



Government of **Western Australia**
Department of **Finance**
Building Management and Works



Project Management FRAMEWORK

November 2011

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Preface

Description

This document describes the Project Management Framework (PM Framework) setting out the Department of Finance, Building Management and Works' project management methodology, governance requirements, roles and responsibilities and project functions.

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Enquiries

Ownership of this PM Framework document vests in two parties, Content Owner and Document Controller. Content remains the responsibility of the BMW business area whilst all documents, supporting frameworks, iPortal and tools remain the responsibility of Building Policy and Procedures.

Please direct any enquiries regarding the document to:

Document Controller:

Assistant Director
Building Policy & Procedures
Building Management and Works
Department of Finance

Content Owner:

General Manager
Policy and Practice
Building Management and Works
Department of Finance

Part I. Overview

Introduction

BMW's mission is *to lead the planning, delivery and management of buildings for Government with the outcome of value for money from the management of Government's non-residential buildings and public works.*

At the core of BMW's role is the practice of project management.

The application of sound project management principles and practice, from the initial identification of asset need through to project review, is essential to delivering projects on time, on budget and to the required quality.

In BMW the practice of project management is underpinned by the Project Management Framework (PM Framework). The PM Framework provides the structure, guidance and tools necessary for a consistent, controlled and rigorous approach to managing projects; appropriate to type, risk and complexity.

The PM Framework is not intended to confine project practitioners to a rigid approach that imposes unnecessary constraints. The aim of the PM Framework is to provide best practice guidance and supporting tools that strike a balance between the benefits of standardised working practices and the flexibility to accommodate a variety of project types and circumstances.

Project Management Framework

The PM Framework is a standardised approach defining a six phase lifecycle and generic guidelines for all projects that BMW manages. Any unique requirements for particular types of projects are described in the Project Management Methodologies (PM Methodology).

The PM Framework is symbolised by the following logo:



BMW documents, tools and templates stamped with this logo have been deemed consistent with the PM Framework.

The PM Framework comprises tools, templates, processes and procedures to enable the most efficient and effective method for undertaking a project in a standardised manner.

The objectives of the PM Framework are to:

- Achieve value for money;
- Ensure probity and accountability;
- Attain time and cost performance;
- Deliver project excellence;
- Be easy to use; and
- Enable continuous improvement.

Framework Structure

The PM Framework is not intended to be an all-encompassing reference book on project management. The PM Framework provides specific guidance on matters considered essential to how project management is practiced in BMW. This guidance is divided into the following parts:

- Projects
- Project Lifecycle
- Project Governance
- Project Control
- Project Tools

Project Management Methodology

The individual PM Methodologies are a blend of best practice project management processes and models designed to suit each individual Project Type. To achieve a standardised structure in projects, the methodology ensures that the fundamental principles of the PM Framework are applied to individual project types whilst enabling governance, tools, guides and templates to be tailored to project requirements. The tools and templates can also be tailored to suit projects of any size or classification.

Building Policy and Procedures

The PM Framework and PM Methodology is owned and managed by the Planning and Practice Division of BMW. The content of individual methodologies and Practice Guides remains the property of the relevant business area (users).

Building Policy and Procedures (BPP) within the Planning and Practice Division of BMW, provides a central support office for all projects within the Department. BPP will provide Project Managers with advice and support to interpret the PM Framework and apply it to BMW projects. This will help to ensure that all projects are fully supported by BMW, have an appropriate structure, follow a consistent project management methodology, have tools and techniques to use and staff assigned to projects are suitably trained in the PM Framework methods.

Part II. Projects

Standards

All work that meets the following criteria is to be managed as a *project* and comply with the PM framework:

- The work is a temporary endeavour that will create a unique product, service or result;
- The work requires a specific budget and resources;
- The work requires a specific governance/management structure.

All BMW projects must classify themselves based on the work type, project type and project category classification detailed in this Part.

Framework Approach

The PM Framework is a set of standards, supported by definitions, processes, management roles, document templates and tools to define a framework for the management of projects within BMW. It aims to improve the standardisation of project management and the efficiency, effectiveness and quality of the management of project work with improved compliance to Government and BMW strategies and policies.

The PM Framework has been developed to address and improve the maturity of project management processes with an awareness of the integration required to strategic planning, capital management, asset management, procurement and program management processes. The PM Framework ensures that defined project management processes can be aligned to these functions. The PM Framework facilitates the delivery of project outcomes that are consistent with BMW's vision, Government's strategic objectives and policy through the:

- Identification of roles and responsibilities from the onset of each project;
- Planning for the total project life-cycle;
- Identification and management of risks, issues and project constraints;
- Identification and sharing of lessons learnt; and
- Consistent approach to project management.

The PM Framework aims to inform and to set high level standards for all BMW project work. It is not specific to any particular type of project. All Project Managers will apply this framework to define detailed management and governance structures applicable to each project.

What is a Project?

BMW defines a project as:

“A temporary endeavour to create a unique product, service or result which is of significant enough importance to require its own management”.

