



City of St. Albert  
**CITY COUNCIL POLICY**

Capital Project Management

AUTHORITY	APPROVED	Res. No.	mm dd	REVISED	Res. No.	mm dd
City Council		C354-2006	07 04			

## Purpose

1. To define and mandate a corporate-wide approach that will establish a professionally accepted framework for the efficient management and delivery of capital projects while minimizing the risk to the City.
2. To provide a framework for managing the scope, quality, time, cost, risk and human resources of corporate projects. In so doing, the probability is increased that optimal solutions will be selected and that capital projects will be implemented at the “right” time and at the “right” cost.
3. To establish clear lines of responsibility/accountability for project management decisions and the achievement of project objectives and deliverables. Clear lines of accountability/responsibility facilitate optimal decision-making, minimize misunderstandings and delays, and identify and explain the causes of problems as they arise.
4. To identify project management principles and concepts that provide a foundation for the development of a corporate project management framework.

## Policy

Council expects its capital projects program to be conducted within a comprehensive multi-step approach to enhance effectiveness, efficiency and clarity. Council requires that an effective program be delivered in the context of a broad range of resources and competencies working together.

The project management framework model shall be flexible and adaptable to the nature of each operating unit within the corporation and to the work being done. The project manager shall apply the mandated processes to each project and shall determine which remaining processes would enhance the outcome of the project.

## Definitions

“Accountability” shall be defined as being answerable for results.

“Analogous cost estimate” is an estimate that uses the values of parameters such as scope, cost, budget and duration from a previous similar activity as the basis for estimating the parameter when there is a limited amount of detailed information about the project (i.e. in the early phases). Analogous estimating is a form of expert judgment and is most reliable when previous activities are similar in fact and not just in appearance and the project team members preparing the estimates have the needed expertise. An example of analogous estimating would be using the construction cost of the Lacombe Park Reservoir to estimate the construction cost of a similar sized reservoir.



“Authority” shall refer to one who is invested with power to give final endorsement, which requires no further approval.

“10 Year Capital Plan” - also referred to as the Plan. A comprehensive 10 Year corporate plan which identifies the proposed Municipal and Utility capital project expenditures and sources of financing of all departments. Approval of the 10 Year Capital Plan results in City Council's commitment to the indicated priority and staging of projects and earmarks financing. All budget dollars in the first 3 years of the 10-year Capital Plan shall be the actual dollars required (i.e. budgets would be adjusted for inflation each year). All remaining budget dollars from year 4 on will be represented in year 3 dollars.

“Capital Budget” - Refer to the budgeted expenditures and financing of constructing, acquiring or improving new or existing facilities and equipment, and of items which substantially increase the estimated service lives of existing facilities and equipment. These expenditures are financed through sources other than the Operating Budget and do not include costs for normal repairs and maintenance of facilities.

“Capital Project” is any undertaking with a defined starting point and defined objectives by which completion is identified, and is of a non-recurring nature with a cost of \$10,000 or more and an estimated service life of five years or more. These costs are financed through sources of financing other than the Operating Budget and do not include costs for normal repairs and maintenance of facilities.

“Capital Project Manager” is the individual authorized and accountable for establishing, implementing and maintaining the project management framework and procedures for the City. This individual is also responsible to review all Capital Project Charters and Business Cases and provide feedback as required, assign project managers where required and assume overall responsibility for the completion of all Capital Projects being done within the Capital Projects office.

“Composite Project” refers to a number of single projects of similar capital works grouped together such as the Public Works Equipment Replacement Plan. A composite project is considered to be a separate project for each of the years of the plan. Approval of the Capital Budget is provided for a one-year period for all composite projects initiated in the first year of the Plan.

“Parametric cost estimate” is an estimating technique that uses a statistical relationship between historical data and other variables (i.e. square footage in construction, lines of code in software development) to calculate an estimate for activity parameters, such as scope, cost, budget and duration. This technique can produce higher levels of accuracy depending on the sophistication and the underlying data built into the model. An example of parametric estimating would be using the costs per square metre of the West Regional Road construction.

“Project” is any undertaking with a defined starting point and defined completion objectives.

“Project Director” (also referred to as the sponsor, owner) is the individual who provides a singular owner direction for the project and through whom proper authority, responsibility and accountability must flow to the project manager of the project.

“Project Initiator ” (also referred to as the client, user, operator) is the designated departmental individual responsible for identifying the needs and budget and for undertaking the programming, operation, and maintenance of the end product.



“Project Manager” is the individual authorized and accountable for managing the project and achieving the project objectives.

“Project Management Major Process Groups” are the series of processes by which the project objectives in that area of project management are achieved, as follows:

1. “Project initiation processes” mean the processes performed to authorize and define the scope of a new phase or project or that can result in the continuation of halted project work.
2. “Project planning processes” mean the processes for defining and maturing the project scope, developing the project management plan and identifying and scheduling the project activities.
3. “Project execution processes” mean the processes to complete the work defined in the project management plan to accomplish the project’s objectives as defined in the project scope statement.
4. “Project monitoring and controlling processes” mean processes to measure and monitor project execution so that corrective action can be taken when necessary to control the execution of the phase or project.
5. “Project closing processes” mean the processes for terminating formally all activities of a project or phase, and transferring the completed product to others or closing a cancelled project.

“Project Management Institute” is a professional body recognized worldwide (similar to the Association of Professional Engineers, Geologists, and Geophysicists of Alberta) that standardizes and regulates the profession of Project Managers.

