Let's talk about public projects [1]

Governmental Project Management Offices[2]

Stanisław Gasik

Introduction

In a previous article in PMWJ (Gasik, 2023b) I wrote about the role of parliaments in Public Project Governance. When parliaments in parliamentary democracies decide to participate in shaping the ways of implementing public projects, they become the most important entity in this area (as well as in other areas of the functioning of states and societies). But there are not many countries that appreciate the importance of project management for their development so much. The legislative branch is usually situated above the executive branch, which is headed by a cabinet of ministers. Many, if not all, ministries are responsible for implementing projects. Ministries of development, infrastructure, transport, and natural resources are particularly dependent on the implementation of projects. By the nature of their activities, these ministries deal with projects related to their sectors of activity: development projects, construction of roads or airports, development of telecommunications infrastructure, development of cities, or construction of mines.

Project Management Office is an organizational unit responsible for effective project management in an organization. They perform tasks related to projects – their implementation, shaping of management methods, dissemination of knowledge of good practices, supervision of implementation, etc. In the public sector, they may be set up at any organizational level, from the smallest organization or even their constituent components up to the whole government. A special type of public PMOs are those that operate at the government level. These are **Governmental Project Management Offices** (Gasik, 2023a, Cabanis-Brevis, 2014). They deal with projects of all types or specific types – for example, infrastructure or IT. The former are horizontal GPMOs, while the latter are vertical GPMOs. They may be subordinate to the Prime Minister or operate within specific ministries. Note that in this sense PMOs working only for one ministry – for example, the Ministry of Culture or the Ministry of

[1] Editor's note: This article is the seventh in a series related to the management of public programs and projects, those organized, financed and managed by governments and public officials. The author, Dr. Stanisław Gasik, is the author of the book "*Projects, Government, and Public Policy*", recently published by CRC Press / Taylor and Francis Group. That book and these articles are based on Dr. Gasik's research into governmental project management around the world over the last decade. Stanisław is well-known and respected by PMWJ editors; we welcome and support his efforts to share knowledge that can help governments worldwide achieve their most important initiatives.

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Agriculture are not considered vertical GPMOs – because their responsibilities are limited to one ministry and not to one type of project. These are ministerial PMOs, which are not the subject of this article. But PMOs working with all infrastructure or IT projects performed by a given government, although usually located in some ministries are considered GPMOs. GPMOs, like other PMOs, can deal with projects, programs, and entire portfolios of projects.

In the following chapters, I briefly describe some tasks of GPMOs operating in four countries.

Infrastructure and Project Authority, United Kingdom

Infrastructure and Project Authority (IPA)[3], is a horizontal GPMO working for the United Kingdom government. It reports to the Cabinet Office and HM Treasury. IPA mainly deals with Government Major Project Portfolio (GMPP) currently consisting of 244 projects (UK IPA, 2023). IPA's main goal is to ensure the efficient implementation of major public projects, hence the GMPP is subject to special management rules (UK HM Treasury and Cabinet Office, 2011; UK IPA, 2020). Projects included in GMPP are subject to IPA's control (UK IPA, 2016, 2021). The scope of the IPA's activities is not limited to the GMPP. For instance, it developed a document describing a functional standard for project, program, and portfolio management not limited to GMPP. It was published as a governmental document (UK Government, 2021).

IPA has published the Project Delivery Capability Framework (UK IPA, 2018) that defines the competencies needed to perform project management roles and career paths in the area of project management. The required technical, behavioral, and leadership competencies are specified for each role. Possible levels of competency assessment range from lack of knowledge and experience to expert knowledge and experience. The scope of this document is also not limited to GMPP.

UK IPA provides problem-management services and the knowledge needed by projects to be effectively implemented (UK IPA, 2021). One of the types of services is providing project assurance – activities aimed at ensuring that projects achieve their goals. Assurance is one of the main elements of the governance of projects. IPA creates an Integrated Assurance and Review Plan for major projects (HM Treasury and Cabinet Office, 2011) and performs independent project assurance for these projects to ensure the mitigation of project risks (UK IPA, 2016).

IPA released the Project Delivery Capability Framework (UK IPA, 2018), which defines the necessary competencies for various project management roles and career paths within the field of project management. The framework specifies the required technical, behavioral, and leadership competencies for each role, and it allows for competency assessments ranging from a lack of knowledge and experience to expert knowledge and experience. Like the previous documents, this framework's scope is not confined to the GMPP.

To promote transparency and accountability, IPA requires ministries to publish data on major projects and annual reports on their websites (UK IPA, 2021). Additionally,

[3] www.gov.uk/government/organisations/infrastructure-and-projects-authority

IPA is responsible for storing and disseminating project knowledge (UK IPA, 2020). A project academy has recently been launched by IPA (UK IPA, 2020; UK Government, 2021).

