Treasury Board’s New Policy on the Management of Projects
- Application to Contaminated Site Projects -

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Outline

• Treasury Board of Canada new Policy on the Management of Projects
• Application to contaminated site projects
• Project Complexity and Risk Assessment of contaminated site projects
• Recommended approaches and lessons learned from AANDC activities
Background – New Policies

• In June 2007, Treasury Board Secretariat (TBS) introduced:
  o *Policy on Investment Planning, Assets and Acquired Services*
  o *Policy on the Management of Projects*

• By April 2012, these will replace:
  o *Policy on Long-Term Capital Plans*
  o *Project Approval Policy*
  o *Project Management Policy*
  o *Policy on Management of Major Crown Projects*
Policies and Instruments

CURRENT POLICIES

- Project Management (3 Policies)
- Long Term Capital Planning

NEW POLICIES

- Management of Projects
- Investment Planning

STANDARDS AND GUIDES

- 2 Standards
- 3 Guides
- 2 Assessment Tools
Current Approval Process (AANDC)

Project Phases

Identify Site
- S1: Identify Suspect Sites
- S2: Historical Review
- S3: Initial Testing Program
- S4: Classify Site

Project Initiation
- PPA
- S5: Detailed Testing Program
- S6: Reclassify Site

Project Planning
- S7: Develop Remediation/Risk Mgmt Strategy

Project Execution / Implementation
- EPA
- S8: Implement Remediation / Risk Mgmt Strategy

10-Step Federal Approach

S1: Identify Suspect Sites
S2: Historical Review
S3: Initial Testing Program
S4: Classify Site
S5: Detailed Testing Program
S6: Reclassify Site
S7: Develop Remediation/Risk Mgmt Strategy
S8: Implement Remediation / Risk Mgmt Strategy

Project Cost Estimation Requirements

Indicative (Class “D”)
- Purpose: initial options screening, PPA preparation
- Level of Effort: Low
  (Substantive project planning estimate required for PPA)

Indicative (Class “C”)
- Purpose: Project design/planning
- Level of Effort: Medium

Substantive (Class “B”)
- Purpose: EPA preparation
- Level of Effort: High
  (Substantive project cost estimate required for EPA)

Substantive (Class “A”)
- Purpose: Tendering
- Level of Effort: Very high
New Policy

  
  o Project approval requirements based on project risk, complexity, performance and cost
  o Focus on management processes and systems.

• Two key components
  
  o Organizational Project Management Capacity Assessment (OPMCA)
  o Project Complexity and Risk Assessment (PCRA)
Organizational Project Management Capacity Assessment (OPMCA)

- Mandatory assessment process
- Determines organizational project management capacity
- 92 individual questions
- Assessment scores based on:
  - Departments current processes, systems and procedures
  - Evaluation of specific projects
## OPMCA Structure

<table>
<thead>
<tr>
<th>Knowledge Area</th>
<th>Number of Questions</th>
<th>Maximum Score</th>
<th>Relative Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Integration – typically provided at organizational level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Portfolio Management</td>
<td>10</td>
<td>50</td>
<td>5%</td>
</tr>
<tr>
<td>Investment Program Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Support Structure</td>
<td>9</td>
<td>45</td>
<td>5%</td>
</tr>
<tr>
<td>Project Management Standards</td>
<td>20</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Core Project Management – typically responsibility of the project</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Integration Management</td>
<td>21</td>
<td>105</td>
<td>16%</td>
</tr>
<tr>
<td>Project Scope Management</td>
<td>4</td>
<td>20</td>
<td>10%</td>
</tr>
<tr>
<td>Project Time Management</td>
<td>5</td>
<td>25</td>
<td>12%</td>
</tr>
<tr>
<td>Project Cost Management</td>
<td>7</td>
<td>35</td>
<td>12%</td>
</tr>
<tr>
<td>Project Risk Management</td>
<td>4</td>
<td>20</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Supporting Project Management – typically provided at organizational level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Quality Management</td>
<td>2</td>
<td>10</td>
<td>5%</td>
</tr>
<tr>
<td>Project Procurement Management</td>
<td>4</td>
<td>20</td>
<td>5%</td>
</tr>
<tr>
<td>Project Human Resource Management</td>
<td>4</td>
<td>20</td>
<td>5%</td>
</tr>
<tr>
<td>Project Communication Management</td>
<td>2</td>
<td>10</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>92</td>
<td>460</td>
<td>100%</td>
</tr>
</tbody>
</table>
Link between OPMCA and PCRA