Examples of projects include:

- Building or upgrading a building for storage, works or accommodation e.g. offices, a prison or a works depot;

- Developing or upgrading an information system;
- Creating new infrastructure for a built environment;
- Conducting a conference or exhibition;
- Restoring a building, or a specific asset within the building, to its original condition eg: replacing a roof or a building mechanical services;
- Fitting out a building to allow agency occupation and operations to be conducted; and
- Undertaking a significant business improvement, restructuring or organisational training program.

Generally, project work is funded from capital budgets, although significant works conducted as maintenance which may be funded partly or in full from operational budgets will be managed as projects where the work meets the above criteria.

Work Types / Project Types

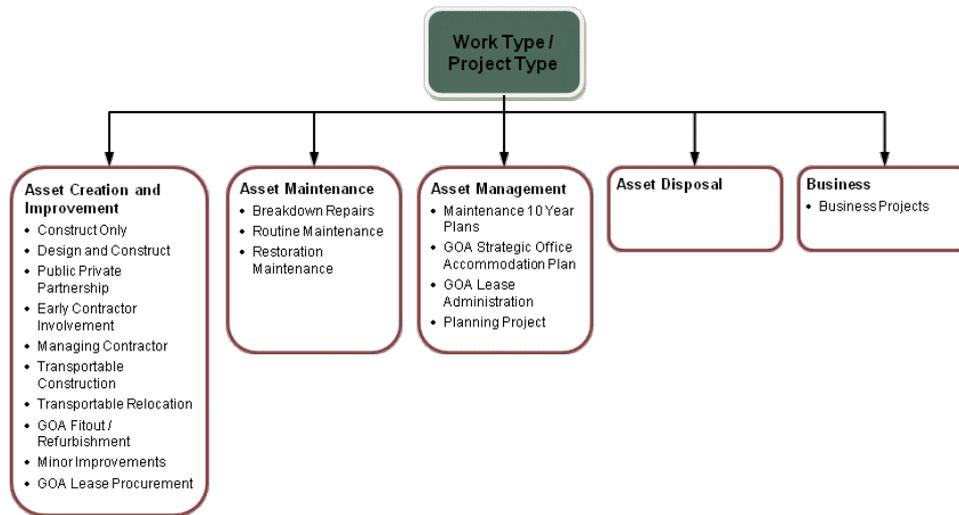
BMW is responsible for the delivery of a variety of project types in order to manage and deliver the Governments asset requirements. BMW attempts to deliver its core services via a 'whole of life' approach to managing the State's assets. This approach depicts an asset as moving through (forwards and backwards) one or more of the following stages: asset creation, asset management, asset improvement, asset maintenance and eventually asset disposal.

The work undertaken or managed by BMW can be divided into five Work Types: Asset Creation & Improvement, Asset Maintenance, Asset Management, Asset Disposal and Business.

A description of each Work Type is provided below:

Asset Creation & Improvement	Asset Maintenance	Asset Management	Asset Disposal	Business
Physical projects that extend or enhance Government's portfolio of non-residential buildings	Physical projects that repair, restore or maintain Government's portfolio of non-residential buildings, without extending or enhancing it	Non-physical projects that monitor, plan or guide decision-making for Government's portfolio of non-residential buildings and future works to it	Physical projects to enable disposal of Government land or buildings	Projects to improve or support the ongoing operations of BMW & Strategic Projects

Each Work Type is further divided by the various Project Types, as shown.



These represent the types of projects undertaken in BMW. For each project type the PM Framework is applied via their respective PM Methodology.

Project Categories

All BMW projects are designated a Project Category. This is a number (0 to 4) where the value is determined as follows:

Project Categories

Category	Description
Category 0	<ul style="list-style-type: none"> • Expected budget value of greater than \$100M • High risk to Government
Category 1	<ul style="list-style-type: none"> • Expected budget value of more than \$20M but less than \$100M • Significant risk to Government • High risk to Agency
Category 2	<ul style="list-style-type: none"> • Expected budget value of more than \$5M but less than \$20M • Significant risk to Government or Agency
Category 3	<ul style="list-style-type: none"> • Expected budget value of more than \$1M but less than \$5M • Manageable risk
Category 4	<ul style="list-style-type: none"> • Expected budget value of less than \$1M • Low risk

The Project Category is a measure of relative importance of the project to BMW and to the Government. It is used to determine the level of attention given to project definition, project planning and project control, as well as the level of governance appropriate to manage the project.

Choosing a Project Category will determine:

- The governance structure required for a project;
- The type and degree of detailed required in completing templates and other project documentation;
- The reporting timeframes required; and
- The number of tasks required for each process within a project.

Where risk considerations require a project to be classified more highly than its budget would determine (such as a Category of 0 for a \$30m structure attracting strongly divided public interest or a Category of 1 assigned to a \$3m software development involving unique and untested technology), an appropriate Category should be determined by a General Manager with reasons documented in the project's definition. A project should never be given a lower level Category than that determined by its budget category.

Project Sources

Projects undertaken by BMW emanate from two sources; internal to BMW or external to BMW, that is from Agencies.

