



**Affaires autochtones et
Développement du Nord Canada**

**Aboriginal Affairs and
Northern Development Canada**



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:
 - *Policy on Investment Planning, Assets and Acquired Services*
 - *Policy on the Management of Projects*
- By April 2012, these will replace:
 - *Policy on Long-Term Capital Plans*
 - *Project Approval Policy*
 - *Project Management Policy*
 - *Policy on Management of Major Crown Projects*



Policies and Instruments

CURRENT
POLICIES



NEW
POLICIES

STANDARDS
AND GUIDES

Project
Management
(3 Policies)

Long Term
Capital
Planning

Management
of Projects

Investment
Planning

2 Standards

3 Guides

2 Assessment Tools



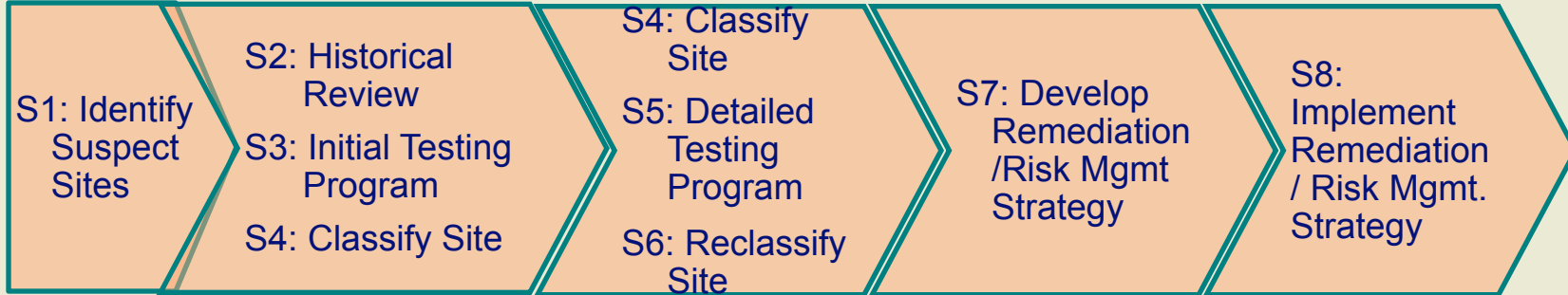
Current Approval Process (AANDC)

