



# National Project Management System (NPMS) Policy - PWGSC

## 1. EFFECTIVE DATE

This departmental policy (DP) takes effect on December 17, 2010.

## 2. CONTEXT

In June 2007, Treasury Board Secretariat (TBS) approved the *Policy on the Management of Projects*; an updated version of the policy was approved on December 10, 2009 and these modifications are reflected in this DP. In order to meet the requirements of this TBS Policy, Public Works and Government Services Canada (PWGSC) has established a departmental NPMS methodology, which is reflected in this DP.

The purpose of this DP is to ensure that the NPMS methodology is applied in order to establish and maintain efficient, effective and standardized project management practices. It provides clear direction on the use of project management principles and methodologies in order to manage risk to the Department. It ensures a common understanding amongst stakeholders of their roles, responsibilities and obligations with respect to project management. As well, it imposes specific responsibilities surrounding monitoring and compliance. This DP complies with related departmental and TBS policies and other applicable laws and regulations.

## 3. POLICY STATEMENT

It is the policy of Public Works and Government Services Canada to use the NPMS to ensure that all projects undertaken:

- are planned, managed and delivered in a nationally consistent manner that is transparent with regard to scope, schedule and budget;
- take into consideration the concept of best value;
- are fully compliant with all applicable legislation, regulations and TBS policies.

## 4. SCOPE

This DP applies to all PWGSC real property projects and business projects - IT-enabled, and, at the discretion of Branch Heads, non-routine initiatives that have characteristics analogous to a project, such as a limited time span with well defined start and end dates, a budget and dedicated resources, a clear business outcome, and a high risk profile.

For projects carried out for and funded by other government departments (OGD), NPMS practices are to be applied in keeping with client approvals and governance, as per the NPMS OGD directives.

## 5. DEFINITIONS

See Annex.

## 6. RESPONSIBILITIES AND ACCOUNTABILITIES

1. The **Deputy Minister** is responsible for:
  1. ensuring the Department's capacity to manage its portfolio of projects is sustained and accurately assessed as per the Standard for Organizational Project Management Capacity (see TBS *Policy on the Management of Projects* );
  2. ensuring the Department conducts an accurate assessment of each project according to the TBS *Standard for Project Complexity and Risk*;
  3. allocating financial resources to ensure the sustainability of this DP;
  4. ensuring this DP is monitored and assessed as to its effectiveness, whether its objectives are achieved, and if it remains appropriate to the needs of the Department;
  5. reporting project management concerns to TBS in a timely manner;
  6. supporting continuous communication to project stakeholders with respect to their role, responsibilities and obligations on adherence to this DP;
  7. approving recommendations and modifications to this DP.
2. The **Assistant Deputy Minister (ADM), Corporate Services and Policy Branch**, is responsible for maintaining this DP in consultation with Branch Heads.
3. The **ADM, Real Property Branch (RPB)**, is responsible for the following:
  1. on behalf of the Department:
    - i. maintaining the NPMS Web site;
    - ii. leading the conduct of the Organizational Project Management Capacity Assessment (OPMCA).
  2. for real property projects:
    - i. developing, maintaining, and approving Branch directives and procedures;
    - ii. developing and providing training to employees.
  3. adhering to the responsibilities and accountabilities outlined in section 6.5 of this DP.

4. The **Chief Executive Officer, Information Technology Services Branch**, has department-wide responsibility for the following for business projects - IT-enabled:
  1. developing, maintaining and recommending directives and procedures for approval;
  2. developing and providing training to all PWGSC employees;
  3. providing input to the NPMS Web site;
  4. adhering to the responsibilities and accountabilities outlined in section 6.5 of this DP.
5. **Branch / Agency Heads and Regional Directors General** are responsible for:
  1. ensuring their employees are made aware of this DP, monitoring compliance within their Branch and addressing issues of non-compliance;
  2. participating in the OPMCA;
  3. determining which major non-routine initiatives, aside from real property and IT-enabled ones, will be subject to this DP;
  4. ensuring application of the governance structure for carrying out project complexity and risk assessments (PCRA) as per the NPMS process;
  5. reporting on project performance and risks to senior management.
6. **PWGSC Employees involved in the management of projects** are responsible for managing projects according to this DP.

## 7. COMPLIANCE AND REPORTING

Regular monitoring of the application of this DP will be carried out in order to sustain PWGSC's project management capacity as per the OPMCA. As outlined in the TBS *Policy on the Management of Projects*, an *OPMCA* must be carried out at least once every three years to determine PWGSC's delegated project approval authority. This assessment is coordinated on behalf of PWGSC by the ADM, RPB.

## 8. PROCEDURE

The TBS *Policy on the Management of Projects* also requires that PCRA's be carried out on all projects that are to be included in PWGSC's Integrated Investment Plan. The threshold for inclusion in the Integrated Investment Plan is \$1 million. Details on how and when to carry out the PCRA can be found in the directives and PWGSC PCRA Manual.

Procedures supporting the this DP that must be applied are as follows:

- for real property projects:

- NPMS Directive for Real Property Projects;
- NPMS Procedure for Real Property Projects funded by Other Government Departments (OGDs).
- for business projects - IT-enabled:
  - NPMS Directive for Business Projects - IT-enabled;
  - NPMS Procedure for Business Projects - IT-enabled funded by Other Government Departments (OGDs) and Agencies.

