

# COUNCIL POLICY



**Policy Name**

**Project Management Framework**

## Abstract

The purpose of this Policy is to provide an overarching project management framework for Gunnedah Shire Council that delivers a consistent, standardised and quality approach to the way projects are managed across the organisation.

<b>Dates</b>	Policy or amendment approved	20 September 2023
	Policy or amendment takes effect	20 October 2023
	Policy is due for review (up to 4 years)	20 September 2027
<b>Endorsed by</b>	Executive Leadership Team	
<b>Approved by</b>	Gunnedah Shire Council at its Ordinary Meeting held on 20 September 2023 Resolution number: 10.9/23	
<b>Policy Custodian</b>	Manager Governance and Legal	
<b>Relevant to</b>	Gunnedah Shire Council Councillors and Staff	
<b>Superseded Policies</b>	Project Management Policy Resolution 12.12/15 Council Ordinary Meeting 16 Dec 2015	
<b>Related documents</b>	Council's Code of Conduct and Statement of Business Ethics; Council's Procurement and Tendering Policy, Management Directive and associated , Council's Management Directive – Project Management; Asset Management Policy; Community Engagement Policy;	
<b>Related legislation</b>	Nil	

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Policy – Project Management

## 1. Purpose

1.1 To provide an overarching project management framework for Gunnedah Shire Council that delivers a consistent, standardised and quality approach to the way projects are managed across the organisation.

1.2 This Policy has been designed to ensure that Council:

- (a) Acts with due care, diligence and foresight;
- (b) Identifies and manages risks associated with a project;
- (c) Makes informed decisions based upon reliable, accurate and timely information;
- (d) Is properly accountable for the use of Council and other public resources; and
- (e) Complies with the Division of Local Government's Capital Expenditure Guidelines.

1.3 Objectives and anticipated benefits of implementing such a framework include:

- (a) Appropriate business case approvals are in place before commencement of projects;
- (b) Prioritisation of projects align with strategic goals and business plans;
- (c) Projects are effectively managed and appropriate governance is established;
- (d) A consistent process and language for all projects regardless of size and type;
- (e) Improved status/progress reporting;
- (f) Greater collaboration between organisational teams;
- (g) Increased capacity to successfully deliver complex projects and more valuable outcomes;
- (h) An overall view of Council's total project workload to support decision making and optimise allocation of resources;
- (i) Project outcomes and learning are captured and utilised to improve project methodology; and
- (j) Project performance can be demonstrated and reported to stakeholders.

## 2. Scope

This Policy applies in full to any person who undertakes or is involved in the delivery of Council's project/program work as defined in this policy.

The Policy pertains to

- all projects and programs (total program budget) of a capital nature in excess of \$10,000.
- Operational projects determined by the Executive Leadership Team.

This Policy is to be read and used in conjunction with all applicable legislation and Guidelines, Council's Management Directive on Project Management and associated Procedure documents.

### 3. Definitions

Term	Definition
Act	Local Government Act (NSW) 1993
Business Case	Is based on an operational or strategic need that has been identified from within a business unit. A Business Case should detail and justify the baseline information about the project such as background, purpose, benefits, objectives and funding sources of the proposed project.
Guidelines	Division of Local Government's Capital Expenditure Guidelines issued December 2010.
Program	A group of similar works which are reported at a program level and can consist of multiple works (e.g. Fleet or Plant Replacement Program, Rural Unsealed Re-sheeting Program, Library Books Program, Computer Replacement Program)
Project	An action being delivered by an individual or organisation to meet unique objective; and/or deliverables within defined schedule, cost and performance parameters.
Project Management	The process of guiding a project from its beginning through its performance, to its closure.
Project Management Framework	A policy guideline and documented procedures for how projects are planned, executed and delivered based on proven project methodologies, to ensure projects are completed on time and within budget.
PMP	Council's Project Management Portal.
Project Manager	The officer responsible for the day-to-day management of the project objectives, tasks, progress and project team.
Project Methodology	A set or system of methods, principles and rules for regulating the performance of a project.
Risk Management	Co-ordinated activities to direct and control Gunnedah Shire Council with regard to risk.
Project Team	Individuals, groups and/or organisations, including consultants, who are responsible for undertaking project tasks as directed by the Project Manager.

