

Business Case and Project Management Policy

Approved By: Council

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Policy Statement

When exploring options to address an issue or opportunity, the City shall complete a Business Case in accordance with the Business Case Development Guidelines.

When delivering projects, including those led by external contractors, the City shall apply the sound project management principles and recognized practices found in this Policy and the Project Management Framework.

Purpose

The purpose of this Policy is to ensure that the appropriate systems, processes and controls for managing projects are in place to plan and manage projects at the City to successfully achieve project goals, outcomes and benefits. It involves purposely identifying and managing any potential project risks to stakeholders and the public carefully managing resources (staff, asset, and budget) and clearly communicating with employees, clients and stakeholders.

This Policy describes the essential elements and provides guidance in the management of projects at the City so that:

- Clear and approved justification for the need, and confirmation of funding, has been documented
- The appropriate governance, as well as monitoring and controlling functions are established at the onset of any project including steering committee, project sponsor(s), project manager(s) and business owner, as required
- Key deliverables with expected timeframes for completion (project charter) are identified
- There is appropriate authorizations and acceptance at specified milestones or gates prior to progressing to the next step or phase of the project
- Projects are effectively resourced and managed within the limitations of scope, quality, resources (time and budget) and risk

- Changes to the project are identified, managed, documented and approved prior to implementation
- Stakeholder communications and engagement are accessible and inclusive
- Lessons learned from previously completed projects should be reviewed and remain top of mind for future projects

The elements of this Policy must be included in the initiation, planning, and execution of all projects in order to achieve these overall objectives:

- Establish well-defined project objectives within an accountability framework
- Deliver projects on their expected value (within scope, time and budget)
- Improve decision-making accountability and transparency

Application

This Policy ensures a common and consistent application of project management principles and practices. A project is a temporary endeavor undertaken to create a unique product, service or result. Projects are undertaken to fulfill objectives by producing deliverables. The temporary nature of projects indicates a beginning and an end to the project work or a phase of the project work. Projects can stand alone or be part of a program or portfolio. The Policy also ensures a common development approach for business cases to support the initiation of a project.

The Policy applies to all City projects and related contractual arrangements for project work identified and delivered by City staff, or on behalf of the City (including consultants, contractors and subcontractors). The principles of project management are applied, as appropriate, according to the size, level of complexity, and risk associated to each endeavour.

Policy Requirements

The City develops and maintains [Business Case Development Guidelines](#) (the Guidelines) for developing business cases, and a [Project Management Framework](#) (the Framework) that provides formalized project management lifecycles, processes and methodologies.

The Guidelines explain the circumstances that necessitate a business case and how they should be developed.

The Framework must encompass all aspects of the management of a project which includes:

- The duties of a project manager
- The project management lifecycles,
- The 12 fundamental elements of projects
- The five processes to be used in all projects, including gates
- The minimum project documentation
- The ability for the project manager to tailor their approach to the project
- The ability for departments to tier projects
- A method to escalate issues

At minimum, every project should have the following:

- Business Case
- Project Charter
- Project Management Plan
- Mechanism to manage change (Change Log and Form)
- Status Reports
- Project Close-Out (with Lessons Learned)

Business Case Development Guidelines

The Business Case process sets the required actions, considerations, decision and escalation points that staff must follow in order to gather the right information to inform the decisions on whether or not to proceed with a particular initiative.

Business Case approval ensures that projects have as much preliminary analysis and foresight as necessary, and that decisions to proceed are accountable, transparent, documented and explainable. The Guidelines encompass all aspects of developing a business case in that it guides the user in:

- Identifying if a business case is required or not
- Identifying business need
- Determining strategic alignment
- Identifying options and providing both qualitative and quantitative analysis of those options
- Providing high-level risk assessments of each option
- Recommending a preferred option or solution
- Providing a high-level draft implementation plan of the recommended option or solution
- Seeking approval from appropriate authority

- Documenting all source materials and decisions as official business records as per the [Records Management Policy](#)

Project Management Framework

The Framework encompasses all aspects of the management of a project through its lifecycle in that it:

