



STAFF REPORT ACTION REQUIRED

Establishing Positions of Construction “Project Lead” for Capital Projects

Date:	July 30, 2010
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	P:\2010\Cluster B\Tec\EC10040

SUMMARY

Effective "Project Lead" responsibility and accountability is clearly defined for all capital projects within the public right-of-way. Of the 350 projects in 2009 valued at \$300 Million, 98% were completed within budget and 75% within the scheduled year. The capital delivery process is comprised of the three distinct phases of project planning, design and construction. The most significant challenge to effective capital delivery is the ability to provide more time for an effective project planning phase to allow stakeholder consultation to finalize project scope. Staff have been working toward earlier identification of a coordinated capital works plan that in turn will allow for earlier and increased emphasis on the planning phase, resulting in successful and more predictable delivery of capital works.

RECOMMENDATIONS

The City Manager recommends that staff continue to work towards the achievement of a Five-Year Capital Works delivery model that would secure a fixed rolling five-year capital program thereby permitting project leads to initiate earlier stakeholder engagement and to proceed with project scoping, pre-engineering and design several years in advance of the project's scheduled implementation date, resulting in predictable schedules and costs.

Financial Impact

There are no financial implications arising from this report.

DECISION HISTORY

At its meeting on July 6, 7 and 8, 2010, City Council requested that the City Manager report to the August 16, 2010 meeting of the Executive Committee on improving the efficiency and timelines of construction projects on Transportation right-of-ways by establishing a project lead position with strong authority to eliminate delays to project construction and project completion.

<http://www.toronto.ca/legdocs/mmis/2010/mm/bgrd/backgroundfile-31841.pdf>

In July 2007, City Council adopted the report “Plan to Improve the Development and Implementation of a Coordinated Multi-Year Joint Transportation Services and Toronto Water Capital Program”. The report recommended a cross-divisional initiative to develop and implement a 5-year coordinated Transportation Services and Toronto Water capital works program. The report indicated 3 clear phases required for successful project delivery:

- Planning/Consultation Phase
- Design Phase
- Construction Phase

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

ISSUE BACKGROUND

Delivery of Transportation Services’ and Toronto Water’s capital works programs are becoming increasingly challenging with tighter timelines and increased expectations for delivery. Project leads from Technical Services deliver complex projects within the public right-of-way. These projects require significant coordination and consultation with all public right-of-way users. This includes pedestrian, streetscape, cycling, transit and traffic considerations along with a multitude of internal and external utility requirements and important public and area businesses. Often project leads are faced with a number of competing interests from project stakeholders that can require significant time to resolve. The current project delivery framework does not always allow sufficient timelines to adequately plan, coordinate and engage in appropriate consultation with project stakeholders to fully identify the project scope prior to the initiation of detailed design.

COMMENTS

In 2009, Technical Services initiated 323 contracts valued at over \$1.1 Billion on behalf of Transportation Services, Toronto Water, Solid Waste Management, the TTC and other internal and external agencies. This work includes road reconstruction/resurfacing, TTC track reconstruction, watermain and sewer replacement, water and wastewater treatment plant upgrades, facility construction and improvements.

The value of public right-of-way work has significantly increased, doubling since 2005. Further increases to the capital works expectations for Technical Services are anticipated over each of the next several years with increases to linear based programs such as the Basement Flooding, Wet Weather Flow Master Plan implementation and Lead Service replacement programs among others.

In regards to work within the public right-of-way, in 2009, a list of approximately 500 individual project components, valued at over \$300 Million, were combined and coordinated into over 350 combined projects. Currently, the coordination process is largely a manual effort using maps and extensive lists containing projects from internal and external capital programs and involves coordination and communication with utility providers as well as internal and external stakeholders.

Of the 350 combined projects planned for delivery in 2009, 98% of these projects were delivered within or under budget and 75% were delivered within the delivery year. The 2009 capital work was accomplished within the public right-of-way and was led, managed and delivered by the 42 Technical Services' project leads. On average, each project lead is responsible for approximately 9 combined projects with an average total value of over \$7 Million. A Senior Engineer, Engineer or Project Manager is assigned as project lead depending on size, complexity and delivery model.

There have been a number of complex high profile projects within the public right-of-way that have experienced delays during construction and resulted in extended disruption to the public. Project scope changes including stakeholder requests that are beyond the original planned budget of a project may require significant time and effort to address stakeholder expectations, secure necessary funding and to address any potential standard deviations. When such an issue is raised during the design or construction phase, the delay to project delivery can be significant. Increased time and effort in the planning phase of a project has been identified as a key ingredient to project success.

Recognizing the critical need for an improved planning process, in July 2007 Council adopted the report "Plan to Improve the Development and Implementation of a Coordinated Multi-Year Joint Transportation Services and Toronto Water Capital Program". Since adoption by Council, significant steps have been taken to build a new framework to support implementation of a 5-year coordinated capital works program.

The Major Capital Infrastructure Coordination (MCIC) Office, directly reporting to the Deputy City Manager was established in late 2008. Accomplishments include:

- facilitated cross-divisional coordination and collaboration to accelerate the establishment of the 5-year program
- a coordination process with capital delivery staff across the Transportation Services, Technical Services, Toronto Water, Solid Waste Management, City Planning, Economic Development and Parks, Forestry and Recreation Divisions has been initiated to better scope and define capital works within the public right-of-way

- to date, process enhancements have identified 3 years of coordinated projects and by the end of 2011, the first Five-Year Coordinated Capital Works program will be established
- increased emphasis on improved accommodation regarding urban design, public realm, urban forestry, cycling and pedestrian features
- significant progress is being made in the implementation of enhanced tracking, processing and management tools for the capital delivery process
- initiation of work towards the development of an automated tool to assist capital program coordination efforts and outcomes

The Technical Services Division has created a Portfolio Management and Support section to align its service delivery with a multi-year coordinated capital works program and deliver earlier and improved stakeholder consultation to enable a more comprehensive project scope definition to better project budget estimates in advance of design initiation.

Staff have been working toward capital delivery process improvements which will provide advanced identification of a coordinated capital works plan. In turn, this will allow for earlier and increased emphasis on the planning phase, resulting in successful and more predictable delivery of capital works.

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SIGNATURE

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