



Capital Project Management Procedures Assessment

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Our Team

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- 20+ years of experience in Capital Project Risk and Asset intensive organizations
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- 10+ years of experience in managing major projects with focus on project controls
- Leads projects reviews, internal audits, regulatory projects and construction claims
- Project Manager Professional (PMP) and Civil engineer

Recap: Scope and Objectives

In **Phase 1**, KPMG reviewed the City of Brampton's active capital projects, from 2016 and prior, and conducted interviews with the relevant operating divisions to identify activities that can be closed and funds that can be returned to their respective funding sources.

Phase 2 includes (1) the scope initially agreed on for Phase 2, and (2) the additional scope based on the input from Committee of Council meeting held on June 3, 2020 and agreed upon with the City of Brampton following the meeting.

(1) Phase 2 Scope

- Review the City of Brampton's capital project management processes and procedures.
- Assess current state of the capital process.
- Explore benchmarking and alignment with industry best practices.
- Make recommendations to enhance transparency and efficiencies.

(2) Additional Scope

- Capital funds planning and management processes.
- Review role/ integration of the Finance group in identifying projects to be closed.
- Assess project team capacity and capability.

Methodology

Project Classification

- Review the current list of capital expenditures (active projects).
- Classify projects into specific categories such as:
 - Non-Recurring Projects
 - Recurring Projects
 - IT Projects
 - Acquisitions
 - Studies and Minor Capital

Project Reporting

- Assess current reporting structure and content that City Council receives.
- Assess project reports for completeness and adequacy.
- Compare against industry leading practices.
- Provide recommendations to develop the reporting structure and format for City Council and for project specific reports.

Project Lifecycle and Prioritization

- Analyze project lifecycle from inception to closeout to understand the processes in place.
- Assess how projects are prioritized.
- Assess how long it takes from approval of funds from City Council to project initiation.
- Compare current project management processes and procedures with KPMG's Capital Project Risk framework.
- Assess capital funds planning and management process.
- Review role / integration of the Finance group in identifying the projects to be closed.

Project Team Capacity and Capability

- Assess the project team's capacity to determine if the project organization is appropriate given the size and scale of the project portfolio. This includes existing portfolio and new projects approved by City Council in each annual capital budget.
- Review the combined qualifications and experience of the project organization. This may include review of job descriptions and performance objectives, as appropriate.

Key Observations

Project Classification

1. The City's capital expenditure can be classified into: (i) **Non-recurring projects**; (ii) **Recurring projects**; (iii) **IT Projects**; (iv) Acquisitions; and (v) Studies and Minor Capital.
2. These projects account for 76% of the Total Budget and 82% of the Budget Remaining.

Project Lifecycle and Prioritization

1. Lack of consistency in the process used and no written procedures for prioritizing projects for the Budget Year.
2. PM procedures and processes are inconsistent across various divisions.
3. Departments do not share and leverage good practices.

Project Reporting

1. Project reports do not include key performance indicators (**KPIs**).
2. Baseline schedule **milestone** information is **not provided to City Council** as part of the reports.
3. Criteria have not been established to determine which projects get reported to City Council.
4. Timelines are not fixed for **Project Status Reporting or Reports to City Council**.
5. Health and safety statistics are not reported.

Project Team Capability and Capacity

1. Capital Works and BDC divisions have multiple vacant positions.
2. The job descriptions assessed were inconsistent in their requirements for project management designation.
3. Some of the job descriptions did not have descriptions for software / technology competency requirements or had a vague description.

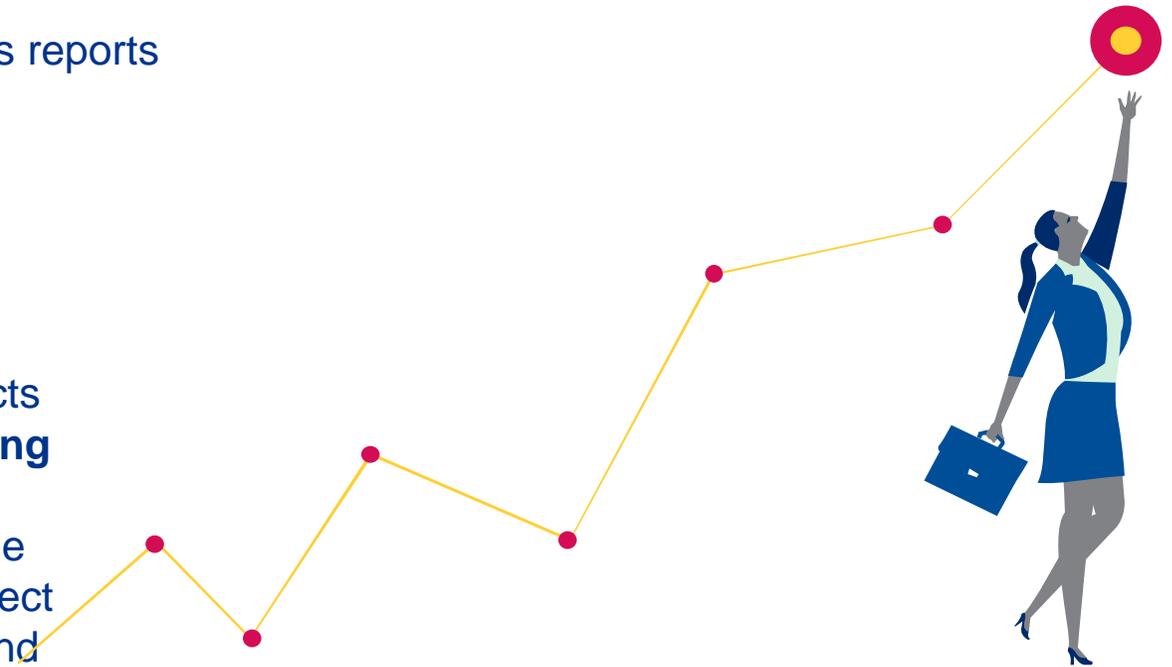
Primary Observation and Recommendation

Based on KPMG's audit of the project management procedures across the various divisions in the City of Brampton, we observed that there are inconsistencies across the various divisions that manage projects. To address this **we recommend implementing a PMO** to help divisions manage their projects.

