

Green Line Committee

Technical and Risk Committee Verbal Report

Dec 17th 2019



December 17, 2019 | TRC Presentation to Green Line Committee

Recommendation

That the Green Line Committee accept this report for information.

Presentation Objectives

Create a common understanding of:

- Green Line program phases
- Importance of and attributes of good governance
- Alternative frameworks
- Further assessment of:
 - adjustments to current framework
 - Wholly-owned subsidiary

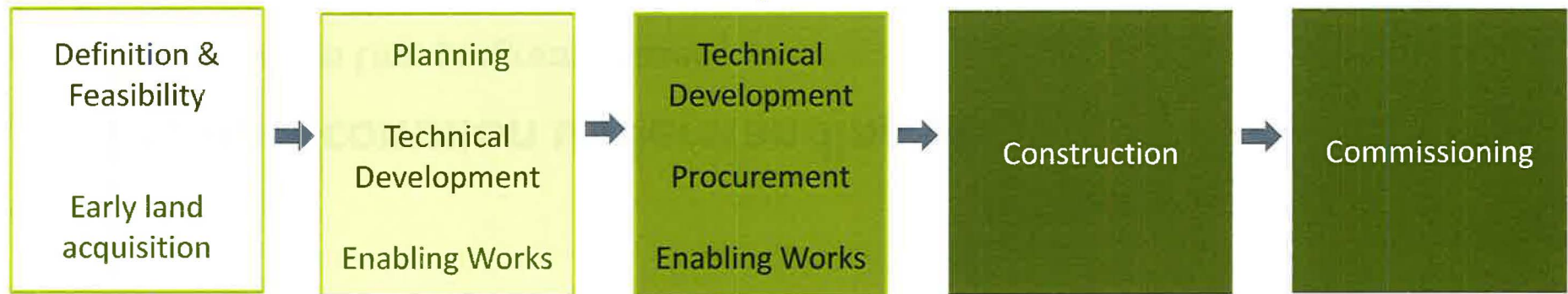
Program Phases

Delivery Phase is much more intense than Planning. Large number of important decisions every week/month. Risks can change quickly.

Feasibility

Planning

Delivery



Program Lifecycle Phases

Governance Attributes

- Good governance enables the right people, to make the right decisions, based on the right information at the right time.
- Good governance requires accountability, authority, alignment and disclosure.

Accountability (Focus)	Accountability must be unambiguous and ensure there is absolute focus around managing <u>project risk</u> and meeting <u>project objectives</u> .
Authority (Autonomy)	Authority must be delegated to the Project leadership, who must have autonomy from public sector operating environment to make decisions.
Alignment (Culture & Policies)	Alignment of the culture and policies must be around the Project and not the operating environment. These needs will change through the Project lifecycle.
Disclosure (Transparent)	Disclosure of information must be transparent to meet the needs of the public while protecting the commercial confidentially required to manage risk. And the Project leadership must proactively and frequently disclose changes in major project risks to the governing body.

Project Objectives & Goals

- 1** Guide the Green Line Project in achieving the Project Vision and Outcomes for Calgarians.
- 2** Promote fiscal responsibility so that the Green Line Project optimizes costs to residents and businesses, considers life cycle costs, and demonstrates value for money.
- 3** Consider and response public input received with the objective of being responsive to community values and concerns
- 4** Maintain accountability by following project management best practices.
- 5** Focus governance and oversight on the following project goals:
 - a) **Safety** – achieve industry standards in protecting employee and public safety
 - b) **Stakeholders** – effective and responsive communication and outreach with affected stakeholders
 - c) **Regulatory** – compliance with all permits, laws and regulations
 - d) **Environment** – minimize environmental impacts arising from construction and operation of the system
 - e) **Schedule** – deliver project on target to meet in-service date expected by public, stakeholders & funding partners
 - f) **Cost** – deliver project within the approved control budget
 - g) **Risk** – support the creation of a risk aware, commercially and technically competent delivery team