- Ensures the project is properly documented from initial conception (business case) through to Close-Out (final reports, client acceptance, completion of lessons learned) as official business records as per the Records Management Policy
- Establishes the mechanism for managing the project scope, including the identification and documentation of changes to that scope
- Provides a mechanism for oversight (steering committee if required) to ensure decision-making is accomplished through a structured and informed means; this includes escalation when oversight at the current level is not appropriate. A steering committee may be required based on cross functional impact and scale of the project.
- Aligns with key strategic initiatives and promotes risk-based decision-making
- Utilizes sound practices based on the recognized industry standard from the Project Management Institute; this includes the use of typical project management tools and support
- Sets the duties and responsibilities of the project manager

Project Management Lifecycle

Projects, regardless of size and complexity, move through a typical lifecycle, or a series of phases, from starting the project, organizing and preparing to do work, carrying out the work, and then closing the project so it can be turned over for its intended use.

The City endorses the following lifecycles for project managers to use to manage their projects:

- Predictive (Waterfall): This lifecycle is a sequential process that requires that the bulk of the planning occurs upfront, with the project being executed in a single pass. Project teams move through the five project management processes in order.

- Agile: This lifecycle was designed to be both iterative and incremental to refine work items and deliver frequently. Project teams work in cycles of planning through to executing until they reach their objectives.
- Hybrid: This lifecycle combines aspects of both Waterfall and Agile lifecycles

The Framework goes into more detail and guidance about each lifecycle (including gating, tiering and tailoring considerations) and suggests which lifecycle is best for what type of project. While project managers can use a Hybrid lifecycle, they will not be described in depth in the Policy or Framework at this time.

12 Fundamental Elements of Project Management

Projects, regardless of size and complexity, must be managed using the 12 fundamental elements of project management. These elements are made up of the project management institute’s 10 Knowledge Areas along with two additional areas specific to the City of Ottawa to cover emerging issues and trends.

The specific processes applied during each of these groups of activities may differ slightly based on the nature of the business, but the fundamental elements are consistent and must be considered and addressed as appropriate, even if a determination is made that it is not required on a specific project.

The following are the 12 elements, each is expanded upon in the [Framework](#):

Integration Management	Scope Management
Cost Management	Time (Schedule) Management
Quality Management	Risk Management
Procurement Management	Communications Management
Resource Management	Stakeholder Management
Change/Outcome Management	Records Management new
<i>new</i>	

Depending on the size of the project, each of these elements may warrant its very own plan to manage those processes. The project managers are responsible for determining which elements require individual management plans in alignment with the Framework.

Project Management Processes

Although projects can be managed and delivered in a variety of ways, the steps followed are the same. Work must first be initiated; planned before it is executed, monitored the entire time, and then completed.

Projects are managed by executing a series of five project management processes. Each process is a logical grouping of project management activities undertaken to achieve specific project objectives. These processes can also be called project phases, however with the growth of Agile and Hybrid methodologies, the term “phase” has come to mean something more related to the industry the project is working in, rather than the order that all activities must be done in.

Initiating Process: Establish the overall objective and the primary stakeholders, identifying the broad guiding parameters to reach the expected outcome and authorizing the project or phase to begin.

Planning Process: Develop a comprehensive plan for the project with defined sub-objectives, detailed work activities, estimated task durations, sequences and costs, identified resources, applicable practices, methods, standards and technologies.

Executing/Implementing Process: Coordinate resources, perform work activities and manage the outputs in accordance with the scope, schedule, budget, and quality specifications.

Monitor and Controlling Process: Monitor and measure the results of execution for alignment with the plan, investigating variances, gathering feedback, improving processes, and applying corrective action and lessons learned.

Closing Process: Formally secure acceptance for the project outcome with Clients and Stakeholders and wind down the project or phase infrastructure and team.

These processes may be carried out through each portion of the project’s lifecycle. Projects may be divided up into phases that mirror the project management processes - but they don’t have to be. Phases are unique to the type of project, but their high-level nature makes them an element of the project life cycle.