### 4. Policy Principles

Gunnedah Shire Council strives to continually improve the efficiency and effectiveness of its performance in the provision of services to its ratepayers and stakeholders. Council is involved in a range of business areas each with the requirement to deliver projects of various shapes and sizes relative to the type of work involved.

Council will be guided by the following key principles when undertaking any project related activities or processes:

#### **4.1. Business justification**

There needs to be a viable business case driving the project. It is crucial that a project be well thought out and its benefits clearly understood before commitment is made to any significant expenditure.

#### **4.2 Defined roles and responsibilities**

Each person involved in a project needs to understand the nature of their involvement, what they are responsible for and to whom they are accountable.

#### **4.3 Manage by stages**

Projects are to be broken down into more manageable stages to enable the correct level of planning and control to be exercised. This helps to ensure that consideration is given to the entire lifecycle of a project, that key decisions are made prior to the detailed work needed to implement them and that no crucial elements are missed.

#### **4.4 Manage by exception**

Project Managers need to be allocated clear boundaries relating to budget and timeframes within which they are to work. Only if the Project Manager cannot provide the agreed deliverables within these constraints, should matters be escalated to the appropriate member of Executive Leadership Team for a decision.

#### **4.5 Learn from experience**

Projects provide opportunity for learning from both successes and mistakes. At the conclusion of a project, consideration should be given to what went well and/or what went badly and recorded appropriately, so that such feedback can be referenced by others and incorporated into the approach for the next project.

#### **4.6 Tailor to suit**

Council's Project Management Framework will provide a basic set of tools and templates to be used by staff to help increase likelihood of project success. These tools and templates can however be used flexibly and should be tailored to suit the individual project.

### **5. Policy Statement**

#### **5.1 Best Practice**

Project delivery poses as a high risk factor for Council. If a project is poorly managed and things go wrong, it has the potential to cause substantial problems for the organisation, such as budget over-runs, exposure to litigation and/or public embarrassment. In order to mitigate this risk and as a best practice measure, it is important to provide staff with clear guidance on how to effectively and responsibly manage projects.

## **5.2 Project Management Framework Overview**

5.2.1 The Project Management Framework developed for Gunnedah Shire Council covers the lifecycle of a project and is broken down into four (4) generic project phases:

Phase 1 – Initiation and Approval

Phase 2 – Project Definition and Planning

Phase 3 – Execution and Control

Phase 4 – Closing

5.2.2 The Framework includes of a set of streamlined processes, tools and templates that can be used by all project managers across the organisation, to capably manage any project (small or large scale) that they have, through its entire lifecycle.

5.2.3 An internal Project Management Portal (PMP) has been developed to provide a reporting tool listing Council projects, current status, progress, budget and spend information.

5.2.4 The Project Management Manual and associated templates to guide Project Managers through the management of their project on a step-by-step basis can be found on Council's intranet site.

5.2.5 Storage of all project documentation and progress reports are via Councils Records Management System.

## **5.3 Project Sources**

5.3.1 Projects may be initiated from a variety of sources, including Council adopted strategies or plans, legislative requirements, community needs, Council resolutions or Council officer initiatives identified prior to annual business plan reviews and development.

5.3.2 Regardless of their place of origin, a project is only to commence after the relevant approval process has been completed and business case supported.

## **5.4 Project Categorisation**

5.4.1 All projects will be subject to an Initial Project Assessment based on Council's Risk Management Framework and involves consideration of project risk factors as well as projected cost. The outcome of that Assessment then determines which category a project falls into and subsequently, the appropriate level of diligence to be applied. The higher the level of project risk, the higher the level of planning and detail required.

5.4.2 The appropriateness of project diligence is important. By providing the tiered approach to Project Management, the Framework aims to avoid unnecessary frustrations and delays that may result from over-management of simple, straight-forward projects, but at the same time, looks to prevent complications that can arise from complex projects being under-managed.

