



POLICY

POLICY NAME: Organizational Capital Project Management Policy

CATEGORY: CITY GOVERNMENT AND INFRASTRUCTURE: SUSTAINABLE INFRASTRUCTURE, SUSTAINABLE FISCAL MANAGEMENT, ORGANIZATIONAL EXCELLENCE, EFFECTIVE GOVERNANCE

APPROVED BY COUNCIL: 2021/10/04
RESPONSIBLE DEPARTMENT: Planning and Development

PURPOSE:

The purpose of this policy is to establish corporate direction for effective governance and control over various classes of capital projects adopted by Council by applying the City's Organizational Capital Project Management (OCPM) framework to ensure appropriate capital project management approaches are consistently used.

The benefits of following this policy include better capital project scope, cost, schedule and quality certainty, improved stakeholder relations, enhanced reputation and trust, and helping the City achieve its vision and goals.

POLICY OBJECTIVES:

The objectives of this policy are to ensure that City management effectively governs and controls its capital projects to consistently achieve its objectives with due regard to:

- Scope, schedule, budget and quality expectations
- Proactive risk identification and management
- Stakeholder consultations and engagement
- Decision making through project phases and changes to project plans
- Continuously improving the City's capital project management culture and practices maturity.

Capital project management is a subset of asset management, which takes account of the management of assets through their lifecycle and replacement. This OCPM policy supports and is supported by the City's [Asset Management Policy](#) and [Sustainable Finance Guidelines](#). It also aligns with other City policies, guidelines and procedures.

POLICY DEFINITIONS:

Capital projects

Capital projects are non-recurring, unique products or results. They may include new or significantly refurbished structures, roadways, sewer or water infrastructure and related works. They are often characterized by higher levels of risk, complexity and public interest. They may also span over several budget cycles and entail significant capital cost.

Capital program

The capital program is the collection of capital and operational projects in the approved annual capital plan. These are typically recurring programs and projects.

Operational projects

Operational projects include ongoing, repetitive City activities such as road, sewer, water, parks, facilities and bridge rehabilitation and maintenance. They also include planning activities such as feasibility study and concept design development which are undertaken during the early stages of a capital program or project.

Organizational Capital Project Management (OCPM) framework

The City's Organizational Capital Project Management (OCPM) framework is an administrative procedure prescribing the required governance and controls for various capital project classes.

POLICY:

1. Authoritative Statements

- a. The OCPM policy should apply to all capital projects that the City is responsible for in full or in part through external partnerships.
- b. All City staff, contractors and consultants working on or supporting capital projects should follow the OCPM policy, procedures, and processes when they are developed, and amended from time to time.
- c. Council decisions/direction on any existing or new capital projects should follow the OCPM policy.
- d. The City Manager is responsible by Council delegation to develop and implement the OCPM framework to meet the policy objectives.

2. Principles

- a. Application of the OCPM framework will be determined by project class, risk, complexity, and project dollar value.
- b. Stage-based decision making will be used for project phases that meet the OCPM framework criteria thresholds.
- c. The OCPM framework and supporting material aligns with fit-for-purpose capital project management best practices. The City will continue to refine the OCPM framework, learning from and building on each project experience and knowledge sharing across the organization.
- d. Approved annual capital plan projects will be adequately resourced. The City will engage external resources if project staffing capacities are inadequate to oversee and deliver projects.
- e. Capital project planning and procurement activities will commence upon preliminary approval of the annual capital plan by a designated Council Committee; however, the City will not execute any related contracts prior to Council's review and final approval of the annual capital plan.

3. Roles and Responsibilities

a. Council Members

- Council supports the City's vision, community goals, the Official Community Plan and policy direction by setting the priorities for and approving all annual capital plans, budgets, and funding sources.
- Council provides governance and oversight of the capital plan program by receiving periodic City staff progress updates, and providing staff with direction, advice and support as needed.
- Council makes decisions regarding significant proposed changes to project scope, schedules and budgets. Council may direct City staff to cancel, curtail or start new projects.
- Council ensures their members are sufficiently project management literate for effective capital program oversight.

b. City Manager

- The City Manager is responsible for the overall accountability for implementing the policy and the OCPM framework and delivering the expected annual capital plan benefits. The City Manager may serve as an Executive Sponsor for organizational/enterprise-wide program or project.

c. Senior Management Team

- The Senior Management Team (SMT) is responsible for developing an annual capital plan for City Manager approval. The SMT serves as Executive Sponsor for selected program and/or projects. The SMT monitors progress on approved annual capital projects and directs changes or escalates issues to the City Manager for decision.

d. Directors

- Directors are members of the SMT and are responsible for the development of project proposals for the annual capital plan and overseeing approved projects within their department. Directors also ensure they maintain sufficient and appropriate resources for project managers to complete their capital projects using the OCPM framework, and communicate the benefits of adhering to the OCPM framework.

e. Executive Sponsors

- The Executive Sponsor is often the department Director and may include City Manager for an organizational-wide program or project. Executive Sponsors are ultimately responsible for project success and are accountable for delivering and communicating the benefits and for the shortfalls for their assigned annual capital plan projects. Their role is to champion their projects within the City, are expected to provide a high-level of support and oversight for a program and/or project and support Project Sponsors and Project Managers to advance objectives and make decisions within their authority.

f. Project Sponsors/Owners

- A Project Sponsor/Owner represents the organizational area and may or may not be the asset owner. They are expected to provide a medium-level of support and oversight for the

execution of a program and/or project to achieve objectives, and to provide periodic updates to Executive Sponsors.

g. Project Managers

- Project managers provide overall project leadership and are responsible for meeting project success criteria and objectives, by applying and adhering to the OCPM framework through the project lifecycle. A Project Manager serves as the key contact point for sponsors, program managers and stakeholders. A large complex project may include a Project Team of which a Project Manager is lead.