Minimum Project Documentation

The following expands on the list provided above. Capturing and storing these documents in a Project Management Information System or SharePoint is acceptable. The documents mentioned in this section are considered official business records and must be managed according to the City's [Record Management Policy](#).

Business Case

Prior to launching a project, or a contractual arrangement related to a project, justification for the work to be completed and confirmation of available funds or funding source is required in the form of a Business Case. A Business Case must be prepared, in accordance with the delegated levels of authority, prior to a Project Charter being created and approved or advancing through the project management lifecycle. The approach to documenting a Business Case will vary in scalability depending on the complexity of the project. The [Business Case Development Guidelines](#) explains circumstances that necessitate a business case and how they should be created. For example, projects which have been identified and adopted by Council through master plans (e.g. Transportation Master Plan, Cycling and Pedestrian Master Plans, Corporate Asset Management Plan, etc.) or which form part of ongoing operational programs (e.g. road and physical assets lifecycle maintenance, technology maintenance, etc.) do not require a business case before proceeding.

Project Charter

The Project Charter must be approved by the person(s) that have delegated authority over the relevant operations to ensure the scope of work suggested is completed, approved and the appropriate levels of authority for management of scope and decision-making purposes have been identified. The format and level of detail required is proportional to the size and complexity of the project, with the intent that consideration is given to the various factors influencing the project, potential risks and resources required. The corporate project charter template contains the minimum amount of information that needs to be recorded for a project.

Project Management Plan

The project management plan is the document that describes how the project will be executed, monitored and controlled and closed. It integrates any and all plans, templates, and other supporting documents developed for the 12 fundamental elements of project management.

Mechanism to Manage Change

The project manager must establish a process for change requests that will be used throughout the project to formalize the request and determine how it will be authorized and incorporated into the project. The process could be as straightforward as using emails to request and receive approval for the change; to much more complex, involving a change form, a change log, a change control board, and other documents. The format and level of detail required is proportional to the size and complexity of the project.

Status Reports

It is important that the project manager keep all stakeholders informed on the progress of the project. A schedule of regular status reports should be part of the work plan. A stakeholder register can assist with keeping track of all stakeholders, their impact and interest in the project, and how best to keep them informed. The use of many or few supporting documents is proportional to the size and complexity of the project.

Project Close-Out (with Lessons Learned)

Closing out a project is the process of finalizing all activities for the project or phase. This is important because it releases resources to work on other things, it closes any contracts and facilitates the development of lessons learned from the project. Lessons learned may be positive or negative but should be recorded so they can be referred to when starting future projects.

Tailoring and Tiering Projects

The Policy acknowledges that the City has over 100 lines of business, which means that projects will vary in size from very small and affecting a small number of staff, to extremely large and impacting the entire city. Because of this wide range of project sizes and the wide range of types of projects the City may undertake, it is important that the project manager is able to adjust their approach to the project because not

every element and process requires extensive detail on every project. Departments are able to set their own standards for how projects can be tailored, and what tiers are created to help guide project managers. Any standards developed by departments must be documented, approved by the General Manager, and made available for all project managers in those departments to access. However, if departments have not set standards, project managers are expected to follow the Framework to determine the level of effort required to properly manage their projects, keeping in mind the fundamental elements, the lifecycles, the processes, and the minimum project deliverables.

Tailoring is the deliberate adaptation of the project management lifecycle, governance, and processes to make them more suitable for the given environment and the work at hand. Tailoring allows the project manager to choose the appropriate project lifecycle, the detail to be covered in the 12 fundamental elements, the governance details, which documents (other than the minimum project documents) are required in each of the project management processes and where project gates are established.

Tiering is the development of specific levels, or tiers, that projects can be grouped into based on their attributes such as type, size (cost), scope (complexity), schedule, level of risk, stakeholder impact, etc. Different tiers would have different requirements for the type of project documents developed (aside from the minimum required above) and level of detail of those documents.

Independent Review

An independent review is an assessment of a project. It is an unbiased, independent, and detached evaluation of project health, conducted by qualified and objective individuals.