“Project Management Plan” means a formal, approved document that defines how the project is executed, monitored and controlled. It may be summary or detailed and may be composed of one or more subsidiary management plans and other planning documents. Subsidiary management plans would include a quality plan, human resource plan, communications plan, risk management plan and procurement plan.

“Single Project” means the total capital expenditures of a unique capital work with a singular identity, for example. Budget approval may extend to a maximum of five years.

“Stakeholder” means a person or organization (i.e. customer, sponsor, performing organization or the public) that is actively involved in the project, or whose interests may be positively or negatively affected by execution or completion of the project. A stakeholder may also exert influence over the project and its deliverables. A primary stakeholder is someone who would be involved in the project from conception to completion. A secondary stakeholder is someone who may be involved in various stages of the project as it progresses through its life cycle.

## **Responsibilities**

1. City Manager shall:
  - a. Require a consistent project management body of knowledge to be developed and utilized throughout the corporation;



- b. Review all new projects/project enhancements of an emergent nature, with projects of an emergent nature being defined within the Municipal Government Act;
- c. Support the use of standardized project management software/systems to estimate costs, develop schedules and report the status of projects;
- d. Support the formulation and implementation of a standardized education and training program to develop staff in the discipline of project management
- e. Recommend approval of all adjustments to the approved Plan and the Capital Budget in excess of the total approved project budget to City Council.
- f. Approve adjustments to the approved Plan and the Capital Budget within the limits provided for in the City Manager Bylaw and City Manager's Policies;
- g. Monitor the implementation, management and control of the Plan and the Capital Budget; keep Council informed of significant delays or cost overruns, and proposed action.

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**Legal References:** *Municipal Government Act*

**Cross References:** Bylaw 13/2002, City Manager's Bylaw  
Policy C-CAO-04, CAO Limitations on Financial Planning and Budgeting  
Policy C-CAO-05, CAO Limitations on Financial Conditions and Activities  
Policy C-FS-05, Budget Guiding Principles  
Policy A-FS-1, Capitalization





City of St. Albert  
ADMINISTRATIVE  
PROCEDURES

Capital Projects Management

**AUTHORITY**  
City Manager

**SIGNATURE**

**APPROVED** dd mm yyyy  
**REVISED:** 04 07 2006

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“Single Project” means the total capital expenditures of a unique capital work with a singular identity, for example. Budget approval may extend to a maximum of five years.

“Stakeholder” means a person or organization (i.e. customer, sponsor, performing organization or the public) that is actively involved in the project, or whose interests may be positively or negatively affected by execution or completion of the project. A stakeholder may also exert influence over the project and its deliverables. A primary stakeholder is someone who would be involved in the project from conception to completion. A secondary stakeholder is someone who may be involved in various stages of the project as it progresses through its life cycle.

## **Roles and Responsibilities**

### **1. General Managers shall:**

- a. Support a project management framework and procedures to establish expectations/standards encompassing the project management responsibilities and functions of scope, quality, time, cost, risk, human resources, contract/procurement, and information/communications.
- b. Support the formulation and implementation of a standardized education and training program to develop staff in the discipline of project management.
- c. Require long-range plans to be developed and maintained and as the primary means of controlling the initiation and ongoing justification of projects.
- d. Ensure all appropriate stakeholders are identified and proper communication plans are in place.
- e. Develop and implement a mediation process to resolve disputes between departments.
- f. Monitor the requested capital plan expenditures so that they are in accordance with City Council policies, resolutions, directives, and budget procedures;
- g. Monitor the implementation, management and control of the Plan and the Capital Budget; and inform the City Manager of significant delays or cost overruns, and proposed action.
- h. Review and recommend approval of adjustments to the approved Plan and the Capital Budget within the limits provided for in the City Manager Bylaw to the City Manager;
- i. Review and recommend approval of all adjustments to the approved Plan and the Capital Budget in excess of the total approved project budget to the City Manager.
- j. Review and recommend approval of new projects/project enhancements of an emergent nature to the City Manager.

### **2. Departmental Directors shall:**

- a. Support the formulation and implementation of a standardized education and training program to develop staff in the discipline of project management.
- b. Act as project director for those projects directly under their jurisdiction.

- c. Appoint a project manager, establish a project team commensurate with the size and complexity of the project and identify significant stakeholders. In so doing, this will provide singular owner/sponsor direction for the project, and through whom proper authority, responsibility and accountability must flow to the party managing the project, namely, the project manager.
3. The Financial Planning Branch shall:
  - a. Review the requested capital plan expenditures and provide financial analysis and advice for the formulation of the Plan and the Capital Budget;
  - b. Consolidate the recommended Plan and the Capital Budget to Senior Leadership Team;
  - c. Review all adjustments to the approved Plan and the Capital Budget; recommend action to the General Manager of Corporate Services;
  - d. On an ongoing basis:
    - i. Provide monthly revenue and expenditures financial reports for approved capital projects;
    - ii. Review expenditure variance and financial project status. On a quarterly basis, report to the City Manager significant delays or cost overruns, and the overall financial impact of such changes to the Corporation;
    - iii. Monitor changes to the approved Plan and Capital Budget;
    - iv. Monitor compliance with the Municipal Government Act, City Council policies, and budget procedures; and obtain borrowing bylaws as required; and
  - e. Develop and maintain instructions for the preparation of requested capital plan expenditures.
4. Project Initiator (Client, User, Operator) shall:
  - a. Develop a project charter, including project terms of reference defining parameters for scope cost, time and quality objectives for specific design, operation and user requirements.
  - b. Conduct a conceptual analysis including options considered, assumptions relating to each option and the final assessment of each option.
  - c. Provide advice and information to the project manager on the project and on specific departmental operations and requirements.
  - d. Review project performance through ongoing performance reports of the project.
5. Capital Projects Manager shall:
  - a. Develop a project management framework and procedures to establish expectations/standards encompassing the project management responsibilities and functions of scope, quality, time, cost, risk, human resources, contract/procurement, and information/communications. Procedures shall include organizational/working relationships for departments working on common projects or those projects crossing departmental functions.