For projects that emanate externally, BMW may become involved at either the planning stage, in phases 1 or 2, in the preparation of for example, the Strategic Asset Plan (SAP), Application for Concept Approval (ACA) or Business Case. Alternatively, BMW may not become involved until the delivery stage commencing at phase 3.

Ideally BMW should play a proactive role in the management of projects from external sources therefore earlier involvement, that is in phases one or two, is preferable. This can be accomplished through effective relationship management with Agencies.

Where work is undertaken by Agencies prior to BMW involvement, it is incumbent on the Project Manager assigned to that project to ensure that all the necessary requirements of prior phases have been met. For example, if BMW is engaged at phase three in the preparation of the Project Definition Plan (PDP), the Project Manager must ensure the Business Case and ACA have been adequately prepared and approved by the delegated authority before commencement of any work on the PDP.

Internal projects can be identified through the annual strategic business planning process undertaken by BMW or sporadically as the need is identified within the business. Eitherway, a mandate from the delegated authority will be required to proceed with the project which must incorporate all phases of the project lifecycle.

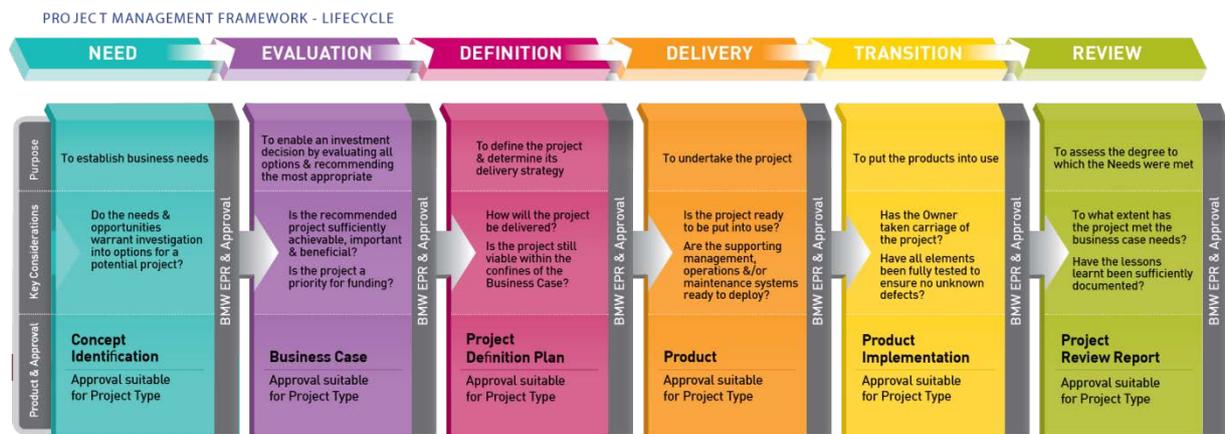
Part III. Project Lifecycle

Standards

All projects must follow the six phase project lifecycle as depicted by the PM Framework Project Lifecycle diagram. This will be undertaken in accordance with the specific guidance detailed in the relevant Practice Guide.

Structure

The PM Framework lifecycle illustrates at a high level what considerations and approvals processes must be undertaken for BMW projects. It is structured into six phases that cover the planning, delivery and review of a project over its lifetime. Each phase of work is defined by a purpose, the key deliverables of that phase, the main products produced from that phase and the approval process undertaken to verify the products.



This section describes the purpose of each phase, the prerequisites, the nature of work normally conducted, and the documentation and the approvals required.

Phase 1 – Need

Purpose: To establish business needs.

In the Need phase, the business or service need for a change is established and documented. This is required to precede the development of a solution and the needs should be driven by service improvement or benefit to Government. Through this activity, potential projects are identified and prioritised based on analysis of the range of proposals and their relative justification as set out in the appropriate planning documentation; e.g. Operational or Strategic Asset Plans. A recommendation(s) is then submitted to executive (or delegate) on the best way forward. The objective of this activity is to initiate the creation of a mandate.

Phase 2 – Evaluation

Purpose: To enable an investment decision by evaluating all options and recommending the most appropriate.

Phase 2 is the evaluation process to ascertain if the proposed project can fulfil the required business needs. The best approach is determined by comparing the whole-of-life benefits, costs, risks and liabilities provided by the proposed project outcomes.

The work of this phase is based on an identified business need, providing an evaluation of alternative delivery strategies and the implications of proceeding with project work to address that need. A Project Brief and a Business Case will be developed to assist in this evaluation. The Business Case will undertake a review of all options to determine if the project is viable in going forward to completion.

The Business Case is a critical document. This provides the justification, direction and constraints for project work and also the investment and estimated costs and timing for a preferred approach. It is a prerequisite for budgeting capital expenditure.

Phase 3 – Definition

Purpose: To define the project and determine its delivery strategy.

This phase is conducted to identify and plan the detailed work and resources that will be required to deliver the project outcomes. It shall describe the extent of the work required to administer all project management functions and ensure that there is full and clear understanding of the costs and risks of proceeding and the timeliness and quality that may be expected of the project outcomes.