If Organizational PM Capacity is rated at level 1, Project A would be within delegated authority, Project B would not.
Project Complexity and Risk Assessment

• Provides an accurate assessment of project risk and complexity

• Assessment performed using the Standard for Project Complexity and Risk and PCRA template/tool

• PCRA process recognizes that:
  o Level of complexity and risk of a project is a result of specific project characteristics
  o By taking specific actions a degree of control can be exercised thereby increasing degree of project success
PCRA Tool

- The PCRA Tool includes 64 assessment criteria in 7 categories divided as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Number of Questions</th>
<th>Relative Weighting</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Characteristics</td>
<td>18</td>
<td>28%</td>
<td>90</td>
</tr>
<tr>
<td>Strategic Management</td>
<td>6</td>
<td>9%</td>
<td>30</td>
</tr>
<tr>
<td>Procurement</td>
<td>9</td>
<td>14%</td>
<td>45</td>
</tr>
<tr>
<td>Human Resources</td>
<td>5</td>
<td>8%</td>
<td>25</td>
</tr>
<tr>
<td>Business</td>
<td>5</td>
<td>8%</td>
<td>25</td>
</tr>
<tr>
<td>Project Management Integration</td>
<td>6</td>
<td>9%</td>
<td>30</td>
</tr>
<tr>
<td>Project Requirements</td>
<td>15</td>
<td>23%</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64</strong></td>
<td><strong>100%</strong></td>
<td><strong>320</strong></td>
</tr>
</tbody>
</table>

- The tool is supported by the Guide to Using the PCRA Tool and an Excel Worksheet
PCRA Recommended Approaches

• Develop a template, specific to your department’s projects:
  o Indicate, where applicable, the typical score and evidence that would apply to the majority of sites
  o For scores that may vary from site to site, provide guidance related to what score and evidence would apply to what project type

• Incorporate the PCRA requirements into departmental corporate procedures

• Make it easy to identify and locate PCRA evidence/documentation
PCRA Completion Guidelines

• Complete for all project types, regardless of funding source (except Grants and Contributions)

• Perform before project funds are expended

• Perform for all projects having an estimated value greater than $1M must be submitted to Treasury Board

• Assess at the start of all projects and when changes occur in the project
Completing the PCRA – General Directions

- Each PCRA question must be answered.
- If the questions does not apply, it should be scored as a 1 (lowest complexity and risk).
- If the answer to a question is unknown, it should be scored as a 5 (highest complexity and risk).
- Documentary evidence must be referenced for each question, where it is applicable.
- Be prepared to supply the documentary evidence during the TBS review.
The AANDC- NCSP PCRA Template/Worksheet

• Provides guidance on how to respond to questions for NCSP projects in a consistent manner

• Provides examples of the types of documentation that can be used to provide evidence

• Gives typical scores for typical NCSP project situations

• Automatically tabulates the scores and provides the final rating.
PCRA Sections and Contaminated Site Projects

- Project Characteristics – addressed below
- Strategic Management - addressed below
- Procurement Risks - addressed below
- Human Resources
- Business Risks
- Project Management Integration
- Project Requirements - addressed below
PCRA Sections and Contaminated Site Projects

Project Characteristics

• Profile of the project
• Level of complexity
• Potential for risk and areas of concern.
• Budget, relative size and susceptibility to delays, funding, number of resources, duration, scope, stakeholders, dependencies.

Recommended Approach

• Updates to detailed work plans should always include updates to total project costs (not just annual project costs)
• Use a consistent definition of project start and end.
## PCRA Project Characteristics Example

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
<th>General approach, guidance and typical sources of evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the total budget request for this project?</td>
<td>1 = $1-5 million</td>
<td>Project initiation – beginning of phase 3 ESA (FCSAP Step 5)</td>
</tr>
<tr>
<td></td>
<td>2 = $5-10 million</td>
<td>Project end - end of remediation or start of site monitoring. (once remediation objectives are reached, the long-term monitoring costs are considered a program cost and not part of the project.)</td>
</tr>
<tr>
<td></td>
<td>3 = $10-25 million</td>
<td><strong>TYPICAL NCSP SCORE: Project Dependent</strong></td>
</tr>
<tr>
<td></td>
<td>4 = $25-100 million</td>
<td><strong>SOURCE OF EVIDENCE: Detailed Work Plan, Project Budget</strong></td>
</tr>
<tr>
<td></td>
<td>5 = &gt; $100 million</td>
<td></td>
</tr>
</tbody>
</table>
PCRA Sections and Contaminated Site Projects

Strategic Management Risks

• Strength of project alignment with departmental objectives and/or priorities
• Organizational commitment to the project.
• Rationale and importance of the project to the department
• Continuing awareness of the project by senior management and stakeholders.

