

Accelerating Capital for Economic Resilience (ACER) Summary

The Accelerating Capital for Economic Resilience (ACER) initiative has been tasked with identifying and implementing improvements to The City's capital project delivery processes, with the goal being to ensure they are as efficient and effective as possible. This is part of an overall strategy of continuously improving how work is done to achieve the maximum value and efficiency with respect to delivery of capital projects.

ACER is examining capital project delivery and related processes from the short term (2016), medium term (2017) and long term (2018 and beyond) perspectives. Given the limited time available to influence the 2016 capital work program, the initial focus of activities has been on opportunities that can be addressed in the short term.

Stakeholders from capital project delivery areas have been engaged as have stakeholders from areas that partner with, and support, capital project delivery (e.g. procurement, legal, land acquisition, public engagement and engineering). Stakeholder engagement is critical to determine the best opportunities to accelerate capital project delivery.

Four themes have emerged regarding opportunities to accelerate capital project delivery:

- **Capital Project Delivery Process.** There are opportunities to improve consistency and ensure there is adequate knowledge and support.
- **Staffing.** There are indications that some areas are understaffed and/or require additional staff to accelerate capital.
- **Workload Forecasting.** Additional workforce planning to ensure alignment between capital project delivery resources required and resources available.
- **Capital Planning and Management.** This is a broad theme where it has been identified that there is a need for meaningful measures of capital project investments and reporting.

In alignment with the above themes, there are initiatives that have been identified to address capital project delivery efficiency. Some of these, depending on the implementation approach, could be applicable in the short term. While there is a certain amount of overlap, the opportunities are outlined below in two groups; one group that is primarily applicable to capital project delivery areas and the other to capital project delivery partner areas.

Capital Project Delivery Areas

- Review 2016 capital work program to confirm forecast of capital project delivery partner resources needed
- Additional project management and administration staff where justified
- Additional support for project managers in the form of training, coaching and project plan reviews

Capital Project Delivery Partner Areas

- Designate/dedicate staff from capital project delivery partner areas to align with major capital project delivery areas
- Re-evaluate staffing to ensure sufficient capacity to support capital project requests based on forecasts of work provided by capital project delivery areas

- Implement/designate a dedicated “expeditor” or “facilitator” role in capital project delivery partner areas to get involved with project planning to ensure completeness and/or to address issues that are encountered

In addition to the potential short term opportunities identified above, ideas are coming forward with respect to the medium and long term. They include:

- Investigate current estimating and budgeting processes with respect to how cash flow is currently incorporated and how it might be improved
- Determine and implement metrics for reporting on capital program. (Included in this is thinking in terms of investments being made and the expected outcomes as well as communicating the value and benefits of capital projects along with financial information)
- Undertake a detailed capital project delivery process review
- Engage industry as part of the process

While substantial progress has been made in gathering information and generating ideas to continuously improve capital project delivery performance, there is still significant work to be done. Next steps include refining the list of short term initiatives and finalizing implementation plans. The work to implement the short term initiatives will then proceed. This work will take place during the remainder of 2015 and the first quarter of 2016. Definition of the medium and long term scope of the ACER initiative will also take place during this time frame.

Additional funding is required in order for ACER to achieve its short term and long term goals. While ACER can be funded through the existing corporate project management charge against capital budgets, the current charge of up to 0.5% needs to be increased to maximum of 1.5%. While this could result in the maximum charge rising from about \$6.5 million to \$19.5 million based on capital spending of \$1.3 billion, this funding will only be used as required and appropriate controls will be established.

In the short term, this funding will be used to create an envelope of funding to augment capital project delivery capacity in key areas such as Law and Supply Management. It will also support the implementation of cross functional teams focused on delivering capital projects efficiently and effectively.

With respect to the longer term, the funding will be used for a comprehensive review of existing capital project delivery processes as well as implementation of improvements where opportunities exist. This includes developing and implementing long term strategies to ensure there is adequate and justifiable capacity to deliver capital projects.

ACER will continue to be a collaborative effort with representatives from departments and business units involved with capital project delivery and those who are partners and support capital project delivery.

In summary, opportunities exist to continuously improve or streamline processes, address knowledge gaps and resolve resource issues to accelerate capital project delivery. The ACER initiative is positioning to pursue these opportunities wherever possible in the short term and in future phases.