

Calgary

Background

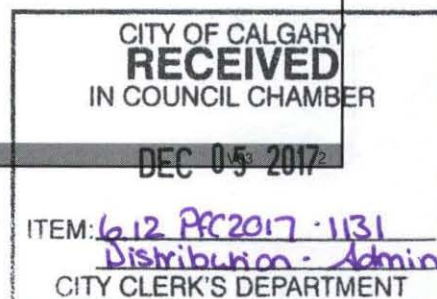
Direction Administration received from Council was in report **PFC2016-0853**, presented to the Priorities and Finance Committee on 2016 December 13 and subsequently to Council on 2016 December 19.

The direction received was for:

“Administration to **continue** its work regarding the **implementation of a capital budgeting process** that **aligns to the stage gating, project risk management, estimation and contingency standards** and report back to the Priorities and Finance Committee prior to the end of December 2017.”

2017 December 5

Presentation





## Progress

### Capital Budget Process

- **Infrastructure Calgary** established to coordinate City-wide infrastructure investment activities
- Capital investments to be aligned to **municipal services**
- Quantify and incorporate **operating cost of capital**
- System and process improvements underway through **Hyperion** project and **Infrastructure Investment Planning (IIP)** project

### Stage Gating

- Developed **Stage Gate Standard** as part of the Corporate Project Management Framework
- Initial roll out complete and being incorporated into operations at **department and business unit level**



## Progress (Continued)

### Project Risk Management, Estimating and Contingency

- Continued with efforts to advance project management capabilities and maturity by **reviewing, updating and implementing** standards for **Project Risk Management, Project Estimating and Contingency**
- **Risk** management standard requires that **likelihood and impact** are considered as part of overall level of risk
- **Estimating** model consists of **5 classes** that align to stage gates and reflects increased precision as project progresses
- **Contingency** determined and managed **based on level of risk** associated with project



## Next Steps

**Subject to further direction received from Council,**

**Administration will proceed as follows:**

- Infrastructure Calgary to lead work to update capital budget process to include links to stage gating along with clear communication regarding estimates, contingency and risk
- Infrastructure Calgary will ensure that this work is fully integrated with service planning and budgeting (One Calgary) and Finance efforts

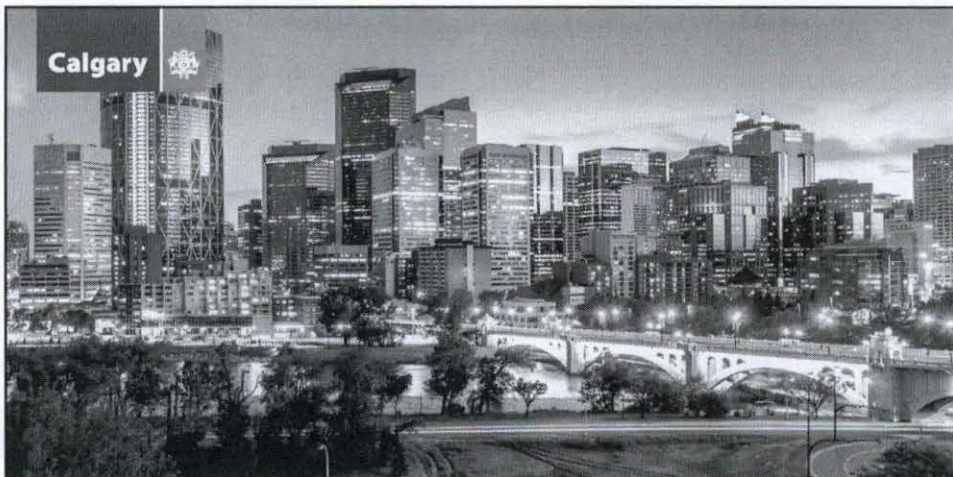


## Recommendation

The recommendation is:

That Council:

1. Receive this status update for information.
2. Direct that Administration bring further updates on the capital budget process through the One Calgary program.



**Calgary**

**Status Update on Project Management Practices and Capital Budget Process**

QUESTIONS

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