- b. Develop and maintain procedures for the major project management functions, in particular the information/communication function for those projects crossing departmental boundaries.
- c. Develop and maintain design, implementation and operating/maintenance standards for projects.
- d. Develop and maintain organization structures consistent with project management functions to provide the necessary expertise, specialists and support of those tasks to be accomplished for a project.
- e. Provide advice and information to the project owner/project manager on the project and on specific departmental operations and requirements.
- f. Develop a corporate project management manual to be used in concert with the project plan. This document will expand on the project terms of reference document to include the management functions of:
  - i. Scope
  - ii. Quality
  - iii. Time
  - iv. Cost
  - v. Risk
  - vi. Human Resources
  - vii. Contract/Procurement
  - viii. Information/Communications

The manual will also include project procedures of:

- i. Records and Document Circulation
- ii. Project Forms
- iii. Progress Reporting
- iv. Cost/Schedule Controls

6. Project Manager shall:

- a. Act in a service role to the owner, and in so doing, assume the delegated authority, responsibility, and accountability and in turn delegate them fully, consistently and completely for the proper functioning of the project management process. The project manager remains fully responsible and accountable for the project to the owner.
- b. Plan, organize, direct and control the project through the development of a project management plan.
- c. Implement, monitor and update the project management plan and develop a purpose and goals statement supporting the plan.
- d. Provide project status report updates as defined in the Project Management Plan.

## Identification of Capital Projects

Capital Projects may be identified through a variety of processes including:

1. Infrastructure Study – this “global” or top-down study identifies and categorizes all existing infrastructure, its current physical condition and estimated remaining years of life. From this, the City can begin to focus on short and long-term rehabilitation and reconstruction needs.
2. Pavement Management Analysis (PMA) – a specific tool used to rate the City’s road network system. Used in conjunction with the Infrastructure Study, this tool provides a more comprehensive analysis of existing roadway conditions and their rehabilitation and reconstruction requirements.
3. Master Plans – the City currently has Master Plans for its Heritage Sites, Economic Development, Parks, Transportation and Utility (water, wastewater and storm water) components. These plans, also used in conjunction with the Infrastructure Study, provide a more comprehensive assessment of current infrastructure status and what is required in terms of future infrastructure to continue to support the City as it grows and develops.
4. Development and growth – development of new neighborhoods triggers the need for many new Capital Projects including the construction of arterial roads, installation of new traffic signals, construction of new buildings such as the Fire Hall, or even the purchase of new equipment such as street sweepers or pumper trucks.
5. Environmental and safety regulations – as new environmental or safety regulations come into play the City prides itself on meeting or exceeding these regulations. Examples would include a traffic audit of an existing intersection, new water park treatment requirements etc.
6. Citizen raised issues – these can include a variety of items such as the installation of Audible Pedestrian Signals, twinning of an arterial roadway, the creation of a memorial park etc.
7. Long Term Departmental Plans – for example the fire and police departments.

## Departmental Project Management Processes

Departmental project management processes must incorporate the following:

1. Capital Project Processes--Once a Capital Project has been identified, there will be a multi-step process to
  - a. properly prioritize the project,
  - b. identify the costs, scope and impacts of the project and
  - c. develop an initial project budget.
2. Project Management involves applying a variety of processes to projects in order to meet the defined project requirements. Application of these processes, which are based on a combination of knowledge, skills, tools, and techniques, is essential to successful project delivery (Exhibit A). Five key process groups shall be applied to every project:
  - a. project initiation,
  - b. project planning,
  - c. project execution,
  - d. project monitoring and control and
  - e. project close out

3. The Project Manager should review and implement any other processes deemed necessary for the successful completion of the project.
4. These five key process groups shall be applied to the knowledge areas of:
  - a. Integration
  - b. Scope
  - c. Time
  - d. Cost
  - e. Quality
  - f. Human Resources
  - g. Information/Communications
  - h. Risk Management
  - i. Contract/Procurement management

## **Key Processes**

### **1. Project Initiation**

- a. The project initiator shall create a project charter and have it signed off by the project sponsor (Director of the department). The project charter is a one-page document of a brief project description and justification, a conceptual cost estimate, preliminary schedule, stakeholder identification, and lists key risks and assumptions. See Exhibits B & C.
- b. Costing should be developed from either an analogous or parametric cost estimate. The cost estimate should be a comprehensive estimate and include all aspects of the project known to date including labor, materials, supplies and contingencies. At this stage, the costing accuracy should be within –25% to +50%. As the project scope is refined the cost estimate will become more accurate.
- c. Stakeholder identification at this stage shall include the identification of all primary and secondary stakeholders that will be impacted by the project.
- d. The project charter is then incorporated into the three and ten year capital program. For all project charters utilized in the three and ten-year capital program the project costs should be reflective of the current year's costs (i.e. the year the project charter was created). It is the intent that the project charter will replace the one page business case normally done for the three-year capital program process. If the project charter is not approved, the Project Sponsor files the project charter for future reference.

