

## **CORPORATE PROJECT MANAGEMENT FRAMEWORK PROGRESS UPDATE**

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### **EXECUTIVE SUMMARY**

This report provides an update on the development and implementation of the Corporate Project Management Framework (the Framework). The Framework was established in response to Audit Committee reports AC2011-54, AC2011-60 and Notice of Motion NM2011-33. This report was requested by the Priorities and Finance Committee in report PFC2014-0185 on 2014 April 22.

### **ADMINISTRATION RECOMMENDATION(S)**

Administration recommends that the Priorities and Finance Committee receive this report for information.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

The Framework was established in response to Audit Committee reports AC2011-54, AC2011-60 and Notice of Motion NM2011-33. This report was requested by the Priorities and Finance Committee in report PFC2014-0185 on 2014 April 22.

Work is starting in Q1 2015 with the Calgary Emergency Management Agency (CEMA) in response to the internal audit report AC2014-0734 titled "Flood Recover Expenditure Audit" to "develop corporate project management guidelines specific to disaster events" as well as findings from the external auditor to improve project management processes as related to Tangible Capital Asset (TCA) reporting.

Most recently, at its meeting on 2015 February 09, Council approved a Notice of Motion to further review The City's project management practices and that the City Manager report back to Council via the Priorities and Finance Committee no later than end of May 2015.

### **BACKGROUND**

As directed by the former City Manager, the Framework was initiated by the Corporate Project and Asset Management (CPAM) Division of Infrastructure and Information Services (IIS) in 2011 September. Since the program was established, collaboration and participation have been fundamental principles behind the development and implementation of Framework policy, practices and standards.

As part of the governance of the Framework, the City Manager acts as the Executive Sponsor. The role of program sponsor and program manager resides within CPAM. Overall program governance is provided by the Corporate Project Management Framework Steering Committee, which includes Manager-level (or similar accountability) staff from capital and supporting Business Units.

Capital Business Units represented on the steering committee include Transportation Infrastructure, Calgary Transit, Roads, Corporate Properties and Buildings, Office of Land Servicing and Housing, Water Resources, Waste and Recycling Services, Parks, Recreation, and Information Technology. Finance, Law and Supply Management participate as supporting Business Units. The Manager of CPAM represents IIS and chairs the Steering Committee. The Framework has been developed and implemented in a series of phases (or "waves"). The

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first phase of the program focused on policy, foundational practices and standards. The second phase built upon the foundation by adding standards and guidance related to project governance, change control and risk management. The second phase also provided guidance to Project Managers in the areas of contracting and procurement.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The third phase of the Framework, as undertaken in 2014 and early 2015, focused on transition to sustainment and maintenance of the Framework. Attachment 1, "Framework Highlights and Work Plan", presents a summary of the deliverables of each previous phase as well as the accomplishments in 2014/15.

The Framework program has been working since early 2012 to create deliverables that fulfill those requirements identified in the original Council-approved Program Charter and Audit Committee reports AC2011-54, AC2011-60 and Notice of Motion NM2011-33. Attachment 2, "Alignment of the Framework Deliverables to Audit Recommendations" identifies these deliverables.

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.

With the support of numerous internal staff, Administration is proud to announce that The City of Calgary won the Project Management Institute's "2014 Project Management Excellence in an Organization". In addition, The City of Calgary has also been approached by the Cities of Vancouver, Ottawa, Gatineau and New York to share its experience, research and practice documents to assist them with the establishment of similar programs. Many of these cities consider Calgary's project management framework as leading practice for municipal project management in Canada. As a result, the intellectual property created by the Framework is now publicly available on the CityOnline website.

While the formal program deliverables are complete, The Corporation recognizes the need to sustain and continually improve the practice of project management. As such, the Framework is transitioning from the development of standards and practices (to meet the identified Audit requirements) to maintenance and improvement of these existing standards and practices.

