



New Treasury Board Policies for Investment Planning and the Management of Projects

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Overview

- Context
- New Policies and Instruments
 - Policy on Investment Planning – Assets and Acquired Services
 - Policy on the Management of Projects
- Pilot Phase
- Post Pilot Results
- Impacts
- Next Steps



▶ Management excellence in action

- Streamlining the “web of rules” and build flexibility back into the system
- Oversight focused on areas of highest risk
- Clarifying management expectations to support enhanced accountability and excellence in the management of the public service
- Achieving excellence in the way programs, operations and spending are managed means government can better meet the priorities of Canadians and provide value for money
- *Federal Accountability Action Plan*
 - Commitment to reduce the number of policies by at least 50%



Policy Renewal Initiative

- One of the Treasury Board Secretariat's key management initiatives
- Introduced in January 2005
- Supports clear accountability and excellence in the management of the public service
- Directly linked to the *Federal Accountability Action Plan*
 - Commitment to reduce the number of policies by at least 50%
 - Streamlining the “web of rules”
- Focus on the suite of Treasury Board Management Policies



Assets and Acquired Services Policy Suite

- The suite of policies sets the direction for the management of assets and acquired services to ensure the conduct of these activities supports **value for money** and demonstrates **sound stewardship** in program delivery
- The policies are **linked** to promote effective management of assets and acquired services throughout their **life-cycle**

Planning → to → Acquisition → to → Use → to → Disposal



Policy Instruments & Tools

FROM



TO



**STANDARDS
and GUIDES**

**Project
Management
(3 Policies)**

**Long-Term
Capital
Plans**

**Management
of Projects**

**Investment
Planning – Assets and
Acquired Services**

2 Standards

2 Assessment Tools

Guidance

Guidance



Policy on Investment Planning

THEN

Policy on Long-term Capital Plans

5-year plan submitted every 5 years

Covered 18 departments

Focus on the plan (document)

Only covered assets



NOW

Policy on Investment Planning Assets and Acquired Services

5-year plan submitted every 3 years

Covers departments and agencies

Focus on the planning (process)

Covers assets and acquired services

Context for pending investments

Highlights high risk and high complexity projects

Based on reference level funding

Planning → to → Acquisition → to → Use → to → Disposal



Investment Planning Process – Typical Example Investment Plan Content

Investment Plan

Departmental Context

Vision, strategic plans and priorities

Investments

Existing assets and acquired services (lifecycle management)

Summary of routine planned investment (with rationale and prioritization)

Details of planned high-profile, complex and high risk investments (with rationale and prioritization)

Governance

Investment planning structure (authorities, decision-making, integration, and oversight processes)

Capacity:

Resource projections within a 5-year horizon (projected 5-year cost estimates - considering likely future conditions, risks, impacts, and life-cycle management)

- OPMCA Class 2 - Tactical

Risk and Performance Management

Performance and risk management mechanisms for measuring the effectiveness of the investment-planning processes and mitigating risks.

Planned Investments

Asset and Service Projects

- Case Management System (Level 4)
- Contaminated Sites Cleanup (Level 3)
- Health Claims Processing (Level 2)
- Workspace Refit (Level 2)

Assets (non-project)

1. Fleet purchase
2. Machinery & Equipment
3. Informatics
4. Facility

Services (non-project)

1. Education
2. Records Management

List of Proposed Submissions

Summary

Projects

1. Case Management System (Level 4)
2. Contaminated Sites Cleanup (Level 3)



Policy on the Management of Projects

THEN

Project Management Policy
Project Approval Policy
Policy on Major Crown Projects

Led departments to manage projects separately from an enterprise-wide investment planning function

Established varying financial thresholds for TB approval depending on project type

Designated Major Crown Projects as those over \$100m

Authorities tied to project (versus departmental capacity)



NOW

Policy on the Management of Projects

Focus on Governance

Evidence based assessment of Organizational PM Capacity across the department (not by business lines)

Evidence based assessment of Project Complexity and Risk of all projects

Treasury Board approval required for all projects that exceed the organizational project management capacity (**EPA and PPA replaced with tailored oversight**)

Prerogative of Treasury Board identify any project regardless of the assessed organizational capacity or project risk







Organizational Project Management Capacity Assessment (OPMCA)

- The OPMCA Tool includes 98 assessment criteria for 3 capabilities:
 - Organizational Integration
 - Core Project Management
 - Supporting Project Management
- Key Points to Remember:
 - Not all departments need the same level of project management capacity
 - If an organization's capacity can support a given project's risk, TBS can recommend that the department undertake the project with minimal TBS oversight
- The tool is supported by the Guide to Using the Organizational Project Management Capacity Assessment Tool and an Excel Workbook

The OPMCA holistically assesses the organization's project management capacity



Project Complexity and Risk Assessment (PCRA)

- The PCRA Tool includes 63 assessment criteria organized into 7 categories:
 - Project characteristics
 - Strategic management
 - Procurement
 - Human resources
 - Business
 - Project management integration
 - Project requirements
- The tool is supported by the Guide to Using the Project Complexity and Risk Assessment Tool and an Excel Workbook