### **2. Project Planning**

- a. Project planning processes are applied to the outputs of the project initiation processes. During the preparation of the upcoming year's capital budget, the approved project charter would be expanded into a full business case. See Exhibit D.
- b. During this process, the project scope would be further refined and the cost estimates updated to reflect current market conditions and the refined scope.
- c. Business cases will also include an overall project management plan, alignment to council goals and strategies, project alternatives, and performance measurements for each project.

- d. Project costs should always be adjusted on an annual basis to account for inflation and current market conditions.
- e. Estimated project costs should be determined using refined analogous or parametric cost estimating methods and contain proper supporting documentation. This preliminary cost estimate would have an accuracy range of –10% to +25%.
- f. Capital Projects not initiated in the approved budget year will need to be resubmitted the following year for budget approval. Costs and scope of work will be re-verified to ensure their accuracy. This is a critical step as it prevents projects from progressing from the initiation to planning and execution phases with inadequate project budgets.

### 3. Project Execution

- a. Project execution processes are applied to the outputs of the project planning processes.
- b. Implementation of the approved business case, the key output from the planning process, should follow the milestone schedule outlined in the business case. Careful consideration during the development of the schedule is required. Procurement of goods and services can be greatly affected by the timing of procurement. Failure to adhere to the projected schedule may result in tender prices that can exceed the approved budget.
- c. If the tendered cost for the project comes in greater than the approved budget, the following options should be considered:
  - i. Project reduction or cancellation within an approved Program Budget – if the project is part of an overall approved Program, with the approval of the City Manager; the project may be reduced or cancelled to facilitate higher priority projects within the Program.
  - ii. Scope reduction - can the scope of the project be reduced without affecting the overall quality or function of the project? Project scope can be reduced through a variety of ways including reducing the total amount of work done, shelling space (building the exterior and finishing the interior at a later stage), staging the project over two or more years, substitution of materials etc. If a scope reduction is possible, with the approval of the General Manager and City Manager, a scope reduction would be completed for the project.
  - iii. Internal department budget revisions – if there is another project within the department that has come in under budget, with approval of the General Manager and City Manager, an internal budget revision transferring the needed dollars can be done providing funding sources are not affected.
  - iv. External department budget revisions – if there is another project external to the department that has come in under budget, with approval of the City Manager an internal budget revision can be done providing funding sources are not affected.
  - v. Budget increase – would have to go to Council for approval.
  - vi. Cancellation of project – would have to go to Council for approval.
- d. Other execution processes that will be performed include acquisition of the project team (including consultants and contractors), information distribution and quality assurance during project execution (i.e. materials testing),

#### 4. Project Monitoring and Reporting

- a. Project monitoring and reporting processes are a critical component of project management that allow the project manager to implement corrective and/or preventative actions to ensure the success of the project. These processes allow the project manager to compare actual project performance against the project management plan and any performance measures as defined in the project planning processes.
- b. As a minimum, performance measurements should include measurements of actual scope, budget and schedule results against the planned project scope, budget (including projected cash flows) and schedule for each project.
- c. Project monitoring and reporting may also include updates on stakeholder management, risks, and procurement.
- d. The frequency of reporting will be dependant on the magnitude and complexity of the project and should be identified by the Project Manager during the planning process.