Phase 3 requires a plan of how the selected option identified in Phase 2 will be delivered, namely the Project Definition Plan (PDP). The PDP will be implemented in Phase 4, so it must include key stakeholder input, be endorsed by BMW Project Directors and be approved by the Project Board.

Phase 4 – Delivery

Purpose: To undertake the project.

For most projects, the Delivery phase represents the major work and costs of the project. This phase is conducted to perform the project work and to deliver those project products that will meet the driving business need and enable the Customer to commence operating and receiving benefit from the project outcomes.

Phase 5 – Transition

Purpose: To put the products into use.

This phase is conducted to handover the project products to the operations area and involves preparing the owner to take control of the project products and incorporate these into daily operations to derive the intended benefits of the project.

The project governance structure is decommissioned at the end of this phase 5.

Phase 6 – Review

Purpose: To assess the degree to which the Needs were met.

The Review phase assesses the standard of the project's management and focuses on learning improved ways to manage and resource future projects. Where significant issues have arisen during the project, then the review should look for the causes and solutions to prevent non-desirable or encourage desirable circumstances in the future. The Project Review Report provides a summary of the findings for the approval by the Project Director (under Delegated Authority) and potentially the Executive.

Assessments of project performance should be conducted for each of the Project Management Functions.

A project review is not the same as a product review which is intended to evaluate the performance of the products created by the project. Where appropriate, these reviews may be conducted together; although it is normal for a project review to be conducted as soon as possible following the delivery of all project outcomes and for a product review to be conducted at a later time after the product has been assessed in operation.

End of Phase Review and Approval

A project must proceed through all phases in sequence, completing the requirements of a phase before progressing to the next; this is referred to as End of Phase Review and Approval.

It is the Project Board's responsibility to approve the completion of project phases, ensuring all relevant documentation is finalised before the next phase commences.

Where work takes place prior to BMW's involvement such as the preparation of a Strategic Asset Plan (Phase 1 for construction projects), it is incumbent on the BMW Project Manager to ensure that all necessary requirements of such prior phases have been met. When a project cannot be completed or progressed to the next phase (for example due to funding or political imperatives), then the project must be stopped and reported to the Project Board for further direction.

Part IV. Project Governance

** For a full overview of project governance structure, roles and responsibilities, see Project Management Framework – Appendix A.

Standards

It is BMW's responsibility to establish Governance arrangements.

All projects will establish a governance structure specific to their project type and category.

Governance

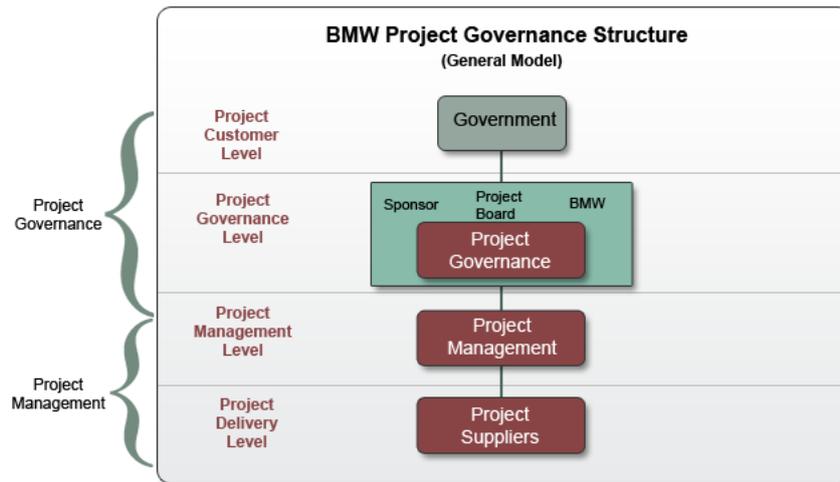
Governance is the definition of “who makes what decision”. In a project environment there is a wide range of different decisions to be made throughout the life of a project. There are many different types of decisions, some which may be made spontaneously to address a situation as it presents and some that must take consideration of the various strategic, policy or operational needs that constrain the project outcome. It is important in projects to define the levels of authority, the roles and the reporting structure for each individual or committee that may be involved in project decisions and management.

This Part describes the different roles involved in the management of projects (from those delivering the project work to those defining the projects objectives and constraints) and the accountability structures that operate for projects to be governed and managed properly. In projects, resources may be directed by an appointed manager who is not their normal supervisor and responsibility for engaging and controlling resources must be defined by an appropriate authority delegate.

In developing the project governance, management structure and the definitions of project management roles, the following rules of governance must be incorporated:

- the most appropriate person with relevant authority should be charged with relevant decisions;
- senior managers should not be burdened with inappropriately low-level decisions and junior managers should not be charged with making or resolving inappropriately high-level decisions;
- each person involved in making decisions on the management of projects should have clear and known accountability;
- persons assigned project management responsibility should also be assigned the authority they require to carry out their assigned duties; and
- a single-point accountability applies at all levels of project management.