#### PRINCIPLES of the NPMS METHODOLOGY

The following NPMS principles are applicable for all PWGSC projects in order to ensure value and that business objectives are met:

1. Projects are prioritized based on departmental strategic objectives and aligned with the Integrated Investment Plan.
2. Project requirements are documented and vetted to ensure consistency with relevant portfolio strategies before initiating work on the project.
3. The solution undertaken has been assessed, including identification of risks, to ensure that the best investment solution is selected.
4. Projects are planned such that appropriate approvals are obtained at all stages of the project.
5. Appropriate project resources necessary to develop and deliver the project are planned and secured throughout the life of the project.
6. Projects are monitored and controlled, including management of changes in project parameters.
7. Projects achieve their business outcomes.
8. Impact of organizational change resulting from the project implementation is evaluated and managed appropriately.
9. Projects are delivered respecting scope, time and cost objectives.
10. Projects are closed out in a timely fashion, ensuring relevant stakeholder participation and sign-off.
11. Lessons learned are shared, as appropriate.
12. Appropriate project documentation is maintained.

The NPMS project management Knowledge Areas should be consulted to ensure compliance with related contractual, policy and legislative requirements related to project delivery.

## **9. REFERENCES**

### **Treasury Board Secretariat Publications:**

- *Guide to Using the Organizational Project Management Capacity Assessment Tool*;
- *Guide to Using the Project Complexity and Risk Assessment Tool*;
- *Policy on Investment Planning - Assets and Acquired Services*;
- *Policy on the Management of Projects*.

### **PWGSC Publications:**

- NPMS Directive for Real Property Projects;

- NPMS Procedure for Real Property Projects funded by Other Government Departments (OGDs);
- PWGSC Project Complexity and Risk Assessment Manual.

**Other Publications:**

- Delegation of Authorities Intranet site;
- National Project Management System Web site.

**10. ENQUIRIES**

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## DEFINITIONS

**Best value** (*meilleur rapport qualité-prix*) is based on an optimal balance of overall benefits to the Crown and to the Canadian people. Best value provides the best combination of quality, service and time considerations, at the lowest total cost over the useful life of the acquisition.

**Branch Heads** (*chefs des directions générales*) include Assistant Deputy Ministers, Chief Executive Officers, the Senior General Counsel and Directors General reporting to the Deputy Minister.

**National Project Management System, NPMS** (*Système national de gestion de projet, SNGP*) refers to the departmental methodology for project management which prescribes the basic minimum requirements that must be met in the project life cycle; it is comprised of the following elements:

- NPMS Model - defines distinct control points that are linked to PWGSC's project approval processes, and identifies critical deliverables required at each phase;
- NPMS Roadmaps - are guidance documents that identify the generic activities and tasks required in each stage and phase of the NPMS. Roadmaps are intended to provide flexibility to define requirements for various types of projects to satisfy specific needs;
- NPMS Web site - provides on-line access to the requirements of the NPMS including the NPMS Model, Roadmaps, deliverable templates and technical guidance;
- Continuous Improvement Framework - provides the governance structure and process for approval and promulgation of new or amended documents related to the NPMS.

**Organizational Project Management Capacity Assessment, OPMCA** (*Évaluation de la capacité organisationnelle de gestion de projet, ECOGP*) is a TBS assessment tool that provides the basis for determining the level of organizational capacity to manage projects; it helps identify areas of capacity that should be improved or maintained based on the following three main capabilities: organizational integration, core project management, supporting project management. Once complete, this assessment provides the basis for the approval delegation given to PWGSC by TBS.

**Project** (*projet*) is a defined undertaking with a beginning and an end to be executed to create a unique product or result. Within PWGSC the three main project categories are:

- Business projects - IT-enabled are either:
  - “new solution” projects - which develop new solutions to achieve efficient and effective business processes and service delivery that are facilitated by IT; some of these projects may transform business practices; or
  - maintenance projects - which implement changes to existing products, results, services, applications or systems;
- Real Property projects - all real property asset acquisitions or improvements, including entering into a lease, fit-up of accommodation space, construction, renovation and remediation of a built-work (building, bridge, dam, road, etc.) or crown-owned land;
- Non-routine initiatives - at the discretion of Branch Heads, non-routine initiatives that have characteristics analogous to a project; such as a limited time span with well defined start and end dates, a budget and dedicated resources, a clear business outcome, and a high risk

profile.

**Project Complexity and Risk Assessment, PCRA** (*Évaluation de la complexité et des risques des projets, ECRP*) is a TBS assessment tool that rates the level of risk and complexity of individual projects across four levels by evaluating criteria in each of the following project knowledge areas: project characteristics, strategic management, contract or procurement characteristics, human resources, business, project management integration, engineering or technical components. Projects rated equal to or lower than the departmental delegation as established by the OPMCA will be within PWGSC's mandate to approve. TB Ministers have the right to require any project, even if its PCRA is within PWGSC's assessed departmental capacity, to be submitted to TBS for project approval.