Current Governance Framework

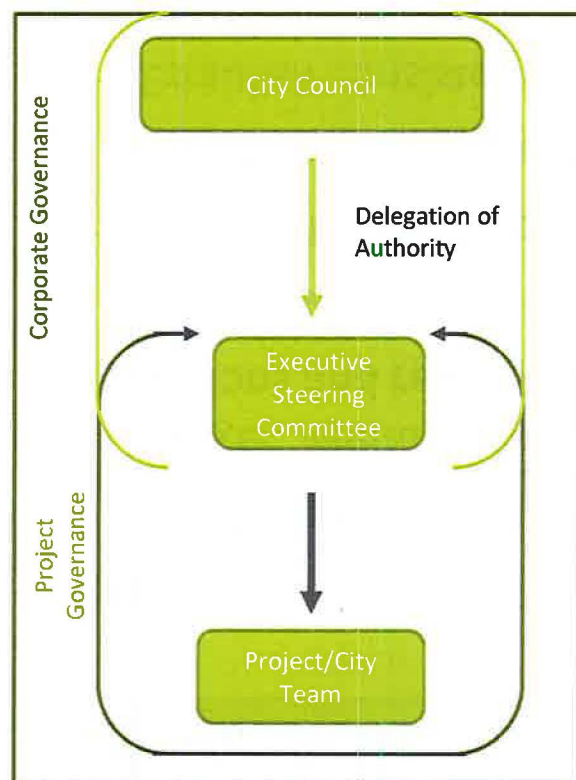
Question: What changes are necessary for the Delivery Phase?

Changes:

- City Manager to chair in accordance with typical board governance practices;
- Longer, agenda driven ESC meetings, with pre-submission of reports; recommended options and resolutions in all reports;
- Create senior advisors committee for Project Sponsor and ESC;
- Frequent tracking of risks and updating of risk registers, including compliance risks;
- Adopt stage gate process for decision making;
- Establish consistent monthly reporting.

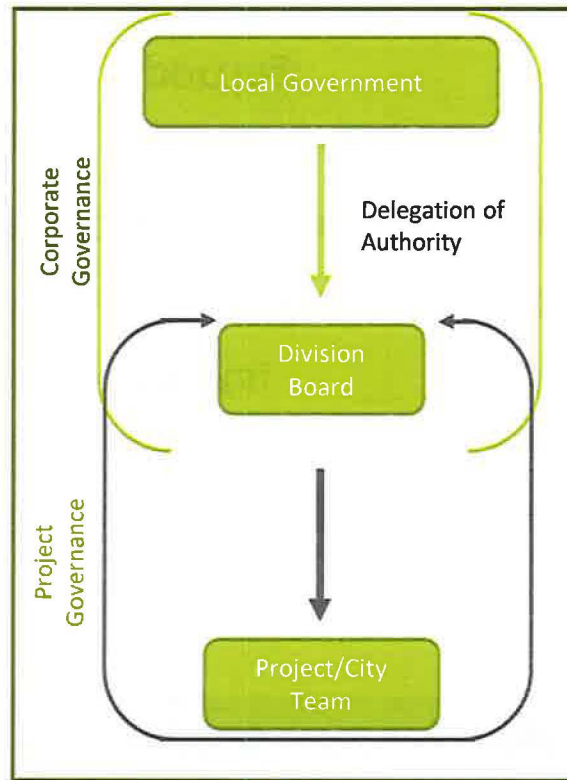
Governance Framework options

Internalized



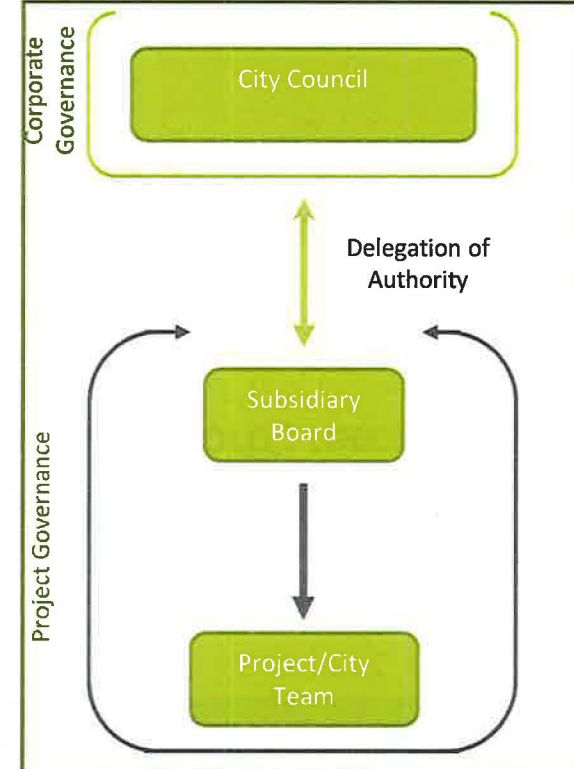
Internally governed department
City of Calgary