#### 5. Project Closeout

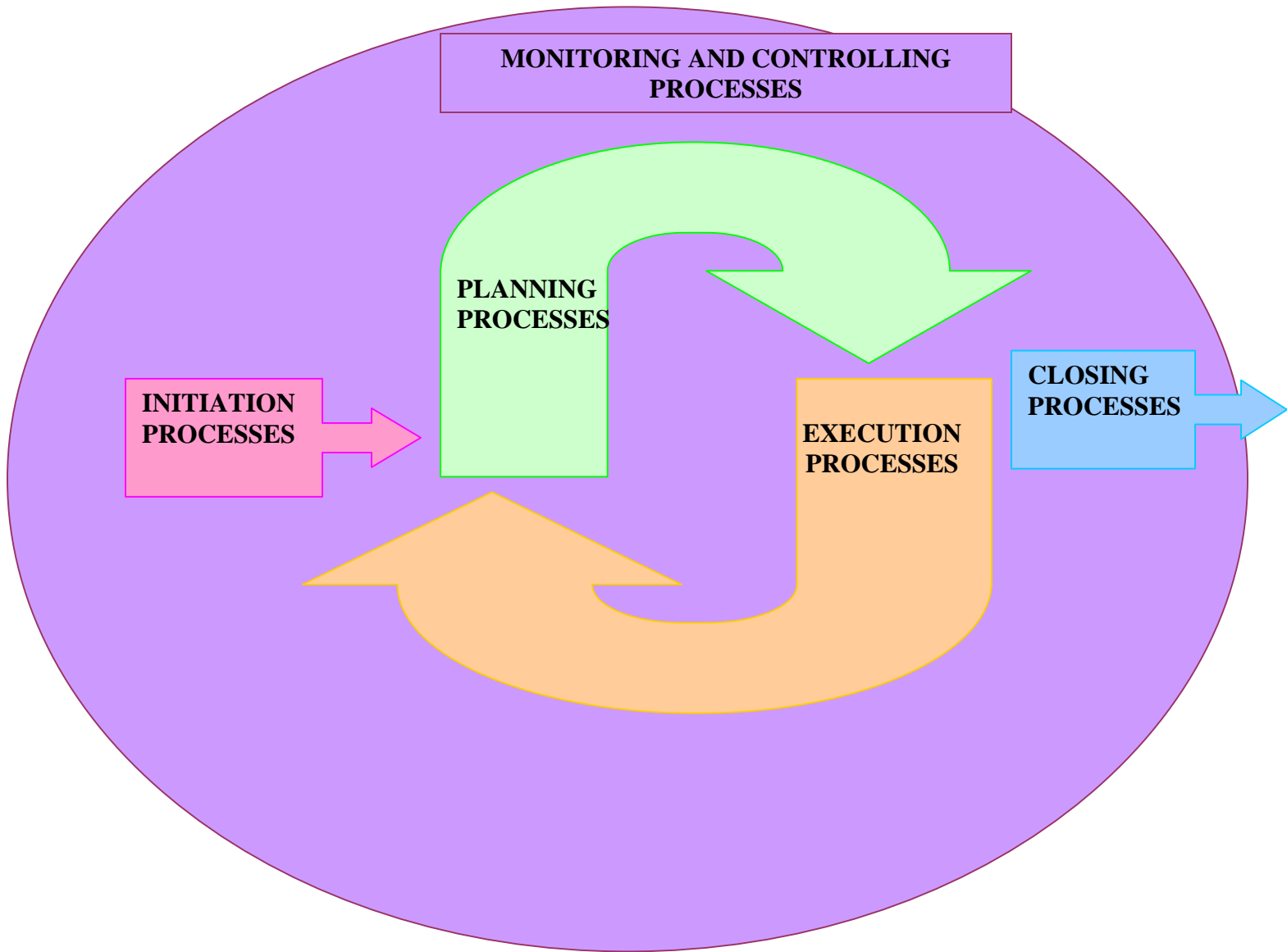
Project closeout processes are the final phase in the project management life cycle and are required to ensure the project is closed out in a proper and timely fashion. These processes include all administrative and contract closures including:

- a. final invoicing,
- b. submission of as-builts etc.,
- c. completion of the project closure checklist and
- d. lessons learned.

#### **Exhibits:**

- A. Capital Project Processes
- B. Project Charter
- C. Project Charter Example
- D. Business Case Template
- E. PIF Template
- F. PIF Template Example

**PROJECT MANAGEMENT LIFE CYCLE**



PROCESS GROUPS

KNOWLEDGE AREAS

	INITIATING	PLANNING	EXECUTING	MONITORING AND CONTROLLING	CLOSING
<i>Project Integration Management</i>		<ul style="list-style-type: none"> <li>Develop project management plan</li> </ul>	<ul style="list-style-type: none"> <li>Direct and manage project execution</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and Control Project Work</li> <li>Integrated change control</li> </ul>	<ul style="list-style-type: none"> <li>Close Project</li> </ul>
<i>Project Scope Management</i>	<ul style="list-style-type: none"> <li>Develop project charter</li> <li>Develop preliminary scope statement</li> </ul>	<ul style="list-style-type: none"> <li>Scope Planning</li> <li>Scope Definition</li> <li>Create WBS</li> </ul>		<ul style="list-style-type: none"> <li>Scope Verification</li> <li>Scope Control</li> </ul>	
<i>Project Time Management</i>		<ul style="list-style-type: none"> <li>Activity Definition</li> <li>Activity Sequencing</li> <li>Activity resource estimating</li> <li>Activity Duration estimating</li> <li>Schedule Development</li> </ul>		<ul style="list-style-type: none"> <li>Schedule Control</li> </ul>	
<i>Project Cost Management</i>		<ul style="list-style-type: none"> <li>Cost Estimating</li> <li>Cost Budgeting</li> </ul>		<ul style="list-style-type: none"> <li>Cost Control</li> </ul>	
<i>Project Quality Management</i>		<ul style="list-style-type: none"> <li>Quality Planning</li> </ul>	<ul style="list-style-type: none"> <li>Perform Quality Assurance</li> </ul>	<ul style="list-style-type: none"> <li>Perform Quality Control</li> </ul>	
<i>Project Human Resources Management</i>		<ul style="list-style-type: none"> <li>Human Resource Planning</li> </ul>	<ul style="list-style-type: none"> <li>Acquire Project Team</li> <li>Develop Project Team</li> </ul>	<ul style="list-style-type: none"> <li>Manage Project Team</li> </ul>	
<i>Project Communications Management</i>		<ul style="list-style-type: none"> <li>Communications Planning</li> </ul>	<ul style="list-style-type: none"> <li>Information Distribution</li> </ul>	<ul style="list-style-type: none"> <li>Performance Reporting</li> <li>Manage Stakeholders</li> </ul>	
<i>Project Risk Management</i>		<ul style="list-style-type: none"> <li>Risk Management Planning</li> <li>Risk Identification</li> <li>Qualitative Risk Analysis</li> <li>Quantitative Risk</li> </ul>		<ul style="list-style-type: none"> <li>Risk Monitoring and Control</li> </ul>	

		Analysis <ul style="list-style-type: none"> <li>• Risk Response Planning</li> </ul>			
<i>Project Procurement Management</i>		<ul style="list-style-type: none"> <li>• Plan purchases and acquisitions</li> <li>• Plan contracting</li> </ul>	<ul style="list-style-type: none"> <li>• Request seller responses</li> <li>• Select sellers</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Closure</li> </ul>