Recommended Approach

• Make links to Investment Plan and Project Activity Architecture.
• Evidence of projects included senior management meeting agendas
• Include communication plans and updates on community involvement in work plan updates.
PCRA Sections and Contaminated Site Projects

Procurement Risks

• Extent that procurement activities present potential risks
• Procurement strategy, timely availability of goods and services, expertise and process for procurement and contract management, and contracting details.

Recommended Approach

• Respond from the perspective of organization responsibility for the issuing and awarding the contracts (e.g., department vs. PWGSC)
• Use agreements between contracting authority and project authority to show evidence of procurement plans and strategies.
## PCRA Procurement Risk Example

<table>
<thead>
<tr>
<th>Question</th>
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<th>General approach, guidance and typical sources of evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>28. <strong>Contracting capabilities</strong> How many of the following statements are true?</td>
<td>1 = All statements are true</td>
<td>Indicate whether PWGSC, department or another organization (e.g., a Territorial government) is the contracting authority for the project.)</td>
</tr>
<tr>
<td></td>
<td>2 = Two statements are true</td>
<td>The response should indicate how each factor is supported and reference the source of evidence for each.</td>
</tr>
<tr>
<td></td>
<td>3 = One statements is true</td>
<td>TYPICAL NCSP SCORE: Project dependent</td>
</tr>
<tr>
<td></td>
<td>5 = None of the statements is true</td>
<td>SOURCE OF EVIDENCE: Procurement Strategies, Detailed work plans, TB Contract Approval, Project Charter, PWGSC Supply Manual</td>
</tr>
<tr>
<td>a) Personnel supporting this project have expertise in writing specifications or RFPs/SOWs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Personnel supporting this project have subject-matter expertise in the goods or services being procured.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) There is a robust departmental process for reviewing all awarded contracts.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PCRA Sections and Contaminated Site Projects

Project Requirements

• Extent to which the specific requirements of the project add risk and complexity, based on:
  o Method of establishing and validating requirements,
  o Dependencies and degree of integration w/other tasks or projects
  o Scarcity of resources

Recommended Approaches

• The following information assist in the response to these questions:
  o Remediation action plan with detailed work breakdown structure
  o Detailed risk analysis and contingency planning documents
## 55. Indefinable Requirements (Known Unknowns)

What percentage of tasks cannot be fully defined until the completion of previous tasks?

Note: These are tasks that may be understood but cannot be documented in detail due to dependency on results from a previous task.

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<thead>
<tr>
<th>Options</th>
<th>General approach, guidance and typical sources of evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 = 10%</td>
<td>The percent of tasks that cannot be fully defined is typically determined from the Project Risk Register.</td>
</tr>
<tr>
<td>2 = 20%</td>
<td>The dependencies among tasks in the WBS. The percent of &quot;Potential Additional Work&quot; (PAW) identified in the budget can also be used.</td>
</tr>
<tr>
<td>3 = 30%</td>
<td>For projects early in their development, typically only a Class D (TB Indicative 2 w/accuracy of -25% to +100%) –score as a &quot;5”</td>
</tr>
<tr>
<td>4 = 40%</td>
<td><strong>TYPICAL NCSP SCORE</strong>: Project dependent.</td>
</tr>
<tr>
<td>5 = &gt; 40%</td>
<td><strong>SOURCE OF EVIDENCE</strong>: DWP, risk register, budget, WBS</td>
</tr>
</tbody>
</table>
Resources

- Policy on Investment Planning—Assets and Acquired Services
- Policy on the Management of Projects
- Contracting Policy
- Policy on Management of Real Property

See policies and related tools and templates on the Treasury Board Enhanced Management Framework website:

(http://www.tbs-sct.gc.ca/emf-cag/index-eng.asp)
Thank you / Questions