Certain projects, like those that fall into the Escalation section below, may benefit from having an independent review of the project, and/or its documents during the life of the project. A review can be performed on a phase or specific aspect of the project (targeted review) or on the entire project (full review). For example, an independent review can view documents (designs, contracts, etc.) to ensure that best practices are used, that no scope gaps exist, as well as provide unbiased assessments of the projects progress in meeting its objectives at any point in the life of the project.

The project manager should consider an independent review as a potential support to any project. Having an external independent advisor or reviewer would have to be planned and budgeted for in order to bring someone in from outside the organization. Criteria for determining when to bring in an independent reviewer and how to select an independent reviewer can be found in the *Criteria for Conducting an Independent Project Review*.

Departments are able to set their own standards for when they determine an independent review should be included in a project. Any standards developed by departments must be documented, approved by the General Manager, and made available for all project managers in those departments to access. However, if departments have not set standards, project managers are expected to follow the Framework and criterion to determine if an independent review is warranted for their project.

Recordkeeping

All City staff have a duty to document the work that they do, in order to be transparent and accountable to Council and the public. Project managers should have a records management plan which answers the following questions: What records are being captured? Where are they being captured? Who is responsible for capturing the records? Records management needs to be considered at the start of, during, and at the close of projects.

Large projects, such as Stage 1 of the Ottawa Light Rail Transit (OLRT) or Lansdowne Park, can generate more than one million records. They are also more likely to result in access to information and privacy (ATIP) requests, audits, and litigation. Staff will be in a better position to respond to such events if they document the work, capturing the documentation as records, and have a well-ordered and planned recordkeeping system.

There are additional recordkeeping requirements for large-scale infrastructure projects. Large-scale infrastructure projects can generate hundreds of thousands of Official Business Records. In order to meet the information management challenges, additional recordkeeping requirements are necessary and were identified in the [Update on the Ottawa Light Rail Transit Public Inquiry and Recommended Next Steps, ACS2022-CMR-OCM-0001](#) Council report, dated November 9, 2022. Please consult this [recordkeeping checklist for large-scale infrastructure projects](#). This checklist also supports other aspects of project management such as decision-making, business continuity, Duty to Document obligations, audit and litigation

response, communication management and lessons learned. Users of this checklist should consult relevant policies and procedures, such as the [Records Management Policy](#) and [Routine Disclosure and Active Dissemination \(RD/AD\) SharePoint page](#). The Information Management Branch will provide support and guidance for this work.

Further details on the records management obligations of all staff can be found in the Records Management Policy. Official Business Records generated as a result of the execution of this Policy must be declared as such in the appropriate SharePoint site, RMS (Records Management System) or approved business system.

Escalation

Project authority and governance of projects falls within the authorities delegated as identified in the most current [Delegation of Authority By-law](#), the [Delegation of Powers Policy](#), and the Procurement By-law.

When managing a project, staff must consider circumstances that warrant escalation to a higher level of authority outside of the project authority and governance. Project approval and decisions to implement changes that occur over the course of the project may need to be escalated even though the authority to manage the project has already been delegated. Where possible, escalation and approval points should be noted in the project charter.

As a general rule, escalation above the project authority may be required if any of the following conditions exist:

- Unique or first-time initiative
- Garners significant City Council, standing committee, or public interest
- Potential to negatively impact the public
- Contains significant financial, operational or reputational risk
- High risk of exposure to claims or litigation
- Crosses jurisdictional boundaries or impacts all wards within the city
- Significant changes to scope, schedule or budget
- In the event the project has a steering committee, project decisions may be escalated to the committee at the project manager's discretion.
- On project authority and escalations, including when a steering committee may be required as outlined in the Project Authority and Escalation guidelines.