Project Start

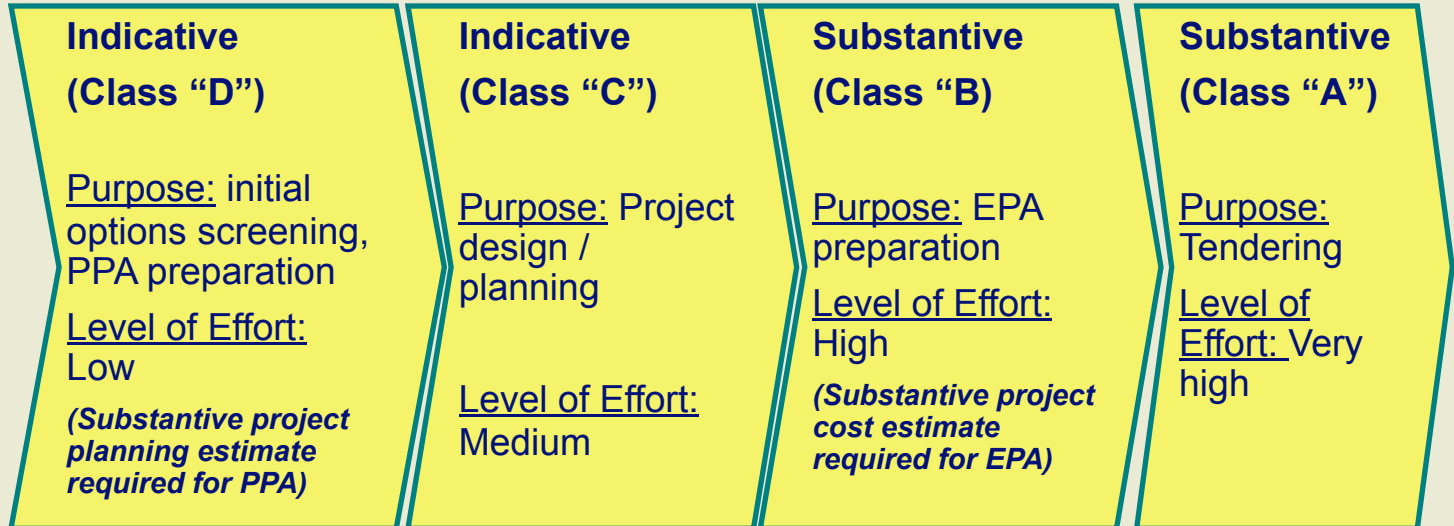
Project Phases



10-Step Federal Approach



Project Cost Estimation Requirements





New Policy

- New Policy: *Policy on Investment Planning, Assets and Acquired Services and Policy on the Management of Projects*
 - Project approval requirements based on project risk, complexity, performance and cost
 - Focus on management processes and systems.
- Two key components
 - Organizational Project Management Capacity Assessment (OPMCA)
 - 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

