

EXECUTIVE ORDER NO. 82

EFFECTIVE DATE: November 12, 2002

SUBJECT: PROJECT MANAGEMENT

PURPOSE

Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. This Executive Order is intended to build on that record of success.

The Project Management Executive Order describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Order's requirements are generic and will need to be the separately published Project Management Manual. The Manual is dynamic and should be revised and clarified based on experience.

SCOPE

The Order and the Manual establish mandatory requirements for capital projects as defined by the Metro Capital Improvement Plan Manual¹:

"A capital project is any physical asset acquired, constructed or financed by Metro with a total capital cost of \$50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

PROJECT CATEGORIES

For planning and management purposes, capital projects are classified according to their significance.

1. Major projects. Major projects have high-visibility, significant risks, or have a total cost of \$1 million and greater.
2. Minor Projects. Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding \$1 million and should be managed together as major project.

¹ *Metro Capital Improvement Plan Manual (July, 2002)*. If the definition of a capital project is changed in subsequent versions of the Capital Improvement Plan Manual, the new definition will govern the applicability of these capital project management requirements.

3. Non-capital Projects. As the Project Management Manual is refined through experience, the Chief Operating Officer may require the Manual's planning methodology be used for selected non-capital projects.

PLANNING REQUIREMENTS

1. Strategic Analysis

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP)². A Strategic Analysis contains the elements described in the Capital Project Management Manual.

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. Conceptual Project Management Plan

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are described in the Capital Project Management Manual.

3. Implementation Workplan

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

² Refer to the current version of the annual Metro Capital Improvement Plan Manual for instructions on the CIP process.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are described in the Capital Project Management Manual.

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other.

ORDERED by the Executive Officer this 12th day of November, 2002.



Mike Burton
Executive Officer