Notification to Council

When exercising delegated authority, the Delegation of Powers Policy requires the staff member to conduct their duties appropriately including the corresponding reporting out obligation. As stated in the Delegation of Powers Policy, “every delegation of a power or duty of Council shall be accompanied by a corresponding accountability and transparency mechanism”. Project managers must be aware of the following:

- That Members of Council and/or the Ward Councillor(s), as appropriate, are engaged early in the process, particularly in instances where the matter is high-profile or sensitive;

The Policy goes on to state that high-profile or sensitive matters may include, but are not limited to the following examples:

- Significant City projects, programs or services with respect to budget, project scale, risk level or public interest where an authority has been specifically granted by Council;
- Events such as those described in the Donations to the City for Community Benefit Policy:
 - Modifications, enhancements, replacement, alterations or removal of City facilities, amenities, programs or services available to the public;
 - An introduction of new facilities, amenities, or equipment to a City owned or leased location accessed by the public;
 - A significant reconfiguration of a public property, facility or programming space within a City facility;
 - A recognition benefit to a donor that has significant impact on site or facility aesthetics and/or use; and/or
 - A requirement to waive all or a portion of City policies and/or standards such as accessibility, bilingualism, etc.

Responsibilities

Project management is a shared responsibility at all City levels.

City Council

- Endorsed the Business Case and Project Management Policy and Project Management Framework initiative by approving the Policy and Framework in 2014.

Senior Leadership Team

- Accountable for the project management culture and practices in the organization
- Responsible for promoting compliance with this Policy
- Reviews and approves changes to the Policy, Project Management Framework and supporting documents

Department Head

- Ensures compliance with this Policy and the Project Management Framework
- Approves any departmental tiering or tailoring of project management practices
- Approves any escalation of project decisions/information as per the escalation/notification criteria listed above
- Determines if an independent review is required for a particular project

Departmental Business Support Services (BSS) or designated group

- Provides functional assistance for departmental leadership and staff on all aspects of project management, including consultation and advice as required
- Proposes any departmental tiering or tailoring of the project management practices listed in the Policy or Project Management Framework
- If the department has chosen to tier or tailor the project management practices, then it is up to this group to ensure the practices are documented, approved by the General Manager, and are being followed by all participating parties

Finance and Corporate Services Department

- Reviews and improves the Business Case and Project Management Policy, the Business Case Development Guidelines, the Project Management Framework and all supporting documents in accordance with the Corporate Administrative Policy Framework

- Works with the City's corporate learning centre to ensure any updates are reflected in the corporate project management training provided to staff

Management

- Accountable for the effective management of projects within their units, branches and departments
- Responsible for utilizing the tools available to support project management
- Responsible for assigning staff to manage projects and develop business cases
- Responsible for supporting staff in taking project management training if their role or tasks require it
- Responsible for advising Council of the exercise of a delegated authority and confirming compliance with the authority and the applicable report, policy, or by-law.

All City employees

As any staff person could be called upon to manage a project (be a project manager), or be part of a project team, it is important that staff working on projects are well versed in this Policy, along with supporting documents. Staff managing projects are required to:

- Demonstrate their compliance with this Policy, the Records Management Policy, and any other relevant policies.
- Demonstrate their understanding and use of the Project Management Framework and the Business Case Development Guidelines
- Demonstrate their understanding of the duties of a project sponsor, project manager, business lead or project team member as detailed in the Project Management Framework

Consultants/Contractors:

- Provides acceptable documented evidence that their company's project management framework is similar to the City's and how they will address any gaps between their approach and the City's requirements, OR
- Follows the City's framework, including the use of required tools and templates
- Ensures all changes that impact the agreed to scope (including cost, schedule, quality) are identified, documented and approved prior to commencing with the change

- Ensures the project is properly documented and provides the City with those documents upon request (as well as turning over documentation at the end of the project) and is made aware that the documents could be subject to public disclosure
- Demonstrates their understanding of the duties of a consultant/contractor as detailed in the Project Management Framework

Independent Reviewer

- Maintains third-party, independent status throughout the life of the project
- Performs the review work in accordance with the organizations policies and procedures
- Analyzes, develops, and integrates conclusions and recommendations into a comprehensive report
- Demonstrates their understanding of the duties of an independent reviewer as detailed in the Project Management Framework

Monitoring/Contraventions

Department leadership and Service Area teams will monitor the application of this Policy to ensure that the requirements are met within their jurisdictions. The Business Case and Project Management Policy will be reviewed every four years in accordance with the Corporate Administrative Policy program and more often as required for continuous improvement.

