

DATE: April 16, 2021

TO: MAYOR AND COUNCIL

NAME AND TITLE: Walter Babicz, Acting City Manager

SUBJECT: Organizational Capital Project Management Review

ATTACHMENT(S): A Guide to the Project Management Body of Knowledge: Considerations for Local Government Council and Board Members, Auditor General for Local Government (Province of British Columbia)

RECOMMENDATION(S):

That Council APPROVES the Organizational Capital Project Management Review, with a total project budget of \$180,000 to be funded from the Northern Capital and Planning Grant Reserve Fund, as described in the report dated April 16, 2021, from the Acting City Manager, titled "Organizational Capital Project Management Review".

PURPOSE:

To provide Council with the proposed scope for an Organizational Capital Project Management Review, an estimated budget to procure external consultant services, and the recommendation of a proposed funding source.

STRATEGIC PRIORITIES:

Council Goals to *Prioritize infrastructure reinvestment and renewal to ensure the delivery of critical recreation, emergency, transportation and utility needs; and Provide a workplace where employees are safe and healthy and committed to excellence, service, accountability and transparency.*

BACKGROUND:

Capital projects are initiated and delivered through a number of areas within the organization including Civic Operations, Planning, Development & Infrastructure Services, Community Services & Public Safety, Fire & Rescue Services and Information & Systems Technology. Support for Capital projects comes from a variety of other divisions and departments (e.g. Finance and Risk and Procurement).

An internal review of project management support tools and standards for some capital projects began in 2019 and 2020, and staff are expanding their use into 2021. This work utilizes internationally recognized standards and guidelines for project management through the Project Management Institute (PMI). PMI is a global not-for-profit professional membership association for the project management profession, and they have developed a Guide to the Project Management Body of Knowledge (PMBOK Guide). Products of this work that are currently in place and/or in

development within the organization include: project management training; standardized project management templates, guides & document management; portfolio and project management software; and preliminary stages of capital projects mapping.

The enclosed *Primer on PMBOK Guide: Considerations for Local Government Council and Board Members* is a perspective booklet developed by the Auditor General for Local Government in December 2020, and offers suggestions to all local governments interested in good capital project management practices. This Primer highlights the importance of capital project governance and outlines the fundamental concepts of capital project management and the phases a project goes through.

Specifically, there are stages that occur before and after the build of a project to be considered (ranging from the Strategy, initiating a Concept, to the decommissioning of an asset) known as the full lifecycle of a project, as shown in the below diagram:



The downtown pool replacement is an example of a major project lifecycle, and can be used to illustrate beyond the “build” stage, as described below:

STRATEGY: Community Recreation Services Plan, 2014

To review, assess and engage on community indoor and outdoor facility needs. Amongst other community recreational services recommendations, the plan identified that a deeper dive was needed into aquatics buildings. This was due to the aging infrastructure requiring extensive capital reinvestment, and community feedback identified that some design and deterioration of the assets were no longer meeting current needs. For the indoor recreational facilities, aquatics was ranked the highest priority for asset improvement from community feedback.

CONCEPT: Aquatic Needs Assessment, 2016

Assessed options for the City’s aquatic needs relating to the assets, community use and programming needs. Recommended downtown pool in need for replacement, and improvements at Aquatic Centre, with Council identifying downtown pool as first priority for replacement in the downtown. Following this process, the community [referendum took place in October 2017](#) to seek elector assent on funding to borrow funds.

DESIGN: New Downtown Pool Design

Design work and procurement process and award. Workshops with stakeholders to inform and refine design to ensure pool replacement objectives were achieved, including accessibility.

BUILD: New Downtown pool construction

OPERATE: Processes associated with operation and management of an asset or set of assets.

DECOMMISSION: Decommissioning of the asset at the end of its useful service life.
(e.g. eventual demolition of Four Seasons Leisure pool once new pool is available.)

In contrast to a major project, an example of a smaller and more frequent occurrence set of projects would be Water Valves, Service Connections, and the Fire Hydrants Replacement program. These programs are informed by asset condition and inspections that focus more on the latter stages shown in the above diagram - Build, Operate and Decommission.

DISCUSSION

There are numerous critical success factors necessary to have in place to deliver a project, one of which is a Project Management Framework. In order to expand the use and application of project management tools and processes with limited staff resources, an Organizational Project Management Review is recommended to be completed through an open and competitive request for proposal procurement method. This review of the City's capital project management processes will be conducted to assist with the development of a Capital Project Management Framework inclusive of a Policy, and other capital project management best practice tools described in the attached Primer from the AGLG.

The proposed Organizational Capital Project Management Review objective is to collectively gain an improved understanding of the City's capital project lifecycle management and practices. Results of this review would include a City of Prince George Organizational Capital Project Management Policy & Framework and a road map of prioritized improvement opportunity recommendations.

A Policy would establish corporate direction for capital projects adopted by Council. A framework would describe the standard of project controls and governance arrangements applicable to various classes of Capital Projects.

The scope of the proposed Organizational Capital Project Management Review would include elements such as:

- Current State Review and Analysis;
- Best Practices and Comparative Communities Review;
- Recommendations Roadmap;
- Project Management Policy and Framework;
- Project Management Procedures & Manual; and
- Training & Communication recommendations and outcomes.

The completion of the proposed project is proposed to occur within the 2021 calendar year, subject to proponents' submitted work plans and construction season timing.

FINANCIAL CONSIDERATIONS:

It is recommended that a budget of \$180,000 be allocated for the proposed Organizational Capital Project Management Review. This is an estimated cost in 2021 dollars based on comparable community completed projects and advice in this area. Once Council direction has been received, the request for proposal process will identify the project costs and a more detailed scope of work. It is recommended that the funding source for the project come from the Northern Capital and Planning Grant Reserve Fund.

SUMMARY AND CONCLUSION:

The range of assets to manage and deliver in a local government setting are diverse and vast, and capital projects range in type, magnitude, cost, time, complexity, and frequency of occurrence. To gain an improved understanding of the City's capital project lifecycle management and practices, the proposed Organizational Capital Project Management Review scope and budget have been provided for Council's consideration and approval. It is further recommended that the total project budget of \$180,000 be funded from the Northern Capital and Planning Grant Reserve Fund.

RESPECTFULLY SUBMITTED:

Walter Babicz, Acting City Manager

PREPARED BY: Tiina Schaeffer, Manager of Infrastructure Planning & Engineering

Meeting Date: 2021/04/26