The PCRA assesses the complexity and risk of individual projects



Steps for Determining Project Approval Limits

Step 1:

Assess Organizational Project Management Capacity using OPMCA Tool

Capacity Class:

- 0 – Limited
- 1 – Sustaining
- 2 – Tactical
- 3 – Evolutionary
- 4 – Transformational

Step 2:

Assess Individual Project Complexity and Risk using PCRA Tool

Complexity and Risk Level:

- 1 – Sustaining
- 2 – Tactical
- 3 – Evolutionary
- 4 – Transformational

Step 3:

Determine Project Approval Limits

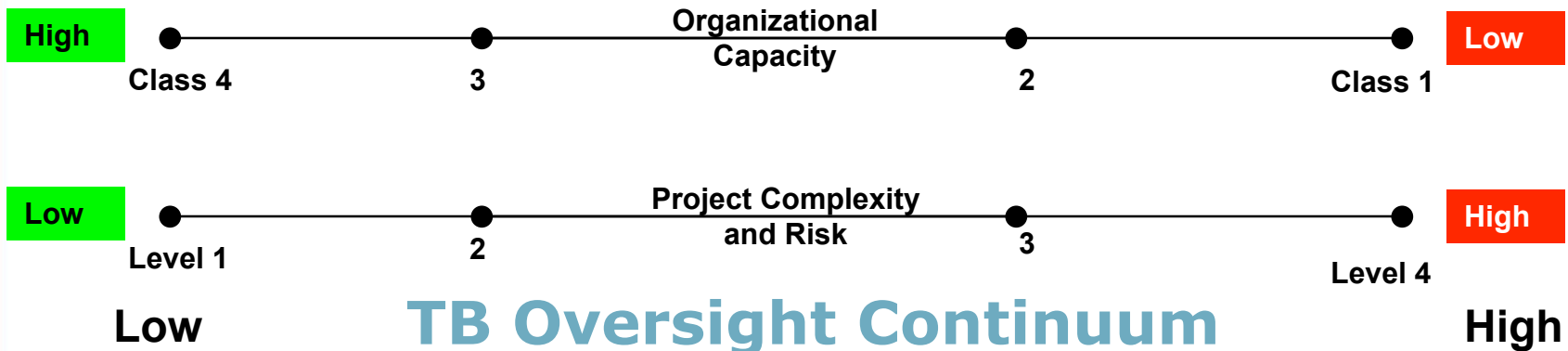
Comparison of Organizational PM Capacity and Project Complexity and Risk

Assessed Capacity	Assessed Project Complexity and Risk	
Class 4	Level 4	TB Approval Not
	Level 3	Required
	Level 2	Required
	Level 1	Required
Class 3	Level 4	TB Approval Required
	Level 3	Required
	Level 2	Required
	Level 1	Required
Class 2	Level 4	TB Approval
	Level 3	Required
	Level 2	Required
	Level 1	Required
Class 1	Level 4	TB Approval
	Level 3	Required
	Level 2	Required
	Level 1	Required





Project Oversight



- MAF
- Audits
- RPP/DPR
- Risk and Complexity Assessments
- Other

- Procurement strategy
- Evaluation strategy
- Third party review
- Business case review
- Complexity & Risk Assessment updates

- Regular TB updates
- Interdept'l Oversight Cmte
- Regular mtgs with TBS
- Project Brief
- Staged project approval