**PROJECT CHARTER**

<p><b>PROJECT</b> Provide full project name and year project is to be completed in</p>	
<p><b>PRELIMINARY SCOPE STATEMENT</b> A high-level project description of the project (i.e. statement of work)</p>	
<p><b>PROJECT JUSTIFICATION</b> Provide the justification for the project. i.e. needs assessment, Council direction, regulatory</p>	
<p><b>PROJECT MANAGER</b> Identify the Project Manager to be assigned to the Project</p>	
<p><b>MILESTONE SCHEDULE</b> Provide a summary of the major schedule milestones</p>	
<p><b>INITIAL COST ESTIMATE</b> Provide an conceptual cost estimate (-25% to +50%) and background of how the numbers were derived; estimate in current year \$\$</p>	
<p><b>PROJECT CONSTRAINTS/RISKS</b> Provide a high-level summary of any project constraints that may affect the project</p>	
<p><b>PROJECT ASSUMPTIONS</b> Provide a list of all assumptions (factors assumed to be true for purpose of planning purposes)</p>	
<p><b>PRIMARY STAKEHOLDERS</b> Primary stakeholders include people who would attend the weekly or biweekly progress meetings.</p>	
<p><b>SECONDARY STAKEHOLDERS</b> Secondary stakeholders include anyone who will be impacted by the project or end product.</p>	

\_\_\_\_\_  
Project Manager (name & signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Project Sponsor (name & signature)

\_\_\_\_\_  
Date

cc. Capital Projects Branch, Finance

## Project Charter

## Exhibit C

<b>Project</b>	<b>2006 Lawrence Crescent Reconstruction</b>
<b>Project Description</b>	<ul style="list-style-type: none"><li>• Complete reconstruction of Lawrence Crescent roadway and sidewalks.</li></ul>
<b>Project Justification</b>	<ul style="list-style-type: none"><li>• Lawrence Crescent has reached the end of its infrastructure life and can no longer be maintained as a safe road/sidewalk for the residents of Lawrence Crescent. This project is strategically aligned with Council's outcome goal of safety and security and also aligned with the outcome goals of service and operational excellence and effective infrastructure management.</li></ul>
<b>Project Manager</b>	<ul style="list-style-type: none"><li>• Tracy Allen with support from Jon Cleland</li></ul>
<b>Milestone Schedule</b>	<ul style="list-style-type: none"><li>• Design &amp; contract documents – completed in 2005</li><li>• Tender &amp; select contractor – February 2006</li><li>• Provide community notification – February 2006 to August 2006</li><li>• Execute project – May 2006 to August 2006</li><li>• Project closeout – August 2006</li></ul>
<b>Initial Cost Estimate</b>	<ul style="list-style-type: none"><li>• \$800,000 based on 2005 asphalt and concrete unit prices inflated to 2006 dollars (parametric estimate)</li></ul>
<b>Project Constraints</b>	<ul style="list-style-type: none"><li>• Surrounding residents – proper coordination of project to minimize impact on residents is key</li></ul>
<b>Project Assumptions</b>	<ul style="list-style-type: none"><li>• Schedule includes downtime for poor weather</li><li>• Inflation will be 5%</li></ul>
<b>Project Sponsor</b>	<ul style="list-style-type: none"><li>• Larry Galye</li></ul>
<b>Primary Stakeholders</b>	<ul style="list-style-type: none"><li>• City of St. Albert</li><li>• Contractor</li><li>• Consultant (including material testing agency)</li></ul>
<b>Secondary Stakeholders</b>	<ul style="list-style-type: none"><li>• Residents &amp; their family/friends</li><li>• Transit, fire department, EMS, RCMP, Public Works</li><li>• Canada Post</li></ul>

\_\_\_\_\_  
Project Manager (name & signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Project Sponsor (name & signature)

\_\_\_\_\_  
Date

**Business Case Template**  
CITY OF ST. ALBERT BUSINESS PLANNING 2007 - 2009

**INITIATIVE NAME:** \_\_\_\_\_

**Division:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Capital Business Case:** \_\_\_\_\_

**COST CENTRE:** \_\_\_\_\_

**FUNDING REQUIREMENTS:**

ONE-TIME   
 ONGOING   
 # OF YEARS

\*Costs

	2007	2008	2009
REVENUE:			
EXPENSE:			
NET:			

are within -10% to +25%

**BACKGROUND:**

*(A brief description of the business problem or opportunity that the Business Case is intended to address and the decision that needs to be made. Include relevant quantified facts of the current or emerging situation {eg: Problems: service level erosion, revenue decline, capacity lacking, escalating costs; Opportunities: cost savings, new revenue (ie: not a change in fee/service charge), new approach to service delivery, shared service arrangement or continuous improvement (CI), etc.)}*

**DESCRIPTION/PROJECT MANAGEMENT PLAN:**

*(Identify what the initiative “will” as well as what it “will not” accomplish in qualitative and quantitative terms. Expand on initial schedule identified in project charter, the impact of proceeding and the consequences of not proceeding with the initiative {eg: service level impact, satisfaction impact, budget/recovery rate pressure, etc.}.) Also include a revised scope statement of the key deliverables included in the project, a revised cost estimate (anticipated costs of the project for the year **the project will be completed in** – accounting for future market conditions and inflation), and performance measures that will be used to measure the success of the project. Cost estimates should have the appropriate supporting documentation and can be expected to have an accuracy range of -10% to +25%). Also outline an initial project management plan.*