- 5.4.3 All projects must follow the processes relevant to its categorisation, to ensure that appropriate controls are in place throughout the duration of the project.

## **5.5 Capital Expenditure Guidelines**

- 5.5.1 The Capital Expenditure Guidelines were developed to assist NSW Councils prepare Capital Expenditure Reviews. They were issued by the Division of Local Government pursuant to Section 23A of the Local Government Act (NSW) 1993 and as such, Council is required to take them into consideration before exercising any functions.
- 5.5.2 The Guidelines apply to capital projects for infrastructure facilities, including renovations and extensions that are expected to cost in excess of 10% of Council's annual ordinary rate revenue or \$1 million, whichever is greater (GST exclusive).
- 5.5.3 Council's Project Management Framework has been designed to complement these Guidelines and to help Council to adhere to the various requirements described therein.

## **5.6 Approval of Project Variances**

- 5.6.1 Any variance to a project's initial approved project plan, including to budget and/or timeline that falls outside of a project's defined tolerances, needs to be reported to and approved by the relevant member of Executive Leadership Team.
- 5.6.2 All contract variations (capital or service) must be managed in accordance with Council's procedure for contract variation, detailed within Council's Procurement and Tendering Procedure and User Guide.

## **5.7 Reporting**

- 5.7.1 Council's Project Management Framework has been designed to ensure accurate and timely reporting. The PMP requires Project Managers to enter monthly status updates for projects under their control.
- 5.7.2 Monthly reports displaying all of Council's high risk projects will be extracted from the PMP and presented at Senior Management Group Meetings. Inter alia, these will show each project's progress against budget and timeline.
- 5.7.3 At a minimum, a report showing the status of projects assessed as being medium or high risk projects (together with details of any variances and project issues) is to be presented to Council every quarter.
- 5.7.4 Project Management is also reportable to Council's Internal Audit Committee and therefore Departments will be subject to regular audits to ensure compliance with, and the effectiveness of this Policy.

## **5.8 Project Related Document Management**

All documentation associated with the management of a project is to be stored within Councils Records Management System.

## **5.9 Policy Compliance**

5.9.1 All those persons involved in Council's project work are expected to read this Policy carefully so as to ensure that they are intimately aware of their responsibilities and processes to which they are to conform.

5.9.2 Non-compliance with this Policy may result in appropriate remedial action in the form of disciplinary action and/or dismissal, being taken.

## **6. Accountability, roles and responsibility**

### **6.1 Authorisation – General Manager**

The General Manager is responsible for the authorisation of this Policy.

### **6.2 Policy Custodian – Manager Governance and Legal**

Council's Manager Governance and Legal is the officer accountable for managing policy compliance, initiating the policy review process, internal auditing requirements, and has responsibility for all aspects of policy implementation, unless appropriately delegated to another officer.

### **6.3 Approval – Executive Leadership Team**

The relevant member of Executive Leadership Team is responsible for the overall supervision of a project within their directorate and is required to approve project initiation and approval documentation, project variances as well as project completion.

### **6.4 Compliance – Project Managers**

Project Managers are responsible for the co-ordination and implementation of the processes outlined within this Policy as well as accurate reporting within the PMP.

### **6.5 Assistance – Governance Team**

Council's Governance Team is responsible for the provision and maintenance of Council's PMP and associated tools and templates.

## **7. Acknowledgements**

The following acknowledgements are made recognising organisations or documents that have provided a basis, instructive comment or templates that have been used to develop Council's Project Management Policy:

- (a) Port Macquarie Hastings Council's Project Management and Gateway Policy;
- (b) Parkes Shire Council's Project Management Policy and Project Implementation and Management Program;
- (c) Latrobe City Council's Project Management Framework;

- (d) Division of Local Government, Department of Premier and Cabinet's Capital Expenditure Guidelines, December 2010.

## 8. Version Control and change history

Date	Version	Approved by & Resolution No.	Amendment
Dec 2015	Draft	Ordinary Meeting 16 Dec 2015 Resolution 12.12/15	
Sept 2023	V2.0 (Review)	Ordinary Meeting 20 Sep 2023 Resolution 10.9/23	