

Deputy City Manager's Office Report to
Audit Committee
2021 June 24

ISC: UNRESTRICTED
AC2021-1005
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Overview of the Corporate Project Management Framework and its Quality Assurance Process

RECOMMENDATION:

That the Audit Committee recommend that Council receive this report and attachment for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2021 JUNE 24:

That Council receive Report AC2021-1005 and Attachment for the Corporate Record.

HIGHLIGHTS

- This report provides an overview of The City's Corporate Project Management Framework ("CPMF") and the Project Management Quality Assurance ("PMQA") process for information.
- As approved by Audit Committee on 2021 February 25 AC2021-0215, Deloitte was tasked to perform specific procedures related to the CPMF.
- What does this mean to Calgarians? The CPMF was established to strengthen The City's project management practices and support the "on time, on budget" delivery of capital projects.
- Why does this matter? Deloitte has confirmed that The City delivers capital projects that are well aligned to the CPMF standards.
- The CPMF was established in response to Audit Committee/Council findings and includes 12 mandatory Standards that govern the practice of Project Management at The City.
- The PMQA process is undertaken annually to ensure that the processes and practices used to develop/deliver capital projects are in alignment to the CPMF Standards.
- The establishment of the CPMF and PMQA process is a significant achievement and has contributed to The City of Calgary being a recognized leader in municipal project management
- Administration accepts the exceptions noted in Deloitte's report (External Auditor Specified Audit Procedures on the Corporate Project Management Framework, AC2021-0913), recognizes that the improvement of project management maturity is an evolutionary journey and commits that findings will be incorporated as part of the CPMF's continuous improvement.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

As directed by the former City Manager, the Corporate Project Management Framework (CPMF) was initiated in 2011 September. The CPMF was established in response to Audit Committee reports AC2011-54 (16 Avenue North Urban Corridor), AC2011-60 (Fire Department Facilities Construction) and Notice of Motion NM2011-33 (Improvements to the Project Management Process) as well as an amendment to LPT2011-99 (West LRT – Project Update and Completion Plan).

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The General Manager of the Deputy City Manager's Office acts as the Executive Sponsor for the CPMF. Support and stewardship of the CPMF is provided by Corporate Analytics and Innovation and governance is ensured by the Corporate Project Management Framework Steering Committee, which includes manager-level (or similar accountability) staff from capital and supporting business units.

Capital delivery business units represented on the Steering Committee include Transportation Infrastructure, Calgary Transit, Roads, Facility Management, Real Estate and Development Services, Water Resources, Waste and Recycling Services, Parks, Recreation, and Information Technology. Finance, Law, City Audit's Office and Supply Management participate as supporting business units.

The CPMF was developed and rolled out as a "standards-based approach" primarily based on the guidance provided by the Project Management Institute's PMBOK (Project Management Body of Knowledge). It was influenced by other leading international practices like PRINCE2 (Projects in Controlled Environments), a process-based method, and the International Standard for Project Management, ISO21500. A standards-based approach identifies mandatory requirements while still allowing some flexibility regarding the application of more detailed processes or procedures. This approach works well within a complex, multifaceted organization like The City of Calgary.

The 12 Standards that make up the CPMF were implemented in a series of phases that spanned three years, as showcased in Attachment 1 – Corporate Project Management Framework (CPMF) Highlights. The "go-live" for the third and final phase of project management Standards occurred on 2015 February 2, marking the formal completion and implementation of all Council-approved deliverables.

Since 2014, trained project assessors and/or City staff undertake annual project reviews to ensure that The City's capital projects adhere to the CPMF Standards. The results are presented to senior management and the CPMF Executive Sponsor in order to guide continuous improvement of the practice.

The development of the CPMF is an innovative approach to governing the practice of municipal project management and has been leveraged by other municipalities across North America. This significant achievement resulted in The City of Calgary being a leader in municipal project management, notably receiving the Project Management Institute's "2014 Project Management Excellence in an Organization" award. Administration also acknowledges that many successful capital projects have benefited from having the CPMF standards in place, including the cross-organizational 2013 Flood Recovery program to name but one.

Notwithstanding recent successes, the improvement of project management maturity is an evolutionary journey that requires a careful and thorough approach. For a complex organization the size of The City of Calgary, improving business maturity is a change that requires time to do it right. Improving project management maturity requires a diligent approach guided by sound process, data, benchmarking and quality management approaches.

Administration recognizes that our evolution towards a fully mature project managing organization is not complete. It is committed to continually building upon the standards and practices to improve its project management maturity, to improve its organizational model to

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deliver capital projects and to establish ways of achieving and capturing project savings to reinvest into the community.

Administration accepts the exceptions noted on the Specified Procedures Report. It is confident that the findings demonstrate that The City of Calgary is moving in the right direction with respect to the continuous improvement of project management practices. It is committed to continue to build upon existing internal project management practices and standards, and to work accordingly with our partners and stakeholders as we do so.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Specific to this report, the Corporate Project Management Centre and Finance worked closely with Deloitte to liaise with project managers throughout the organization to collect and analyze the necessary information. The Corporate Project Management Framework Steering Committee, the CPMC and Finance wish to formally acknowledge and thank the numerous City staff that directly contributed to this report.

Stakeholder engagement has been essential to the successful development and implementation of the CPMF. A comprehensive change management, communications and engagement strategy and plan guides all program activities, including this most recent Specified Procedures Report. This strategy provided the foundation for the development of the CPMF's innovative governance structure, involving the General Manager of the Deputy City Manager's Office through to front-line project managers. Industry stakeholders, including those third parties that support the design and deliver of The City's capital projects, were engaged as part of the design of the CPMF but not as part of the Specified Procedures review.

IMPLICATIONS

Social

Not applicable.

Environmental

Not applicable.

Economic

Not applicable.

Service and Financial Implications

There are no anticipated service or financial impacts of the exceptions noted in the Specified Procedures Report.

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RISK

The risks associated with the CPMC, and the adoption of the findings from the Specified Procedures Report, include:

- Resource constraints could result in slowing the CPMF program, or delaying the PMQA process in 2021;
- Resistance to change may be encountered from project managers, management teams and others; and
- Lack of strong advocacy and direction from senior management may preclude permanent cultural change within The Corporation.

Having the appropriate program charter, governance, change management and communications plan in place will be the key to mitigating risks related to resources. The program continues to work with the business units to ensure program work is scoped with consideration to available resources.

ATTACHMENT

1. Corporate Project Management Framework Program Highlights

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	Deputy City Manager's Office	Approve
Carla Male	Chief Financial Officer	Approve