

2014 CORPORATE PROJECT MANAGEMENT FRAMEWORK STATUS UPDATE

EXECUTIVE SUMMARY

This report provides an update on the development and implementation of the Corporate Project Management Framework established in response to Audit Committee reports AC2011-54, AC2011-60 and Notice of Motion NM2011-33. This report is an update to Council through the Priorities and Finance Committee on progress made since the last report was presented on 2013 March 12.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council:

1. Receive this report for information; and
2. Direct Administration to report on the progress of the implementation of the Corporate Project Management Framework in Q1 of 2015 to Council through the Priorities and Finance Committee.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2014 APRIL 22:

That the Administration Recommendations contained in Report PFC2014-0185 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 March 12, Administration presented Report PFC2013-0026 to the Priorities and Finance committee. This report was received and approved. Administration was directed to report to Council through the Priorities and Finance Committee on the implementation of the Corporate Project Management Framework in Q1 of 2014.

BACKGROUND

The Corporate Project Management Framework Program has been working since early 2012 to address findings from multiple internal and external audits as well as Council Notice of Motions identified in "Alignment of Corporate Project Management Framework Deliverables to Audit Recommendations" (Attachment 4).

As requested, the program has been reporting annually to Council through the Priorities and Finance Committee. Program progress has been identified in "Corporate Project Management Framework Highlights" (Attachment 1) and the "Program Work Plan Summary" (Attachment 2).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

As directed by the City Manager, the Corporate Project Management Framework program was initiated by The Corporate Project & Asset Management division of Infrastructure & Information Services in 2011 September. Since the program was established, collaboration and participation have been fundamental principles behind the development and implementation of Corporate Project Management Framework policy, practices and standards. The program continues to engage stakeholders across all in-scope business units.

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In terms of overall governance, the City Manager has acted as the Executive Sponsor. The role of program sponsor and program manager reside within Corporate Project Asset Management. A steering committee was formed comprised of members representing capital construction business units and key supporting business units. The steering committee was established to:

- provide a forum for communicating program progress;
- serve as a mechanism for engagement;
- assist with risk management / issue resolution; and
- provide direction to the Corporate Project Management Framework program.

The steering committee plays a key role in providing direction on alternatives related to improving the maturity of project management processes at The City. This is done through bi-weekly reporting and planning sessions as well as project selection for the program phases (herein referred to as “waves”).

Capital construction business units represented on the steering committee include Transportation Infrastructure, Calgary Transit, Roads, Corporate Properties & Buildings, Office of Land Servicing & Housing, Water Resources, Waste & Recycling Services, Parks and Recreation. Supporting business units that participated as members of the steering committee were Finance, Information Technology, Law and Supply Management. A representative of Infrastructure & Information Services acts as the chair for the steering committee.

The first wave of the program focused on foundational practices and standards. The second wave, which is currently being implemented, builds upon that foundation. The program team is currently in the process of planning for the third wave. The third wave will be focused on sustainment within The Corporation. A more detailed summary of the Corporate Project Management Framework deliverables by wave is presented in the “Corporate Project Management Policy, Practices and Standards” (Attachment 3).

In 2013, there were two situations that had an impact on the pace at which the Corporate Project Management Framework program was delivered to The Corporation. The program team was asked to slow down the pace of delivery in response to an aggressive work schedule in the first wave. This request came from both the Program Steering Committee and from the Executive Sponsor. Further, the 2013 flood event resulted in resource shortages, as participants in the program were assigned to high priority flood and flood recovery work. The Corporate Project Management Framework team also had members seconded to the Recovery Operations Centre. The cumulative effect of these two situations was that the scope of work completed in wave two and the timeline for completion were impacted.

Staff of Corporate Project Asset Management and Transportation Infrastructure also addressed the direction received from City Council through the amendment to Report LPT2011-99 (West LRT – Project Update and Completion Plan) related to lessons learned. The initial report from this group was completed in 2012 February. As they were identified, lessons learned were incorporated into the Corporate Project Management Framework. The final “West LRT Lessons

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Learned” report was received by the Corporate Project Management Framework Steering Committee in 2013 December. In response to these reports, the Corporate Project Management Framework program included projects related to risk, change control, contracting strategies, estimation classification and the use of contingency. A more detailed summary of Corporate Project Management Framework response to audit requests is in the “Alignment of Corporate Project Management Framework Deliverables to Audit Recommendations” (Attachment 4).

Stakeholder Engagement, Research and Communication

Engagement, collaboration, and participation from key stakeholders have been essential throughout the development and implementation of the Corporate Project Management Framework. A program steering committee, comprised of manager-level staff from in-scope business units, was established at the program’s outset to provide both direction for the program as well as a forum for communicating with members’ respective business units. This steering committee continues to meet bi-weekly. Project teams with members from across The Corporation have led and participated in workshops and pilot projects that have created the program’s standards, guidance documents, processes and research projects.

Individual and group briefing sessions have been held regularly. These sessions have included individual meetings between the Corporate Project Management Framework’s Executive Sponsor, Sponsor, Program Manager and in-scope department and business unit management; open houses; and town hall events.

