

GENERAL ADMINISTRATION MANUAL

VOLUME 2: HIGHWAYS AND PUBLIC WORKS POLICIES

TITLE: PROJECT PLANNING AND IMPLEMENTATION DIRECTIVE

EFFECTIVE: May 1, 1994

UPDATED: May 5, 2010

1 AUTHORITY

- 1) This directive was reviewed and approved as a Management Board Directive by Management Board on April 28, 1998 by M.B.M. #98-13-04 and updated by Management Board on May 5, 2010 by M.B.M. #10-13-03, and can be revised only with the approval of Management Board.

2 OBJECTIVE

- 1) This directive sets out the principles for planning and implementing projects undertaken by the Yukon government, as follows:
 - (a) there must be separate planning and implementation phases funded by separate planning and implementation phase budgets;
 - (b) the roles, responsibilities, authorities and accountabilities of all parties to the process must be clearly defined;
 - (c) baselines for project scope, budget and schedule must be laid out;
 - (d) mandatory review points to ensure that projects remain within scope, budget and schedule as defined in established baselines must be laid out;
 - (e) change control mechanisms must be established; and
 - (f) monitoring and reporting mechanisms must be established.

3 SCOPE

- 1) Subject to 4(1) and 4(2), this directive applies to projects which will cost \$50,000 or more (including any changes) and:

- (a) create or acquire a fixed asset, except where the acquisition of the fixed asset is to replace a worn out asset of the same type, function and capacity;
- (b) alter or replace a fixed asset so as to change its original function or capacity; or
- (c) lease a fixed asset so that the Yukon government receives substantially all of the benefits and risks of ownership.

4 APPLICATION

- 1) Subject to the terms of any agreement between the Yukon government and the federal government, this directive applies to projects under section 3 carried out by the Yukon government on behalf of the federal government.
- 2) Specifically exempted from this directive are:
 - (a) projects sponsored by departments which are specifically exempted from the *Financial Administration Act*;
 - (b) community development projects funded by the Yukon government and carried out by not-for-profit groups; and
 - (c) projects funded by the Yukon government and carried out by another government, public, and/or private body, for use by that government or body.
- 3) Management Board may exempt a specific project from the requirements of this Directive.

5 DEFINITIONS

- 1) In this directive:
 - (a) **Assignment Specification** means a set of documents used to:
 - (i) assign responsibility from a sponsoring department to a performing department for requirements, milestone dates, and a target total cost; and
 - (ii) delegate limited authority under sections 24, 29 and 30 of *the Financial Administration Act* for a specific project.
 - (b) **Department** means a department as defined in the *Financial Administration Act*.

- (c) **Emergency Project** means a project that must be carried out without delay either because of safety, to avoid unnecessary government expense, or in cases of urgent public necessity.
- (d) **Fixed Asset** means any tangible or intangible asset with a useful life expectancy of more than one year.
- (e) **Implementation Phase Approval Authority** means the position which holds authority to approve the work on a project, as specified in this directive.
- (f) **Performing Department** means the department which performs work on a project.
- (g) **Sponsoring Department** means a department which has budget authority for a project.

6 FUNDING APPROPRIATION

- 1) Departments shall budget separate funds for planning and for implementing projects.

7 GUIDELINES AND PROCEDURES

- 1) Departments shall ensure that guidelines, procedures and documentation, related to projects for which they have responsibility, adhere to the principles set out in this directive.
- 2) In the event that the guidelines, procedures and documentation used by departments for projects do not adhere to the principles set out in this directive, the provisions of this directive shall prevail.

8 PROJECT PLANNING

- 1) The sponsoring department is responsible for all aspects of planning projects. Accountability under this section may be transferred in accordance with section 13.
- 2) Projects will consist of a planning phase and an implementation phase. These phases must not overlap in time.
- 3) During the project planning phase, the sponsoring department, or the performing department as assigned under Section 13, shall:
 - (a) document the need for a project, evaluate reasonable alternatives, and justify the option chosen on the basis of economy, efficiency and effectiveness (project justification);

- (b) for the chosen option, describe the products and services to be provided, and the necessary characteristics, properties, features, qualities, and capabilities of the products and services (requirements/scope);
- (c) establish firm dates for delivery of the required products (milestone dates);
- (d) establish an expenditure limit for the entire project (target total cost); and
- (e) produce a strategy for completing a project in accordance with the requirements, milestone dates and target total cost. At a minimum, this implementation strategy shall:
 - (i) ensure that the products are provided, and conform to the requirements;
 - (ii) schedule work activities to produce the specified products by timing the activities in relation to the milestones dates, and assigning responsibilities for each activity;
 - (iii) cost each component of the project. Where a project involves the use of land, including land that has or will have its value or development costs recorded in the land inventories maintained by the Departments of Community Services and Energy Mines and Resources, the cost or value of that land must be included in the planning and cost estimates of the project, and must be expensed against the project during the implementation phase of that project;
 - (iv) define the roles, responsibilities, authorities, and reporting mechanisms for the project; and
 - (v) identify appropriate intermediate review and control points during the implementation phase to ensure that the overall project will be completed on schedule and within the target total cost.