**OTHER DEPARTMENTS AFFECTED:** \_\_\_\_\_

**CONSULTED**

(add more rows if required) \_\_\_\_\_

**CONSULTED**

**STRATEGIC ALIGNMENT AND INPUT INTO PRIORITIZATION:**

*(Identify linkages and impact of the initiative on achieving the Council Outcome Goals.*

Council Outcome Goal	Primary ( <i>only 1</i> )	Secondary ( <i>all that fit</i> )	Explain Impact ( <i>Refer to Operational Strategies and Guidelines</i> )
Service and Operational Excellence			
Managed Urban Growth & Form			
Effective Infrastructure Management			
Safety & Security			
Expand, Enhance and Diversify the St. Albert Economy			
Sound Stewardship of the Environment			
Fiscal Responsibility and Leadership Excellence			

**IDENTIFICATION OF ALTERNATIVES AND ANALYSIS (BENCHMARKING AND COMPARISON) AND:**

*(Identify all possible approaches that can be taken to address the problem or opportunity and assess alternatives against the decision criteria from #2 (eg: revenue, cost, recovery rate, service level impact, operational impact) and inherent risks. This enables a qualitative and quantitative comparison to self {historically} as well as to leading practices of other Alberta and Capital Region municipalities. Viability of alternatives/leading practices should be identified on the basis of how well they meet stakeholder decision criteria in addressing the business problem or opportunity). Note: Where appropriate, show 2 alternatives of the same approach (sensitivity analysis) where the scale or timing of an activity can be doubled or accelerated – eg: spend 2x's more to accomplish in 1 yr. vs. over 2 yrs)*

	Alternative A (Do Nothing)	Alternative B	Alternative C	Alternative D
<b>Decision Criteria</b> (as many as exist)				

<b>Service Level or Performance Measure impact</b>				
<b>Risks &amp; Mitigation Strategies</b>				
<b>Costs</b> *Costs are within -10% to +25%	\$	\$	\$	\$
<b>Benefits</b>	\$	\$	\$	\$
<b>Net:</b>	\$	\$	\$	\$
<b>Viable / Not Viable</b>				

**RECOMMENDED ALTERNATIVE AND RATIONALE:**

*(Confirm the recommended alternative and summarize the rationale for funding the initiative emerging from the evaluation in terms of impact, risks, costs and benefits.)*

**FINANCIAL IMPLICATIONS:**

*(Financial impact of recommended alternative including all direct, indirect, operational, and capital costs and expected qualitative and quantitative benefits. Capital costs per attached Capital Project Profile.)*

<b>Budget \$'s</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Revenue:</b>			
Add budget categories as req'd.			
<b>Expenses:</b>			
Add budget line categories as req'd.			
<b>Net:</b>			
<b>FTE's:</b>			

REVIEWED WITH FINANCIAL PLANNING \_\_\_\_\_ F P INITIALS  
 \_\_\_\_\_ DATE

**STAFFING (if applicable):**

# of Full Time Equivalents  → New Position?   
 Position Level  → Level/Step confirmed with HR?   
 Position Step

\* REMINDER: Once the Business Case is identified as “Recommended” by SLT, a “New Position Form” must be completed (Source: HR)

**HIGH-LEVEL IMPLEMENTATION PLANS:**

*(Develop a high-level implementation plan reflecting the activities Administration will undertake in executing against the initiative, including key responsibilities and timing)*

Milestone (What)	Activity (How)	Responsibility (Who)	Timing (When)

**PERFORMANCE MEASURES:**

(Include what performance measures the project will be measured against – for example, actual costs versus budget, actual schedule versus planned, actual scope versus plan, safety measures etc.)

**CAPITAL PROJECT BACKGROUND INFORMATION:**

*(Required for SLT Review).*

CAPITAL PROFILE COMPLETED AND ATTACHED  
 CAPITAL PROFILE REVIEWED WITH FINANCIAL PLANNING \_\_\_\_\_  
 INITIALS



Project No:

**Exhibit E**

Project Name:

Date Revised:

WBS	Budget Description	Funding Source	Funding Source (add columns as required)	TOTAL
<b>1.00 DESIGN FEES</b>				
	Prime Consultant Base -			
1.10	Phase 1 -			-
1.11	Phase 1 – Disbursements			-
1.20	Phase 2 -			-
1.21	Phase 2 – Disbursements			-
1.30	Phase 3 -			-
1.31	Phase 3 – Disbursements			-
1.70	Prime Consultant Additional Services			-
1.80	Other Consulting Costs			-
	<b>Subtotal Fees:</b>	\$	-	\$
<b>2.00 CONSTRUCTION</b>				
2.10	Prime Contractor – Base			-
2.20	Construction Contingency ( %)			-
2.30	Special Contractors			-
2.40	Miscellaneous Contracts, Land Purchase			-
2.50	Lighting			-
2.60	Landscaping			-
2.70	Signage/Advertising			-
2.80	Insurance			-
	<b>Subtotal Construction:</b>	\$	-	\$
<b>3.00 COMMISSIONING</b>				
3.10	Commissioning Consultants			-
3.20	Materials Testing			-
	<b>Subtotal Commissioning:</b>	\$	-	\$
<b>4.00 FURNISHINGS &amp; EQUIPMENT</b>				
4.10	Building Systems			-
4.20	Relocation Costs			-
4.30	Miscellaneous			-
	<b>Subtotal F&amp;E:</b>	\$	-	\$
<b>5.00 PROJECT ADMINISTRATION</b>				
5.10	Project Administration			-
	<b>Subtotal Proj. Admin.:</b>	\$	-	\$
<b>TOTAL ESTIMATE:</b>				
		\$	-	\$