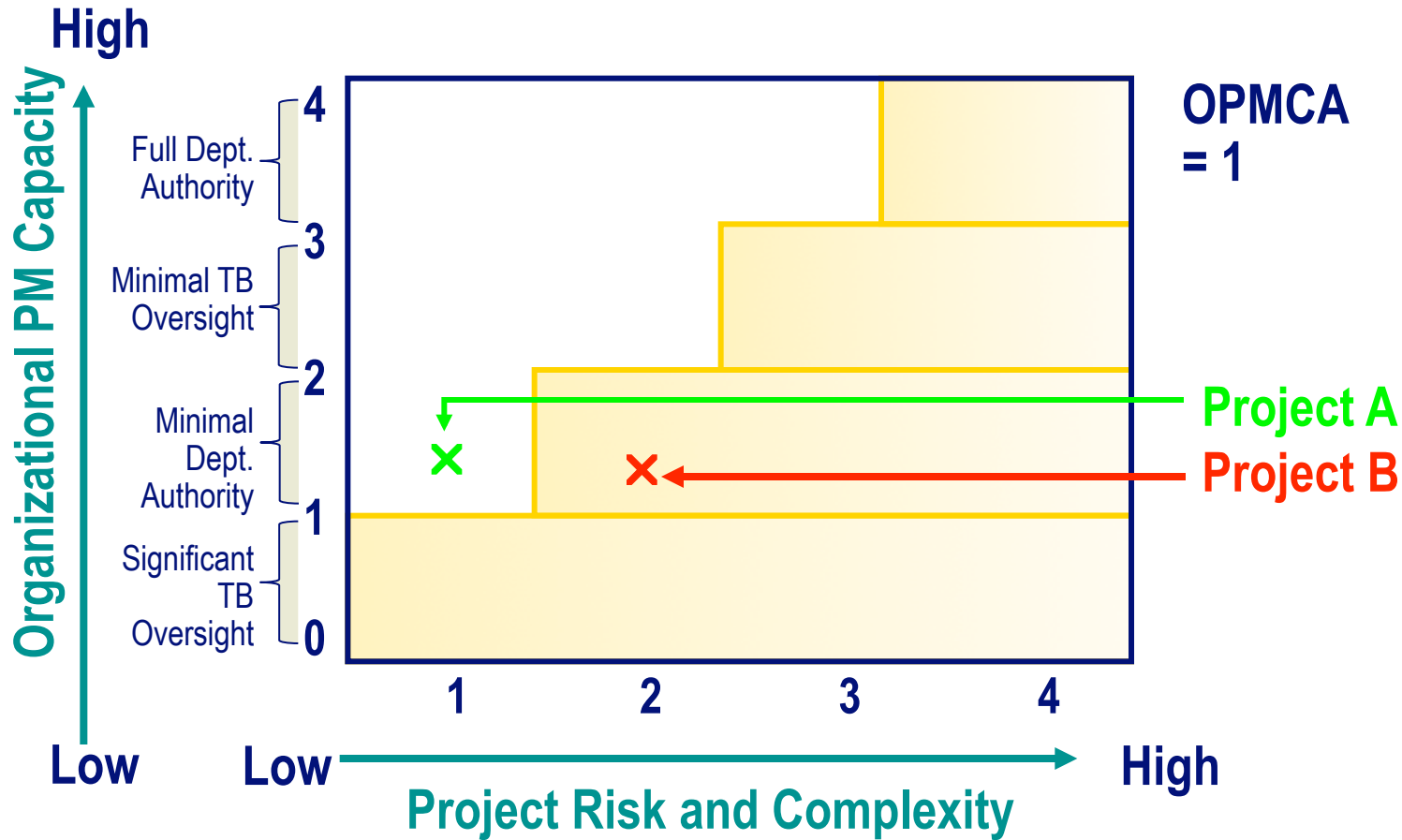


OPMCA Structure

Knowledge Area	Number of Questions	Maximum Score	Relative Weighting
Organizational Integration – typically provided at organizational level			
Investment Portfolio Management	10	50	5%
Investment Program Management			
Organizational Support Structure	9	45	5%
Project Management Standards	20	100	10%
Core Project Management – typically responsibility of the project			
Project Integration Management	21	105	16%
Project Scope Management	4	20	10%
Project Time Management	5	25	12%
Project Cost Management	7	35	12%
Project Risk Management	4	20	10%
Supporting Project Management – typically provided at organizational level			
Project Quality Management	2	10	5%
Project Procurement Management	4	20	5%
Project Human Resource Management	4	20	5%
Project Communication Management	2	10	5%
Total	92	460	100%



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:
 - Level of complexity and risk of a project is a result of specific project characteristics
 - 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:

Categories	Number of Questions	Relative Weighting	Maximum Score
Project Characteristics	18	28%	90
Strategic Management	6	9%	30
Procurement	9	14%	45
Human Resources	5	8%	25
Business	5	8%	25
Project Management Integration	6	9%	30
Project Requirements	15	23%	75
Total	64	100%	320

- 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:
 - Indicate, where applicable, the typical score and evidence that would apply to the majority of sites
 - 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

Question	Options	General approach, guidance and typical sources of evidence
1. What is the total budget request for this project?	1 = \$1-5 million 2 = \$5-10 million 3 = \$10-25 million 4 = \$25-100 million 5 = > \$100 million	<p>Project initiation – beginning of phase 3 ESA (FCSAP Step 5)</p> <p>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.)</p> <p>TYPICAL NCSP SCORE: Project Dependent</p> <p>SOURCE OF EVIDENCE: Detailed Work Plan, Project Budget</p>



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

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



PCRA Sections and Contaminated Site Projects Project Requirements

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

Recommended Approaches

- The following information assist in the response to these questions:
 - Remediation action plan with detailed work breakdown structure
 - Detailed risk analysis and contingency planning documents



PCRA Project Requirements Example

Question	Options	General approach, guidance and typical sources of evidence
<p>55. Indefinable Requirements (Known Unknowns)</p> <p>What percentage of tasks cannot be fully defined until the completion of previous tasks?</p> <p>Note: These are tasks that may be understood but cannot be documented in detail due to dependency on results from a previous task.</p>	<p>1 = 10 %</p> <p>2 = 20 %</p> <p>3 = 30 %</p> <p>4 = 40 %</p> <p>5 = > 40 %</p>	<p>The percent of tasks that cannot be fully defined is typically determined from the Project Risk Register</p> <p>The dependencies among tasks in the WBS.</p> <p>The percent of "Potential Additional Work" (PAW) identified in the budget can also be used.</p> <p>For projects early in their development, typically only a Class D (TB Indicative 2 w/accuracy of -25% to +100%) –score as a "5"</p> <p><u>TYPICAL NCSP SCORE:</u> Project dependent.</p> <p><u>SOURCE OF EVIDENCE:</u> DWP, risk register, budget, WBS</p>



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