the requirement for these types of projects to follow the intent but not necessarily the letter of the Framework.

Through implementation of the Framework, and over time, it is expected that it will need to be revised, updated and amended to suit the changing needs of the organization. Staff will maintain the framework document to reflect best practices and the changing needs of the organization.

Both the Framework and the draft Policy were put forward to the Engineering and Public Works Committee in October 2018. The Committee endorsed the Framework and Capital Project Management Policy, and recommended that Council adopt the Policy.

A final draft of the Capital Project Management Policy is attached for reference. See Attachment A.

OPTIONS

1. That the Governance and Priorities Committee recommend that Council adopt the Capital Project Management Policy 11-5210-01.
 - **Budget Implication:** Process and procedures can sometimes be perceived as bureaucratic or liable to add unnecessary cost to City operations. A Capital Project Management Framework is necessary to bring consistency and provide assurance that all fundamental aspects of a project are being managed. This framework has been designed to ensure that good practices are implemented which are relative to the value and risk of each Capital Project. This will help to mitigate the risk of cost and time overruns, and reputational risk that comes with larger, more risky Capital Projects, while at the same time minimizing administrative burden on other Capital Projects the City delivers.
2. That Council recommend changes to the Capital Project Management Policy.
3. That Council decline to endorse the Capital Project Management Policy and Project Management Framework.

SUMMARY POINTS

- A Capital Project Management Policy will provide assurance to Council and the Public that projects are being managed in an effective and consistent way.
- The cost of project management may increase as a result of this policy; however, the benefits such as consistency and reliability will improve and so will the outcomes of projects.

ATTACHMENTS

Attachment A - Capital Project Management Policy 11-5210-01.

Submitted by:

Poul Rosen
Senior Manager
Engineering |

Concurrence by:

Bill Sims
Director
Engineering & Public Works |