In addition, the Corporate Project Management Centre (CPMC) is also continuing to engage internal stakeholders, like Human Resources (HR) and Customer Service & Communications (CSC), to build on the existing standards and develop new programs that will further improve the practice. For example, while it has already developed standards regarding the use of Engage! and change management, the CPMC continues to work with HR and CSC on new learning and development programs and practices related to these programs. The CPMC is also working on scoping appropriate project management practices per the Audit Report AC2014-0734, "Flood Recovery Expenditure Audit" with the Calgary Emergency Management Agency (CEMA).

Finally, in response to the 10 February 2015 Notice of Motion by Councilor Keating and

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Councilor Pootmans, the CPMC is working with Councillors, the Framework Steering Committee and senior management to develop an administrative response. The intent is to return to Council no later than the end of May 2015 with alternatives and a business case that outlines how The City can further enhance project management practices. This includes how The City can leverage work that it has already completed including the use of quality and value management practices as well as “stage gating”. It will further identify new opportunities that may reduce project timelines, result in cost savings and more successful project delivery. The CPMC anticipates the use of this information to develop its 2015-18 work plan.

### **Stakeholder Engagement, Research and Communication**

Stakeholder engagement has been essential to the successful development and implementation of the Framework. A comprehensive change management, communications and engagement strategy and plan guides all program activities. This strategy provided the foundation for the development of The Framework’s innovative governance structure, involving the City Manager through to front-line project managers, which has served as a model for other corporate initiatives throughout the organization.

The Corporate Project Management Framework Steering Committee and CPMC wish to formally acknowledge and thank the numerous City staff that directly contributed to the program over the past three years as identified in Attachment 3 - “Program Engagement.” We also want to recognize that over 650 City employees have received training on the use of the standards and practices in 2014 alone.

The program team has also engaged directly with industry partners, specifically Alberta Architects Association and Consulting Engineers of Alberta.

The Corporate Project Management Framework Steering Committee and The Corporate Project Management Center (CPMC) will continue to emphasize communication and engagement through sustainment and continuous improvement of the program’s deliverables.

### **Strategic Alignment**

Developing and implementing the Framework facilitates the achievement of corporate objectives and plans. The Framework addresses 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 Framework supports Council’s Action Plan 2015-2018 objective of becoming “a well run city.” The program also supports Corporate Services and IIS’ plan to “implement quality management approaches for corporate asset and project management programs to enable oversight and continual improvement of business maturity.” The Corporate Project Management Centre provides project management quality assurance (PMQA) reporting to the City Manager as an input to year-end accountability reporting.

### **Social, Environmental, Economic (External)**

None

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### **Financial Capacity**

#### **Current and Future Operating Budget:**

The development and implementation of the Framework program is funded through the existing approved budget for the CPMC along with the in-kind support of staff from participating Business Units.

#### **Current and Future Capital Budget:**

As part of the 2015-18 Action Plan, IIS received capital budget approval to support the implementation of a corporate-wide project management information system. The program is currently in the process of defining scope and preparing a charter for this initiative. This program will be closely associated with the Framework and will include a high degree of collaboration and consultation with the Framework Steering Committee.

### **Risk Assessment**

The major risks associated with this program are:

- resource constraints could result in slowing or stoppage of the Framework program;
- 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 change management/communications plan and governance in place is 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.

### **REASON(S) FOR RECOMMENDATION(S):**

In previous years, Council has requested that Administration return annually to provide status updates as part of the Corporate Project Management Framework. With the completion of the original Council-approved program charter, the program is now in sustainment is not suggesting returning with continued program status reporting. Council may choose to request status reports for the new work items identified in the "Previous Council Direction/Policy" section of this report, including the Notice of Motion from 2015 February 09 as part of a new project management practice improvement program.

### **ATTACHMENT(S)**

1. Framework Highlights and Work Plan
2. Alignment of Framework Deliverables to Audit Recommendations
3. Program Engagement