The PM Framework defines a 4-tier governance structure. The incumbents at each level are to be defined for each project type.



The four levels of governance are defined as follows:

- **Customer Level** – generally Government, which provides funding and is the ultimate customer to receive the benefits of BMW project work as it sets the scope and results required.
- **Project Governance Level** – consists of senior managers of both BMW and key agencies or organisations involved in funding or seeking benefits from the outcomes of the project, such as the Department of Treasury. The governance level defines the project objectives and constraints and ensures that, throughout its life, the project continues to work towards beneficial outcomes. This role includes interpreting what is required for the customer. The project governance level appoints and directs the Project Management Level.
- **Project Management Level** – responsible for arranging and managing the resources of a project to ensure that the objectives of a project will be met within the defined project constraints.
- **Project Delivery Level** – consists of project resources and project supplier organisations responsible to perform the work of the project (or direct management of the project resources) to produce the project's outcomes.

The structure provides for single point accountability at all levels and this is to be preserved in implementing the general model to specific projects. In the event the PM Framework model is not applicable, the Project Director may seek an exemption from the General Manager Planning and Practice. In considering the basis for the exemption, the General Manager Planning and Practice must be satisfied with the rationale and ensure necessary rigour and controls will be initiated and maintained during the project lifecycle. Any such process will be documented and BMW must ensure the adopted model is defensible.

Project Roles

There are many roles required to perform all the responsibilities of governing and managing projects. Each of the roles involved in managing projects are defined in the following section.

It may not be necessary for different people to occupy each role and, as required by good governance of the project, one person or committee may fulfil multiple roles.

At its simplest level, every project requires an identified:

- Customer/Sponsor
- Project Manager
- Project Resource(s)

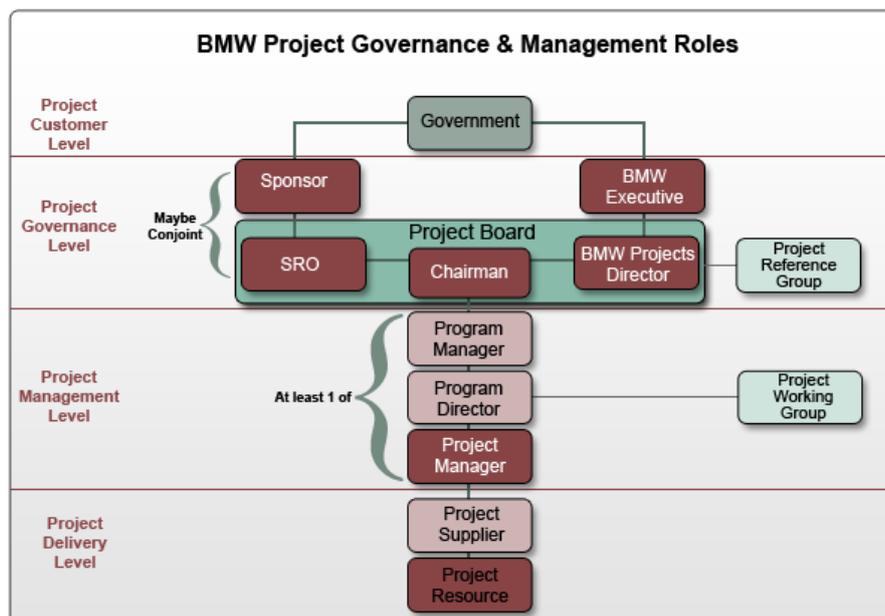
A Project Customer may assign others to perform the Project Governance Level roles. Where the customer is Government, there will always be specific persons ascribed to Project Governance Level roles.

For more complex projects, some or all of the following roles may apply:

Governance Levels and Roles

Level	Roles
Customer Level	<ul style="list-style-type: none"> • Government
Governance Level	<ul style="list-style-type: none"> • Project Board <ul style="list-style-type: none"> • Chairman • Senior Responsible Officer (SRO) • BMW Projects Director (Senior Supplier)
Project Management Level	<ul style="list-style-type: none"> • Project Director <ul style="list-style-type: none"> • Project Manager <ul style="list-style-type: none"> • Project Working Group • Program Manager
Project Delivery Level	<ul style="list-style-type: none"> • Project Supplier • Project Resource
Additional Roles (if required)	<ul style="list-style-type: none"> • Stakeholder • Project Reference Group

The following diagram shows the relationships between all the project governance and management roles and indicates the accountability of each role. Note that for most projects, only a subset of these roles will apply.



Customer Level

The Customer is the entity for whom the project work is conducted and who is directly accountable for the benefits of the project and in almost all instances will be Government. For internal projects the Customer is represented by an executive within BMW and for external projects, the owner agency, via the Sponsor, represents the Customer.

Governance Level

Project Board

BMW in consultation with the Sponsor (where one exists for a project) will establish a Project Board and assign responsibility and authority¹ to that Board for the governance and management of a project.

A Project Board represents the three key elements: the users, the supplier and the sponsoring business. A Project Board is required for all BMW projects.

