

Infrastructure Calgary

Program Guidance Document

What: Infrastructure Calgary (IC) is a corporate-wide initiative that will provide governance and oversight of The Corporation's Capital Infrastructure Investment Strategy (CIIS). The intent of the CIIS is to increase The City's ability to deliver programs and services to citizens through investment in capital infrastructure. While not limited to increasing The City's capacity to spend capital funding, this has been identified as a core area of investigation. IC will enhance The Corporation's ability to prioritize and manage capital projects and programs across departments, track the value of The City's capital spend, address risk, and ensure we have sufficient staff resources with the capability to deliver projects on time, on budget and within scope.

Who: IC is an initiative under the Deputy City Manager's Office. A dedicated Program Management Office (PMO) has been established to plan, manage, execute and report on the IC portfolio. This initiative and associated PMO will be guided by a cross-corporate governance committee representing capital intensive business units and business areas supporting the capital process. IC has also established a network of department and business unit representatives from across The Corporation to assist future work and initiatives. This will ensure IC will be able to engage and collaborate with stakeholders throughout the organization to strengthen the systems and processes involved in capital planning management.

Why: There are several drivers behind Infrastructure Calgary. Five primary goals have been identified.

1. Stimulate the economy by increasing the quality and velocity of capital expenditures
2. Strengthen investment decision making to maximize the return for Calgarians
3. Enhance capital delivery efficiency and effectiveness
4. Improve transparency and line of sight for key stakeholders
5. Attract investment to Calgary

How: There are multiple initiatives, objectives and deliverables established to deliver on program goals. IC will be focused on all capital investment in The City across all departments. It will be responsible for:

- **Review of capital budgets & cash flow analysis** – all capital budgets need to be reviewed to look at current estimates as cash flow analysis as committed to Council in late 2015;
- **Enhance capital spending velocity** – with the potential announcement of additional funding in Federal & Provincial budgets, The City needs to review its capacity and ability to expend capital on those required infrastructure projects, while incenting the economy during this time;
- **Method of prioritizing** - Setting the overall prioritization criteria, methodology and framework for prioritization of capital projects;
- **Review** –Evaluating all capital business cases submitted by departments;
- **Balancing needs** - Weighing any individual capital project against the corporate list of capital projects in a fair and transparent manner;
- **Corporate alignment** - Ensuring alignment of any approved capital project with corporate priorities;
- **Decisions** - Making decisions on which business cases are approved for funding and delivery;

- **Authority** – Ensure both comprehensive review of the overall capital program and that authority is executed at the correct level to best balance speed and flexibility with governance and protecting the interests of The City.
- **Risk** - Reviewing risk and ensuring it is in-line with the desired corporate risk profile; and,
- **Ensuring high performance** – Receiving regular updates on the performance of the program and directing corporate initiatives aimed at improving any identified gaps.

Infrastructure Calgary will not be involved in:

- The project management or delivery of projects, unless requested by the individual departments or as required, dependent upon monthly reporting results

When: Infrastructure Calgary is a multi-year initiative with goals and deliverables over three phases: short, medium and long term.

Phase 1: Short-Term Priorities

IC will take a long term approach in reviewing its capital budget outcomes and processes. However, a phased approach will be taken to the work-plan. Its first priorities will be to:

1. Increase investment in Calgary through improved capital management;
2. Enhance velocity of infrastructure investment in response to required economic stimulus and increased grants from senior levels of government (ACER);
3. Develop an overall Corporate Infrastructure Investment Program (maintenance and growth);
4. Set corporate funding allocations;
5. Perform corporate-wide project selection; and,
6. Determine corporate-wide project prioritization.

Phase 2 & 3: Medium-Term & Longer Term Priorities

Priorities in the medium to long-term will shift to improving the broader approach to capital investment in The City, including:

1. Review of Project Management best practices;
2. Review and analyze of cash flow and seeking opportunities to capture contingency funds where appropriate for corporate re-allocation;
3. Developing an understanding of:
 - a. how many project managers exist in The Corporation and their workload allocation;
 - b. how much supporting operating is charged to capital; and,
 - c. the project management funding and delivery cycle to evaluate the potential of seeking funding with level 3 estimates, instead of level 5.
4. Improve selection by developing common business cases including but not limited to:
 - a. funding;
 - b. risk identification & mitigation; and,
 - c. cost benefit analysis.
5. Developing common, regular reporting tools, including public facing accountability tools, “dashboards”;

6. Requiring that all status 'red' (major issue) projects come to Infrastructure Calgary for possible resource re-allocation and permit status 'yellow' (some issues) projects to be forwarded as well; and,

Ensuring proper allocation of enabling functions (ex. Engagement & Communications – in alignment with the new service delivery model