One of IPA's crucial goals is to enhance the Governmental Project Implementation System (GPIS) of UK projects and programs. This is achieved, in part, by analyzing and drawing conclusions from the implementation of major UK projects (UK IPA, 2021). IPA collaborates with ministries to develop project and project program management capabilities within them (UK IPA, 2021). In general, IPA provides support for the development of project management capabilities in government departments and establishes standards.

Treasury Board of Canada Secretariat

The Canadian federal GPMO is the Treasury Board of Canada Secretariat (TBoCS, https://www.canada.ca/en/treasury-board-secretariat.html). Its main task is shaping the way public projects are implemented (www.canada.ca/en/treasury-board-secretariat/services/information-technology-project-management/project-management.html). It also maintains software supporting project management.

The main documents from this area are Directive on the Management of Projects and Programmes containing the basic principles of public project management (Canada TBoCS, 2019) and Policy on the Planning and Management of Investments (Canada TBoCS, 2021) with extensive appendices.

There are two organizational levels that TBoCS works on in the area of project management:

- Organizations
- Projects (and project programs)

Organization level

The directive requires each agency to establish a project management framework consisting of best practice processes (Canada TBoCS, 2019). For each government organization, its level of capability in project management is determined (Canada TBoCS, 2013a).

These project management capabilities are evaluated using the Standard for Organizational Project Management Capacity (Canada TBoCS, 2010, 2013b, 2019). The main capability assessment form consists of 92 questions grouped into 12 areas. These are the areas of project management described in the PMBOK® Guide, the area of portfolio and investment program management, the area of supporting organizational structures, and the area of project management standards. Based on the answers to these questions, a score is calculated, which determines one of the four classes of the organization's capacity:

0 – limited

1 - Sustaining

2 – Tactical

3 – Evolutionary

4 – Transformative

TBoCS oversees the organization's capacity assessment from the start. TBoCS receives draft assessment results with all necessary evidence and can raise objections to it. This capability level determines the class (size and type) of projects that the organization can implement on its own.

Project level

TBoCS is involved in project implementation. A frequently used criterion for selecting an initiative to be implemented is the (low) level of related risks. An organization planning to launch a project must develop a project brief along with other accompanying documents. TBoCS requires that the risk of each project is assessed according to the Project Complexity and Risk Assessment Tool (Canada TBoCS, 2015). Based on 64 questions, the complexity AND risk level of a project is assessed together. There are four risk levels, from lowest to highest:

1 – Sustaining

2 – Tactical

3 - Evolutionary

4 - Transformative

Each organization may initiate projects with a budget not exceeding CAD 2,5 million. Above this limit projects may be initiated by a specific organization only if the level of complexity and risk of the project is consistent with the level of the organization's capabilities. And when project risk exceeds the limit allowed for a specific organization, approval from TBoCS is required.

TBoCS first checks whether there is justification for the project. Once this approval is obtained, the organization can seek expenditure authority which must be supported by cost estimation. Project approval and expenditure authorization become the project baseline. It must be submitted to the Office of Comptroller General. This becomes the basis for the application to TBoCS for funding of the definition phase. In the appropriate order AND time, the head of the institution applies for funding for the next phases of the project. Proposals for changes to the baseline should also be submitted to TBoCS.

A brief should be prepared for each project, the content of which is specified in the document. The document defines the main requirements for the leadership and governance of projects and project programs. Projects and their programs must go through the gateway process (Canada TBoCS, 2019).

When assessing the proposal, the result of the institution's project management maturity assessment (e.g., Canada TBoCS, 2019) may be used. The result of the assessment is a decision whether the project will be implemented in a given year, whether it will be reconsidered in the next year, or it will be rejected. Initiating is part of the portfolio management process. As part of the initiation process, final decisions are made on the composition of the portfolio.

California Project Management Office

The Californian GPMO is named California Project Management Office (CA-PMO). It operates under the Office of Statewide Project Delivery (OSPD) within the California Department of Technology, and its primary focus is on IT projects (https://cdt.ca.gov/project-delivery/california-project-management/). CA-PMO is an example of a vertical Government Project Management Office (GPMO). Its main responsibility is to support state institutions in implementing IT projects (but some of its management practices can also be applied to other types of projects). CA-PMO is involved in defining IT project management practices, project implementation, project consulting and training, and providing other project management services. The Office of Statewide Project Delivery also has other teams performing activities typically associated with GPMO-type organizations, such as Project Approval & Oversight, Statewide Project Delivery Services, and Project & Portfolio Support.

CA-PMO significantly influences the way IT projects are managed in California. Knowledge about key areas of project management has been formalized in various publications. The Project Management Framework (CA-PMO, 2016a) outlines the activities that constitute the Project Management Lifecycle (PMLC), which includes concept development, initiation, planning, execution, and closure, as well as monitoring and control practices. The framework also provides all necessary document templates. Both government agencies and state vendors are required to use this framework.

Similar to many government institutions in other countries, the Framework places particular emphasis on project approval processes, known as the Project Approval Lifecycle (PAL). The PAL comprises four stages: Business Analysis, Alternative Analysis, Procurement Management, and Project Readiness. Agencies can independently decide to start projects up to a certain size. If the project exceeds this limit, approval must be obtained from the OSPD's PAL unit.