The purpose of a Project Board is to provide governance functions for a project and to balance the differing needs, values and cultures of different organisations having a major stake in the outcomes of the project.

The Project Board is specifically charged with ensuring that a project meets its objectives and maintains its focus on achieving the defined benefits.

The Project Board shall:

- Have sufficient authority to allocate resources to the project;
- Be capable of adequately representing the business, user and supplier interests;
- Have sufficient authority to review and control progress, changes to baseline performance and project outcomes;
- Coordinate communication with and involvement of stakeholders outside of the control of the project; and
- Ideally be able to stay with the project throughout its life.

Membership

The members of a Project Board should be representatives of the significant stakeholders in the project. Members should be senior managers or specifically appointed by senior managers of the stakeholder organisations. Members must be familiar with the strategy, objectives, operations and resources of the organisation they represent and have authority to make relevant decisions on behalf of their organisation.

Chairman

The Chairman is a role created to represent Government, BMW and the Sponsor whenever a Project Board is established to manage the project.

¹ BMW Table of Delegations, Authorisations and Appointments.

The Chairman must ensure that a broad range of interests are balanced and included in all decisions on the project; including those of Government, any other funding bodies, the Customer, the Owner Agency, BMW and for a construction project, the Minister for Works. The Chairman must ensure the project is focussed throughout on achieving its objectives and delivering a value-for-money project that will achieve its forecast benefits as set out in the Business Case within agreed tolerances.

In the majority of instances, the Project Chairman will be a BMW representative.

The Chairman must have sufficient authority and seniority to make strategic decisions about project directions. The Chairman must monitor and control the progress of the project, reviewing the Business Case regularly to ensure that risks associated with the Business Case are identified, assessed and controlled. The Chairman will make decisions on escalated issues, with particular focus on continued business justification. A key part of the Chairman's role is to ensure that the Project Manager is empowered and given sufficient latitude to manage a project. Project Board members should not be involved in the detail of how the project is managed or in the specialist content of the project.

Sponsor

A senior representative of the Executive of the Sponsor (owner agency for construction) with overall responsibility to deliver a business reform, to which the products of the project will facilitate or contribute. The Senior Responsible Owner reports to the Sponsor.

Senior Responsible Owner (SRO)

The SRO is a person who assumes certain nominated responsibilities of the Customer and has assigned authority to represent the Customer for project matters. The SRO will support the project and engage stakeholders as required to achieve the project's objectives.

The SRO must ensure that a planned project will provide outcomes that are appropriate to the objectives and service obligations of their agency and will add value to the organisation.

The SRO shall:

- Ensure that both Government and the agency will derive beneficial outcomes from the project;
- Represent their interest in the project;
- Represent those people who will benefit from the projects outputs;
- Ensure that the project is in accordance with Government's and BMW's strategic directions and priorities; and
- Take ownership of the project's outputs.

The SRO is a mandatory role that is assigned for a project or is otherwise performed by the Customer. Where an SRO is appointed, they are accountable to the Customer, via the Sponsor, for the project scope and deliverables as defined and approved for each phase of the project.

It is not appropriate nor is it good governance for the SRO to also adopt the role of Project Director or Project Manager on the same project. An SRO will be assigned to all projects.

BMW Projects Director

The BMW Projects Director² is a senior BMW Director who has responsibility for the performance of BMW Project Managers within a specific functional area of BMW operations and who is responsible for the assignment of Project Managers to projects.

The BMW Projects Director fulfils the role of a Senior Supplier on the Project Board.

The BMW Projects Director would normally be a member of (or delegate a BMW representative to) a Project Board for any projects managed by a project manager under their control.

As a member of a Project Board, the BMW Projects Director (or their delegate) would normally represent the interests and report on issues related to the performance of all Project Suppliers and Project Resources.

The BMW Projects Director is a liaison between the governance structure of a project and the operational process of BMW. As such they have a responsibility to ensure that:

- Project Boards and SROs are informed on BMW policy and practices so that, wherever possible, project decisions may be consistent with BMW and Government operations; and
- Decisions of Project Boards and SROs are implemented effectively and efficiently by BMW staff as required.

Project Reference Group

A Project Reference Group (PRG) is a committee of significant stakeholders in the project that meet to review the project objectives and outputs and advise the Project Board on their support for the project direction, suggestions for progressing the project and acceptance of the project outputs.

This group may be formed in the early stages to assist with defining and planning the project or in the later stages to assist with acceptance of the project outputs. The members may be charged with maintaining communication with the stakeholder groups that they represent.

Project Management Level

Project Director

A Project Director is a senior BMW Project Manager who is appointed for every project and represents the internal BMW project line management³ for the Project. A Project Director is responsible for ensuring project Phase Initiation and Phase-End activities are completed in BMW and directions from the Project Board are enacted upon.

A Project Director would normally be expected to focus more on customer communication, reporting and stakeholder management and may employ a project manager or support staff to manage project work.

² BMW Table of Delegations, Authorisations and Appointments.

³ BMW Table of Delegations, Authorisations and Appointments.

Where a Project Director manages several projects (with one or more Project Managers) then the Project Director also performs the role of Program Manager.