9 IMPLEMENTATION PHASE APPROVAL AUTHORITY

- 1) Management Board shall be the implementation phase approval authority for projects with a total of more than \$1,000,000.
- 2) Management Board may delegate its authority under 9(1) to Board of Directors of a crown corporation where the Board of Directors has adopted project planning and implementation policies which adhere to the principles set out in this directive.

- 3) Nothing in this directive shall prevent the Board of Directors of a corporation from taking onto itself the role of implementation phase approval authority for projects of less than \$1,000,000.
- 4) The Minister/Deputy Head of the sponsoring department shall be the implementation phase approval authority for projects up to the limits specified in MBD #6/84, Signing Authorities Directive, to a maximum of \$1,000,000.
- 5) The Deputy Head of the sponsoring department may delegate in writing his or her authority in 9(4) to a public officer in the Deputy Head's department.
- 6) The public officer delegated pursuant to 9(5) to act as implementation phase approval authority may not delegate such authority to another person or office.
- 7) In the event that cumulative costs for a project increase beyond the authority to increase the total funding and continue with the project as set out in 9(4) and 9(5), the sponsoring department must obtain prior approval from the implementation phase approval authority which has authority for the new cost level.

10 PROJECT IMPLEMENTATION

- 1) Subject to the Signing Authorities Directive, the sponsoring department is responsible for all aspects of implementing projects. Accountability under this section may be transferred in accordance with Section 13.
- 2) Appropriated funds may not be committed or spent on the implementation phase of a project until the implementation phase approval authority has:
 - (a) accepted the project justification for the chosen option;
 - (b) approved the requirements, scope, milestone dates, and target total cost; and
 - (c) issued a written authorization to proceed with the work.
- 3) Approvals under 10(2) are valid for a period spanning one or more fiscal years where the project has already been identified in the five year capital plan.
- 4) Nothing in this section authorizes the commencement of any work until sufficient funds have been appropriated in an *Appropriation Act*.

- 5) The start of the implementation phase of a project shall begin no later than the award of the appropriate contract; or where no contract is involved, with instruction to commence the work to create or alter the asset.
- 6) In the case of an emergency project:
 - (a) unless otherwise provided for in an approved emergency response plan, the Deputy Head of the department which has prime responsibility to respond to the emergency is the implementation phase approval for expenditures and commitments to implement the emergency project.
 - (b) within 30 days of the start of the emergency, the performing department(s) shall submit a report to the implementation phase approval authority giving full details of the actions taken to meet the emergency and the cost of these actions.
 - (c) the implementation phase approval/authority may waive the requirements of 10(2) or a specific length of time.

11 PROJECT CONTROL

- 1) No amendment to any approval given under this directive shall be undertaken until that amendment has been formally approved by the implementation phase approval authority designated under Section 9.
- 2) No public officer shall act, or fail to act, in such a way as to contravene an approval made by the appropriate implementation phase approval authority.

12 PROJECT REVIEW

- 1) Sponsoring departments, in conjunction with the performing department(s), shall review completed projects in order to:
 - (a) evaluate whether appropriate procedures were applied, economy and efficiency were observed, and objectives were achieved;
 - (b) evaluate the performance of those responsible for managing the project; and
 - (c) develop recommendations for planning and controlling similar projects.
- 2) The review shall be submitted to the implementation phase approval authority for the project and to the Deputy Heads of both the sponsoring and performing departments.

13 RESPONSIBILITY AND ACCOUNTABILITY

- 1) Any work on the phase of a project not performed by the staff of the sponsoring department must first be offered to the responsible agency as identified in Appendix A.
- 2) If the responsible agency declines the assignment, the sponsoring department may engage other parties to carry out the assignment.
- 3) The responsible agency shall not unreasonably refuse to accept the assignment.
- 4) The sponsoring department shall not assign to any other agency its responsibilities to conduct communications programs and consultations with user groups and other interested parties.
- 5) Where the sponsoring department assigns the work to another department, the sponsoring department, for purposes of its accountability to Management Board, shall be deemed to have satisfactorily discharged its responsibility for the work or any part of the work, provided that:
 - (a) the assignment is clearly defined in an assignment specification signed pursuant to "Assignment Authority" as described in MBD #6/84, Signing Authorities Directive;
 - (b) the assignment is accepted; and
 - (c) financial authority commensurate with the assignment is granted during each fiscal year in which the assignment continues.
- 6) The department which formally accepts the assignment shall be accountable to Management Board for the manner in which it carries out the responsibilities it has accepted.

14 Accounts and Reports

- 1) The performing department shall:
 - (a) maintain detailed expenditure records for every assignment specification and make them available as required to the sponsoring department;
 - (b) at the end of each accounting period, or less often if requested by the sponsoring department status reports including information on the year-to-date expenditures, commitments, and estimated total cost of every assignment for which an assignment specification has been entered into; and

- (c) not less frequently than once each accounting period, debit expenditures incurred on every assignment specification to the sponsoring department. This debit shall be supported by a detailed expenditure report.

For the purposes of this section of the directive, the Department of Highways and Public Works is the 'performing department' in terms of leasing, and will report annually to Management Board on all lease agreements, according to the standards set out herein and according to the requirements of General Administration Manual Directive 2.22.