Prepared By:

Date:

WBS - Work Breakdown Structure

Project No: Eng. #A202 (6674-3); Finance #40515

Date Revised:

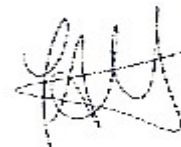
**Exhibit F**

Project Name: Fire Hall #3

15-Mar-06

WBS**	Budget Description	Total Approved	Total Required Funding *
<b>1.00 DESIGN FEES</b>			
	<b>Prime Consultant Base - Fire Hall #3</b>		
1.10	Pre-Design to Post Construction		375,000
1.17	Phase 8 Supplemental Services		25,000
	<b>Prime Consultant Base - Fire Hall #1</b>		
1.20	Pre-Design to Design Development		60,000
1.30	Prime Consultant Disbursements		30,000
	<b>Subtotal Fees:</b>		<b>\$ 490,000</b>
<b>2.00 CONSTRUCTION</b>			
2.10	Land Purchase (2 acres servicing to property line)		
2.20	Land Servicing (property line to building)		375,000
2.30	Prime Contractor - Base***		4,000,000
2.40	Prime Contractor - Construction Contingency (7%)		
2.50	Inflation Contingency		400,000
2.60	Other Costs - Landscaping		390,000
2.70	Advertising		5,000
2.80	Insurance		-
	<b>Subtotal Construction:</b>		<b>\$ 6,095,000</b>
<b>3.00 COMMISSIONING</b>			
3.10	Other Consultants		125,000
3.20	Materials Testing		50,000
	<b>Subtotal Commissioning:</b>		<b>\$ 175,000</b>
<b>4.00 FURNISHINGS &amp; EQUIPMENT</b>			
4.10	Building Systems		275,000
4.20	Relocation Costs		15,000
4.30	Miscellaneous		-
	<b>Subtotal F&amp;E:</b>		<b>\$ 290,000</b>
<b>5.00 PROJECT ADMINISTRATION</b>			
5.10	Project Administration (includes internal City labor)		
	<b>Subtotal Proj. Admin.:</b>		<b>\$ -</b>
<b>TOTAL ESTIMATE:</b>			<b>\$ 7,050,000</b>

Prepared By: Tracy Allen



Date: 15-Mar-06

\*\*Refer to attached Work Break Down Structure (WBS) of what is included in each WBS element

\*\*\*Fire Hall #1 fees based on construction of a 8,000 sq. ft building

WBS Summary - Fire Hall #3 & Fire Hall #1			
<b>1.00</b>	<b>DESIGN FEES</b>		
	<b>Prime Consultant Base - Fire Hall #3</b>		
	1.10	Pre-Design to Post-Construction	Includes all services required to complete the design, construction administration, commissioning and project close-out. Deliverables would include functional programming reports, schematic drawings, detailed design drawings, contract documents, contract tenders, contract administration (i.e. inspection reports), project close-out documents and any additional services as required.
	1.17	Phase 8 Supplemental Services	
	<b>Prime Consultant Base - Fire Hall #1</b>		
	1.20	Pre-Design to Design Development	Includes all services required to complete the pre-design, schematic design and design development. Deliverables would include functional programming reports, schematic drawings, design drawings.
	1.30	Prime Consultant Disbursements	
<b>2.00</b>	<b>CONSTRUCTION</b>		
	2.10	Land Purchase	Includes purchase of land serviced to property line only. Deliverable would be the land.
	2.20	Land Servicing	Includes lights, water, sanitary sewer, power, gas, and telephone services from property line to building. Sanitary sewer and water may be done on a temporary basis until Phase 2 of the Trunk Sewer is complete. Funds to complete the permanent connection (if required) would need to be budgeted at that time and ARE NOT included here. Deliverables would be all the connections.
	2.30	Prime Contractor - Base	Includes construction of Fire Hall, and parking lot. Deliverables would be the same - hall and parking lot.
	2.40	Prime Contractor - Construction Contingency	For unknowns during construction. Deliverables cannot be defined at this time.
	2.60	Other Costs - Landscaping	Deliverables would be the landscaping
	2.70	Advertising	Includes for open houses and other advertising as required. Deliverables would be the advertising.
	2.80	Insurance	Incorporated into construction base.

<b>3.00</b>	<b>COMMISSIONING</b>				
	3.10	Other Consultants	Commissioning, cost consultants, other		
	3.20	Materials Testing	Includes for material testing prior to and during construction. Deliverables would such reports as soils and concrete results.		
<b>WBS Summary - Fire Hall #3 &amp; Fire Hall #1</b>					
<b>4.00</b>	<b>FURNISHINGS &amp; EQUIPMENT</b>				
	4.10	Building Systems	Includes lockers, beds & linens, dining room/kitchen furniture, window coverings, some gym equipment, desks & chairs (14), house appliances, whiteboards, lockers etc.		
	4.20	Relocation Costs	Includes relocation costs of Fire Hall #1 administration to Fire Hall #3		
	4.30	Miscellaneous	Not used at this time		
<b>5.00</b>	<b>PROJECT ADMINISTRATION</b>				
	5.10	Project Administration (includes internal City labor)	Not used at this time		