Project Manager

The Project Manager is the person responsible to define, plan, manage and conclude the work required to achieve the approved project outputs.

The Project Manager is required to ensure that all phases of project work achieve the defined project objectives within the approved project constraints. The Project Manager must control project work to meet Government's expectations for timeliness, cost and quality of project outcomes. Where this cannot be achieved, the Project Manager must investigate the method of varying the project to best meet these expectations and seek approvals to implement any change.

The Project Manager provides project performance information and advice on managing project work to ensure that project outcomes are achieved.

The Project Manager engages the project's resources to deliver the outcomes of the project.

Program Manager

Program Manager is an optional role created by a Project's governance level where collective responsibility for the work, resources, reporting and outcomes of a group of projects is required to be managed as a consolidated entity.

A Program Manager has similar responsibilities to a Project Manager for a coordinated group of projects that contribute to a common outcome sought by BMW or an Owner Agency for whom BMW is providing project resources.

The Projects within a Program managed by a Program Manager may be managed by one or more Project Managers (or Project Directors) who would report to the Program Manager rather than to the Project Board.

A Program Manager will control the work, resources and priorities of the constituent projects under their management to ensure the collective benefit of the program is maximised, rather than the individual contributions of the projects.

A Program Manager will assess the status and progress of the individual projects under their management and provide consolidated reporting of the status and progress of the Program.

Project Working Group

A Project Working Group is a committee of Service Providers and Project Resources that meet to review the project objectives and outputs and advise the Project Manager on the technical suitability and the appropriateness of the plans to deliver the outputs and the direction of project work. It may also advise on the coordination of different aspects of project work.

A Project Working Group may be formed in the early stages to assist with defining and planning the project, during the execution of the project to coordinate work or in the later stages to assist with acceptance of the project outputs and determining lessons learnt from the project.

A Project Working Group is an optional role that is established by the Project Manager or Project Director. The formation of the group must be supported by the Project Board. There may be multiple Project Working Groups assisting a project and, where this is the case, each group is required to address a specific and discreet scope.

Project Delivery Level

At the Project Delivery Level the roles comprise of the following:

- Project Supplier; and
- Project Resource.

Project Supplier

A Project Supplier is an individual or an organisation which provides resources (e.g. people, goods, plant, materials, information or services) to undertake aspects of a project and takes full responsibility for the provision of resources and the management of the work to achieve the assigned outcomes.

A Project Supplier may be a contractor or an organisation with which BMW has a valid partnership or alliance relationship or a section of BMW or another agency.

Project Resource

A Project Resource is a person who is engaged to work on a task of a project.

Project resources may be BMW staff, staff of other agencies, persons who provide goods or services on behalf of a Project Supplier or external staff who are contracted to provide goods or services to the project.

Where Project Resources are engaged by contract, the terms of this engagement is negotiated by the Project Manager. Where a Project Resource is an internal person assigned to work on a project, such an engagement should have the prior agreement of the Project Resource's line manager.

The roles of the Project Resource are to:

- Conduct the project work;
- Detect changes required or performed in the work of the project; and
- Report progress and issues with their work on the project.

Additional Roles

Stakeholder

Project Stakeholders are those people who can have an impact on the definition or work of the project and those people who will be affected by the outcomes of the project.

Stakeholders may be individuals or groups (including organisations). Where Stakeholders are groups, it is important to establish the person or persons authorised to represent the group in matters related to the project.

All of the roles described by these Guidelines are Project Stakeholders, as may be a number of other groups of people which, depending upon the project, may include:

- BMW managers;
- BMW staff, especially staff performing services (such as procurement, legal or financial) for the project;
- Funding entities;
- Department of Treasury
- Other (Federal, State and Local) Government agencies;
- Ministers (especially the Minister for Works) and politicians ;
- Regulatory authorities;
- Government and private utilities servicing individuals or properties;
- Users or neighbours of project work or project outcomes, including individuals, special interest groups and communities;
- Suppliers, potential and actual, of goods and services to the project; and
- Media organisations.

For other Stakeholders, whose roles are not already defined in these procedures, it is important that the Customer, SRO or BMW Projects Director ensure that the Project Manager is fully aware of their influence on the project and that interactions and communication with Stakeholders through the life of the project is planned and performed as appropriate to achieve the project objectives within its agreed constraints. This awareness is to include, for each Stakeholder:

- Their requirements of the project;
- The constraints they impose on the project's work performance;
- The constraints they impose on the project's outputs;
- Their authority to approve or restrict project work;
- Their authority to accept or reject project outputs;
- The requirements for the Stakeholder to provide information to the project team at different phases of the project;
- The requirements for Stakeholders to receive information describing the plans, performance or results at different phases of the project; and
- The person representing a stakeholder group and their authority to do so.

Part V. Project Control

Standards

All work defined as projects must be recorded in the Project Register (PACMAN).

All project records are to be uploaded into PACMAN.

All projects are to undertake Phase Initiation, End of Phase Review and Approval and appropriate reporting standards as defined by their project category.