The PMO will be responsible for the development of written processes and procedures pertaining to project management to be used across the divisions including:

1. Project reporting to City Council and project status reports
2. Project prioritization
3. Project management procedures and processes
4. Project close-out

KPMG recognizes that the City of Brampton manages projects of varying size and complexity. **The purpose of implementing a PMO is to ensure that all projects, regardless of size, follow the same procedures for consistency.** However, the procedures should be flexible and scalable so that each project can follow adequate processes based on its particular risk and size.



Types of PMOs – A Comparison

This section illustrates the characteristics of the three types of PMO and co-relates them with the organization's structure:

Supportive

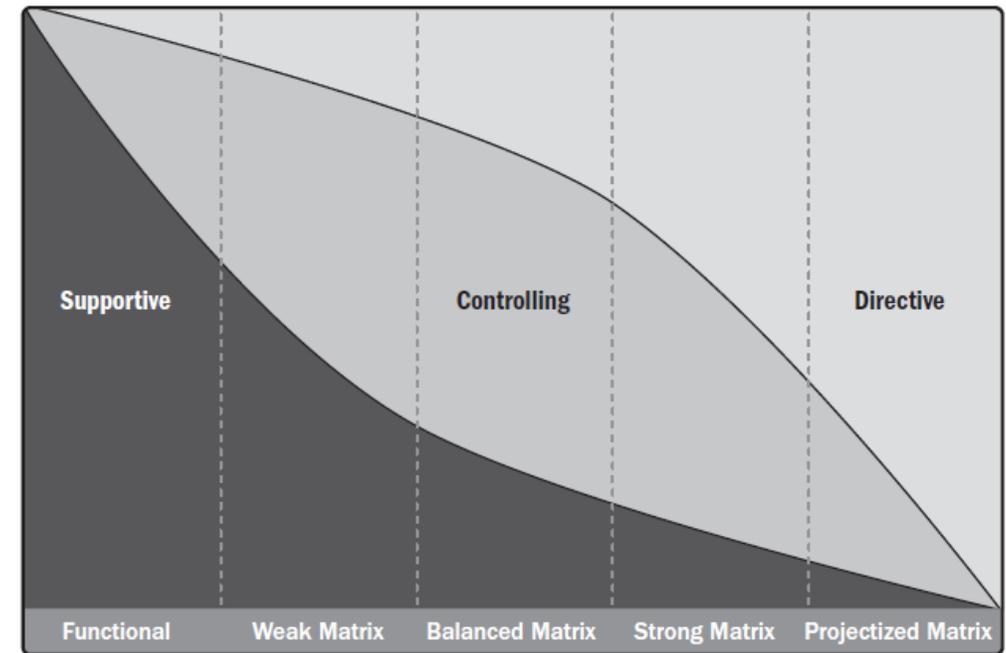
- Recommends common terminology, templates, reporting and procedures to be used on projects throughout the organization to promote consistency and streamline project management

Controlling

- Includes all features of a Supportive PMO
- Requires all projects within the organization to comply with standard PM templates. Does not exercise control over projects
- Performs project prioritization

Directive

- Manages and coordinates all projects throughout the organization
- Appoints the project manager and has control over the projects
- Performs project prioritization



“Correlation Between Organization Structure and Type of PMO”³

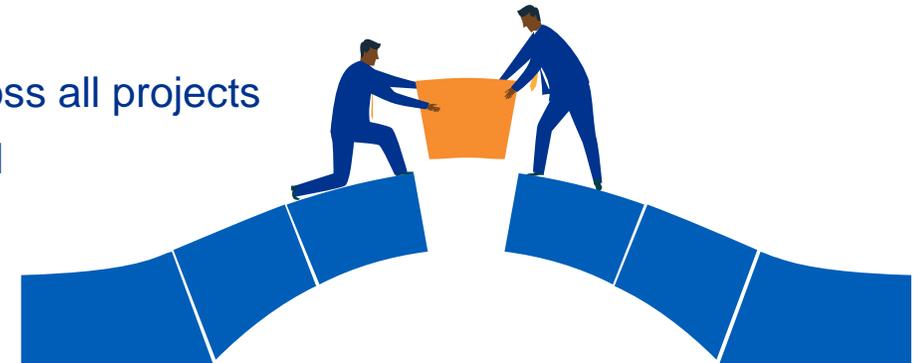
3. “Construction Extension to the PMBOK Guide”, Project Management Institute

PMO Implementation

The PMO will act in a supporting function to the City of Brampton. The PMO's role will be to provide project management support to ensure projects are managed as efficiently as possible.

The benefits of implementing a PMO include:

- Added project oversight and support
- Ensures consistency and uniformity in project management practices across all projects
- Increased communication across divisions, departments, and City Council
- Ensures projects meet the City of Brampton's strategic objectives
- Improve project tracking and reporting



Determining the appropriate type of PMO for an organization is a business decision and should be consulted and agreed on with the Departmental Leads.

Based on our experience with municipalities, government and public entities, we suggest that a Supportive PMO would be an appropriate fit for the City of Brampton.

Thank you



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