City staff assigned to project teams are expected to comply with this Policy and adhere to the [Employee Code of Conduct](#). Non-compliance, specifically with regard to the referenced policies and by-laws, could result in disciplinary action, up to and including dismissal.

References

[Project Management Framework](#)

[Business Case Development Guidelines](#)

[Delegation of Powers Policy](#)

[Employee Code of Conduct](#)

[Records Management Policy](#)

[Routine Disclosure and Active Dissemination Policy](#)

Enterprise Risk Management Policy and Framework

Legislative and Administrative Authorities

[Delegation of Authority By-law](#)

[Procurement By-law](#)

Recordkeeping requirement

As per the [Records Management Policy](#), Official Business Records generated as a result of the execution of this policy must be declared as such in the appropriate SharePoint site, RMS (Records Management System) or approved business system.

Definitions

Agile Project Lifecycle: The Agile lifecycle was designed to be both iterative and incremental to refine work items and deliver frequently. Project teams work in cycles of planning through to executing until they reach their objectives. Software development typically uses the Agile approach,

Business Case: A logical, objective and comprehensive analysis of an issue or potential investment in order to present the benefits of a recommended initiative for decision-making purposes.

Business Owner: The position or business line who receives the project outcome. The business owner is accountable for the service, system, process, or asset that resulted from the project.

Change Management: Part of the Scope Management element, it is the process of identifying, documenting, reviewing, approving or rejecting and controlling changes to the project baseline, including managing changes to deliverables and milestones. A governance structure establishes the criteria for levels of review and approval required.

Change Management/Outcome Management: Managing the changes that the project brings to the organization and developing an approach to dealing with the transition or transformation of an organization's goals, processes or technologies.

Deliverable: This is ultimately what the project is working towards i.e., a product, service, process, technology, or solution

Department Head: Department Head – Includes a General Manager, City Solicitor and equivalent (Level 2 HR Authority)

Gate: A measurement method based on milestones that correlate with the pre-defined level of progress made on a project deliverable.

Hybrid Project Lifecycle: The Hybrid lifecycle combines aspects of both Waterfall and Agile lifecycles.

Milestone: A significant point or event in a project.

Monitoring and Controlling Processes: The processes established and utilized to track, review and regulate progress and performance of the project, identify any areas where change(s) are occurring or may be required, and initiating those changes upon approval.

Project: A project is a temporary endeavor undertaken to create a unique product, service or result. Projects are undertaken to fulfill objectives by producing deliverables. The temporary nature of projects indicates a beginning and an end to the project work or a phase of the project work. Projects can stand alone or be part of a program or portfolio¹

Project Manager: The person assigned to lead the project in achieving its goals and objectives.

Project Management: The application of knowledge, skills, tools, and techniques to project activities in order to meet the requirements as defined in the project scope.

Project Management Institute (PMI) Project Management Body of Knowledge (PMBOK Guide): A recognized standard for the project management profession. It describes established common terminology and guidelines for project management that are generally recognized as good practices.

Stakeholder: People, groups or organizations who may impact or be impacted by the project, or who are invested in the successful completion of the project (i.e. clients, senior management, project manager, project team, shareholders, contractor, City Council, the public).

Tailoring: The mindful selection and adjustment of multiple project factors depending on the requirements of the project.

Tiering: The development of specific levels, or tiers, that projects can be grouped into based on their attributes such as size (cost), scope (complexity), schedule, level of risk, stakeholder impact, etc.

Waterfall (Predictive) Project Lifecycle: The Waterfall lifecycle is a sequential process that requires that the bulk of the planning occurs upfront, with the project being executed in a single pass. Project teams move through the five project management processes in

¹ PMI PMBOK Guide, 7th edition

order – Initiating, Planning, Executing, Closing, while Monitoring and Controlling the entire time. Construction projects typically use the Waterfall approach.

Enquiries

For more information on this policy, contact:

Manager, Business and Technical Support Services,

Finance and Corporate Services Department