Program communications are guided by a comprehensive communications and engagement strategy that relies on a multi-channel approach to inform and engage stakeholders. Channels include briefing sessions, an intranet webpage, an e-newsletter, and regular content supplied to The City’s myCity homepage.

As the implementation of the Corporate Project Management Framework continues, the project team will maintain an emphasis on communication and engagement.

Strategic Alignment

Developing and implementing the Corporate Project Management Framework facilitates the achievement of the corporate objectives and plans. The Corporate Project Management Framework is addressing recommendations documented in reports AC2011-54 and AC2011-60 issued by the City Auditor and Notice of Motion NM2011-33 brought forward to Council.

The Corporate Project Management Framework also directly supports Council’s Fiscal Plan and the efforts to ensure The City progresses towards becoming “a more effective and disciplined organization”. Corporate Services and Infrastructure & Information Services business plan strategies are also supported by development, implementation and sustainment of the Corporate Project Management Framework.

The Corporate Project Management Framework brings focus to project delivery through improved transparency and accountability. It reduces risk and provides greater assurance that projects are providing their intended results.

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Several of these benefits and outcomes relate directly to recommendations provided through the audit process. A summary of audit recommendations and Corporate Project Management Framework responses is included as “Alignment of Corporate Project Management Framework Deliverables to Audit Recommendations” (Attachment 4).

Social, Environmental, Economic (External)

Projects are the means by which strategies are implemented. Project management practices support transportation infrastructure delivery, growth management and competency development within the corporation’s workforce. Specifically, the Corporate Project Management Framework includes practices required for the infrastructure management and cost efficiency outcomes detailed within the “Sustainable Corporation” and “Financial Capacity” sections of the “Sustainability Direction”.

Financial Capacity

Current and Future Operating Budget:

The development and implementation of the Corporate Project Management Framework program, including the use of external consultants, has been funded through the existing, approved budget for the Corporate Project Management Centre and contributions of staff from participating capital project business units.

The alignment to Corporate Project Management Framework standards is mandatory for all in-scope capital construction projects. Corporate Project Asset Management is working to ensure that operating requests to support and sustain this initiative align to the 2015-18 Action Plan process.

Current and Future Capital Budget:

The impact of longer term initiatives such as project management technology implementation is not currently included as part of the Corporate Project Management Framework. An assessment to fully quantify these impacts is underway. As work continues on the Corporate Project Management Framework, it has been noted that a project management technology system could provide valuable support for the practice of project management at The City.

There is no additional funding required at this time to fund project management system implementations as an assessment of requirements is necessary. This assessment has been initiated and when completed a follow up report will be prepared and presented.

Risk Assessment

The major risks associated with this program are:

- delays in acquiring resources (internal and external) to continue Corporate Project Management Framework initiatives that could result in slowing or stoppage of the Corporate Project Management Framework program;

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- extra effort required to meet Corporate Project Management Framework requirements at the business unit level (resistance to change may be encountered from project managers, management teams and others);
- lack of “buy in” from major capital construction business units in the corporation; and
- lack of strong advocacy and direction from senior management may preclude permanent cultural change within the Corporation.

Having the appropriate planning and governance in place is the key to mitigation with respect to risks related to ensuring resources are available to support the Corporate Project Management Framework. The program continues to work with the business units to ensure program work is scoped with consideration to available resources.

Regarding risks associated with corporate change management, a focus on communication, engagement and organizational change management will greatly reduce the impact. A number of engagement tactics are being employed to mitigate risks with project managers and management teams including briefing sessions and business unit roll outs.

Risks continue to be monitored for this program. Known risks are analyzed based on the probability of the risk occurring and the potential impact. New risks are assessed on a continuous basis and responses to the risks are implemented as necessary.

REASON(S) FOR RECOMMENDATION(S):

The Corporate Project Management Framework has made substantial progress in addressing the recommendations raised by the City Auditor in published audit reports. It addresses the need for standard approaches for the five project management process groups: initiation, planning, executing, monitoring & controlling as well as closing out our projects.

The current work program for the Corporate Project Management Framework is forecast to continue through to the fall of 2014, the focus of this work is on sustaining the use of the Corporate Project Management Framework and building upon the foundation that has been created. The Corporate Project Management Centre is responsible for the ongoing sustainment and maintenance of the Corporate Project Management Framework. Sustainment and maintenance includes providing supporting services, continuous improvement of project management practices, ongoing education and the Project Management Quality Assurance Program.

In summary, the value of the Corporate Project Management Framework is in establishing consistent expectations and in developing and maintaining solid project management competency. Project management is essential for helping to ensure project results are delivered effectively and efficiently for the benefit of citizens.

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ATTACHMENT(S)

1. Corporate Project Management Framework Highlights
2. Program Work Plan Summary
3. Corporate Project Management Policy, Practices and Standards
4. Alignment of the Corporate Project Management Framework Deliverables to Audit Recommendations