During project implementation, complex projects are overseen by the CDT. An assigned employee, the Independent Project Oversight (IPO) manager, is involved in various activities aimed at increasing the likelihood of project success. These activities include comparing project documents with current implementation parameters, participating in verification and validation sessions, and identifying project risks and issues. The IPO manager also creates reports for authorized project bodies and units involved in project implementation.

CA-PMO offers a wide range of IT project management services, from specific area consulting (such as requirements management, schedule management, and governance) to full project management. The CA-PMO experts also help in solving problems on an ongoing basis when they arise. CA-PMO publishes the price list of its services.

While CA-PMO strongly supports the agile approach for software development, its endorsement is selective. It has developed the Understanding Agile document (CA-PMO, 2017) and more detailed guidelines for using the agile approach – the Agile Framework (California DoT, 2016b), which consists of three main phases:

understanding, planning, and doing, and these phases are further divided into six processes.

Regarding project knowledge management (Gasik, 2011), CA-PMO is involved in two types of activities. It prepares and conducts training courses on various IT project management topics and facilitates the Project Delivery Community of Practice (CoP). This CoP allows professionals to discuss and exchange project management knowledge.

New Zealand Infrastructure Commission

The New Zealand vertical GPMO for infrastructure projects is the New Zealand Infrastructure Commission (NZIC, https://tewaihanga.govt.nz/). It deals with New Zealand's infrastructure in a very broad way: from strategy formulation to project implementation. The commission reports to the Minister of Infrastructure and is also monitored by the Treasury.

NZIC develops obligatory recommendations for major infrastructure projects, i.e. those that costs exceed NZD 50 million.

The Commission defined governance rules for major infrastructure projects (New Zealand Infrastructure Commission, 2019). It is interesting that this document begins with a description of the causes of infrastructure project failures. This draws attention to the risk of making similar mistakes in the future and to avoiding them by applying proper project governance. According to this document, the process starts with a phase called "thinking". Its most important element is the accurate recognition of the current situation in the considered area and coming up with a method of operational reference to the existing situation. The planning and doing phases follow the thinking. Governance structures start with the Senior Responsible Owner overseeing the Project Board. The Project Director managing the project team is subordinated to it.

A component of the NZIC is the Infrastructure Transactions Unit (ITU). It helps develop business cases, supports clients in negotiations, and generally supports institutions in project management. It advises projects to increase the likelihood of their success. It has a collection of best practices to support project management. Its task is also to conduct research aimed at improving the implementation of infrastructure projects in New Zealand.

During implementation, infrastructure projects, depending on their level of risk, may be subject to the gateway review process (New Zealand Treasury, 2017). The level of monitoring and assurance depends on two factors: the level of project risk and the assessment of the investor's environment's ability to implement the project (Investment Confidence Rating, ICR, New Zealand Treasury, 2016). Risks are determined based on several areas: external impact, scope, complexity, the importance of the infrastructure component, experience of the organization, etc. ICR is determined by nine factors like asset management, procurement capability, and benefits performance. One of the factors is project delivery.

The NZIC may perform independent reviews and prepare reports on the progress of work of specific projects pointed out by the Government.

NZIC maintains the pipeline of infrastructure projects. It collects information about infrastructure projects implemented by public entities. Currently, the Pipeline includes 1,195 projects with a budget greater than $10 million (not only the major projects) with a total value of NZD 92.3 billion (https://tewaihanga.govt.nz/the-pipeline/pipeline-snapshot). The Pipeline allows entities interested in the implementation of infrastructure projects to better prepare for them.

Summary

Governmental PMOs, where they operate, influence the manner in which public projects are executed. Public projects are used to directly pursue the objectives of public administration and to effect the changes required for reforming public institutions and processes. Hence, GPMOs play a crucial role in the functioning of public administration. The correlation between the presence of GPMOs and the advanced level of development in the states where they operate is not coincidental.

GPMOs deal with all major public projects in a country, in which case they are called horizontal GPMOs, or projects of a specific type, in which case they are called vertical GPMOs. GPMOs can deal with the capabilities of public organizations or individual projects. In the latter case, they shape project or project program management methodologies. Dealing with single projects, they can enforce the required methodologies, they can manage projects, or support public organizations in managing their projects.

But there is still a lot of work to be done to complete a task very important for both the public administration and project management communities – developing a full model of the GPMO's functioning.

You may read more about GPMOs in *Projects, Government, and Public Policy* (Gasik, 2023a).

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Dr. Stanisław Gasik, PMP is a project management expert. He graduated from the University of Warsaw, Poland, with M. Sc. in mathematics and Ph. D. in organization sciences (with a specialty in project management). Stanisław has over 30 years of experience in project management, consulting, teaching, and implementing PM organizational solutions. His professional and research interests include project knowledge management, portfolio management, and project management maturity. He is the author of the only holistic model of project knowledge management spanning from the individual to the global level.

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