Hybrid



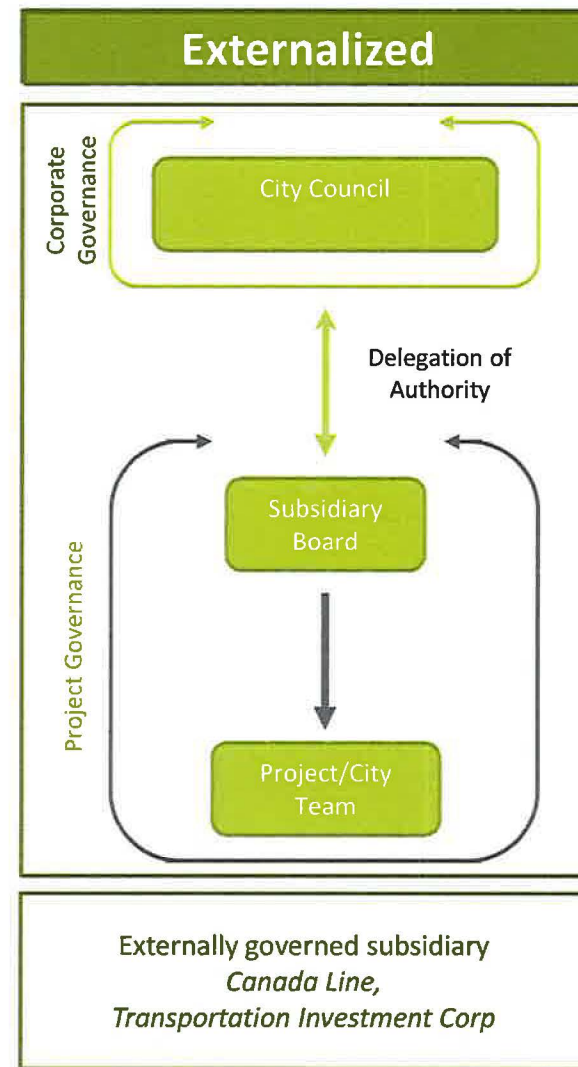
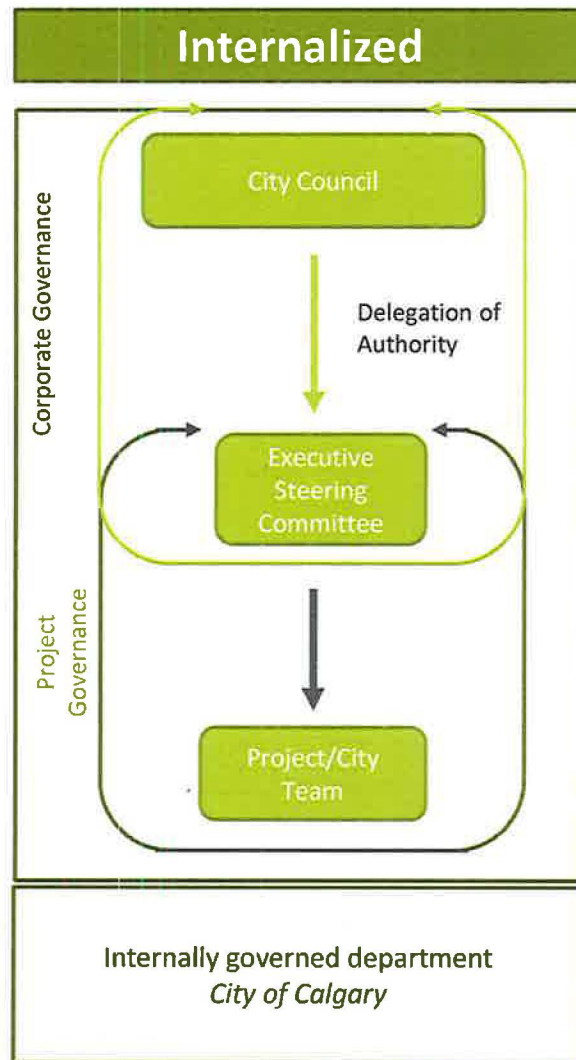
Internal / external governed division
Capital Regional District (CRD)

Externalized



Externally governed subsidiary
*Canada Line,
Transportation Investment Corp*

Governance Framework options



What is the Wholly-owned Subsidiary?

- Council appointed board, majority independent, mega project experienced directors;
- Accountability matched with sufficient authority to govern;
- Tightly defined mandate focused on procurement and construction;
- No ownership of real property or physical assets;
- No responsibility for property acquisition and Transit Oriented Development;
- Together with the City, counterparty to all major contracts; and
- Defined due diligence requirements must be satisfied prior to executing contracts
 - Requires a collaborative relationship

Questions?

- **Adjust current governance framework to suit Delivery Phase**
- **assess costs, benefits and risks of a wholly owned subsidiary**



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