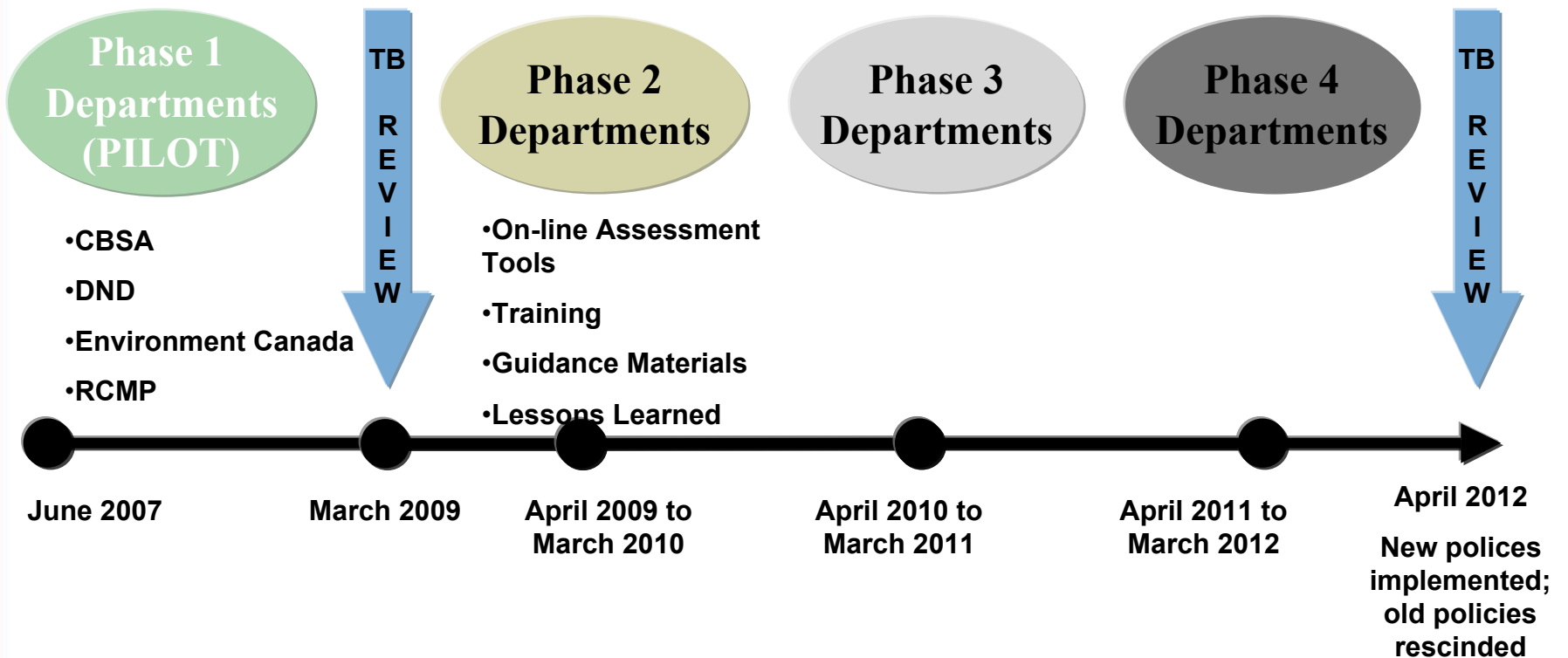
Flexibility: TB/TBS retains discretion to set level of oversight for specific projects



Phased Implementation

**New Policies Effective
with TB approval**

**Former Policies
Rescinded April 1, 2012***



* Subject to TB approval





Phase 1

Objectives:

- Test communications practices and all supporting instruments to ensure that they are sufficiently robust and appropriate for supporting implementation activities beyond the pilot
- Test the web-enabling of the assessment tools to fully determine requirements for a long-term solution for post pilot roll-out
- Determine, in an objective manner, the impacts of implementing these two policies on departments
- Obtain feedback from TB Ministers on their level of comfort with the new policies





Validation – Post Phase 1

- Validation of online and Excel tools:
 - Organizational Project Management Capacity Assessment (OPMCA) Tool
 - Project Complexity and Risk (PCRA) Tool
- Update supporting guides:
 - OPMCA User Guide
 - PCRA User Guide
 - Guide to Investment Planning



Training at the Canada School of Public Service

- Module on PCRA and on the Policy on the Management of Projects has been integrated into existing project management courses:
 - R901 – R902
 - R710
 - I720 – I728
- Module on OPMCA and on the Policy on Investment Planning – Assets and Acquired Services
 - Half-day course (June)



Documented Lessons Learned

- Establish appropriate governance from the start
- Engage senior management throughout
- Adopt a department-wide approach
- Dedicate a project team with both HQ and regional input
 - Ensure effective representation from both investment planning and project management areas of responsibility
- Keep the investment plan focused – targeted at deputy head and TB Ministers
- Ensure robust internal processes for review of justification and approval of assessments (OPMCA and PCRAAs)
- Internal communication and engagement of TBS throughout the process is key



Guidance and Supporting Materials for Phase 2

- Online access to assessment tools
- Assessment tools training
- Guides to using the assessment tools
- Lessons learned from policy implementation pilot
- Guide to Investment Planning – Assets and Acquired Services
- Project management repository
 - **To include guidance on preparing: business case, project charter, project management plan, etc.**
- Guide to Preparing TB Submissions



Support to Phase 2 Departments

- **ADM information session – March 2009**
 - High-level overview of implications of the new policies
 - Panel presentation by senior managers from pilot departments
 - Shared experiences, including challenges, lessons learned and key benefits

- **Workshop for functional practitioners – April 2009**
 - Targeted to departmental officials leading the transition to the new policies
 - Four individual break-out sessions led by officials from pilot departments
 - Open dialogue on functional challenges, management approaches, scope of the policy deliverables, lessons learned and best practices

Impacts on Departments

- Time needed to transition to new policies
- Rules-based policies rescinded providing greater flexibility
- Departments will build/buy project management capacity commensurate with project risk and complexity
- The number of project submissions expected to diminish as organizational project management capacity adjusts
- Change in focus from individual transactions to more effective planning and management
- Opportunity for deputy head to provide direction at the planning stage and make informed decisions



Next Steps

- Pilot departments seeking TB approval of departmental Investment Plan and Organizational Project Management Capacity class
- Followed by TB submissions seeking project approval
- TBS report to TB on review of pilot
 - Including transition schedule of phases 2, 3 & 4
- Information sessions and workshops (TBS)
- TBS support to Phase 2 departments



For further information, please visit
www.tbs-sct.gc.ca/pm-gp
www.tbs-sct.gc.ca/invest

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