Introduction

Project controls are those mechanisms of the PM Framework that exist to enforce the rigour of the project and ensure it addresses the management standards defined by the PM Framework and the project constraints set by the project team.

Project Registration

The BMW Projects Register (the Register) is a record of all those works that are or are planned to be conducted as projects by the organisation. It includes records of works proposed as projects, projects in progress, projects awaiting approval and projects completed in the recent past. This is undertaken by registering projects into the PACMAN system.

The register provides a complete list of BMW project work. This enables the executive team to analyse the project portfolio for reasons such as:

- Prioritisation of project outcomes;
- Allocation of project resources;
- Relative comparison of project parameters and performance;
- Review of a project within the context of BMW total (or portfolio) investment and commitment;
- Planning future resourcing;
- Planning funding and managing cashflow;
- Planning implementations of new or changed facilities and features; and
- Balancing workload.

The Register also provides a summary of relevant project information and reference to each project's management, approvals and further documentation.

Registration enables the generation of a unique project identifier (Project ID) to be associated with the project and all of its work components and project records. This ID enables reference to the project in BMW project management and administration systems.

It is the responsibility of the Project Manager to ensure that the Register is updated when a project is identified and at least at the start and the end of each phase of a project's development and that the data in the Register reasonably represents the status and progress of project work at any time.

Programs and Sub-Projects

All project work must be registered. Work managed as a program must be registered and the constituent projects must be registered separately and associated with the program so that work may be summarised at a project or program level. Similarly, if sub-projects are created and managed separately, these must be associated with the parent project.

Portfolios need not be registered as these may be dynamic and the register is designed to report to any portfolio criteria (such as Business Unit, Region or Asset Type).

Project Records

All project records are to be uploaded into PACMAN which will interface with TRIM to ensure government record standards are met. Hard copy files are required to be archived with Corporate Information.

Project Management Functions

The PM Framework highlights eight project management functions that need to be managed through all of the six phases of a project's life.

These functions include the management of:

- Scope;
- Time;
- Cost (Budget);
- Quality (and Safety);
- Human Resources;
- Communications (and Stakeholder Management);
- Risk;
- Procurement; and
- Integration (including Governance).

Constraints, Assumptions and Baselines

Every Project Management Function of a project should be defined to include an explanation of all constraints imposed, assumptions made and baseline performance expectations for that Function.

Constraints, Assumptions and Baselines must be clearly documented and approved by the Project Board before they may validly be considered to be included in the plans for a project.

In approving a constraint, assumption or baseline, consideration must be given to the impact on all project management functions and any risks accepted by that approval.

Constraints

- Constraints are restrictions placed on the performance of an aspect of the project which influence the way in which work may be undertaken or completed.
- Common constraints include restrictions on the schedule (including final and interim deadlines), limitations on the budget for the project or funding for any specific aspect,

procurement strategies, technical compatibility (quality) and many other restrictions imposed on any aspect of the project.

- The Project Board must ensure that all constraints are agreed and that the benefits of imposing a constraint have been evaluated against the impact of the restriction on project options or performance.

Assumptions

- Assumptions are factors that, for planning purposes, are considered to be true, real or certain without proof or demonstration.
- Making assumptions are a method of addressing an unknown situation (project risk) where it is determined that assuming an outcome is preferable to investigating the situation due to difficulties in terms of technical, cost, time or other reasons.
- An assumption, in a project management context, is a statement of the most probable result of a future situation. This probable result is used, with agreement, as the basis of planning and, if a different result eventuates, the basis for change management.
- Assumptions are used to:
 - Manage risks;
 - Allow the creation of a credible plan;
 - Bring forward debate on expectations;
 - Create a baseline for future variations; and
 - Obtain prior approval for future variations.
- When a planning assumption is later found to be untrue and causes a project variation, such situations should be included in project reviews.

Baselines

- Baselines are standards for expected performance of an aspect of the project. The definition of each project management function should include a baseline that defines the achievement that is expected for that function. These should comply with any constraints and subject to any assumptions and, when accepted, form the definition of success for the project.

Monitoring and Controlling Progress

Phase Initiation

Phase Initiation is undertaken at the commencement of each phase. This ensures the deliverables (products) from the previous phase have been completed and necessary approvals have been obtained and are registered. In most cases, the next phase will proceed almost immediately after the conclusion of the previous phase; however under certain circumstances the commencement of a phase may be delayed. Phase Initiation provides the PM the opportunity to undertake the necessary checks to ensure currency and completeness of information emanating from the previous phase before commencing the work of the current phase.

Exception Reporting

An exception is a situation which causes a variation beyond the agreed tolerance levels between the Project Board and the Project Manager.

The Project Manager is required to report the exception situation, its impact, options and recommendation to the Project Board. Formal exception reporting must occur whenever

circumstances occur that will change any Project Approval Document, such as a Business Case or a Project Definition Plan beyond the tolerances as described above. Exceptions must be recorded against and filed with the applicable Project Management Plan.

Project Board Reporting

All projects will be required to report to their project board on a regular basis using the appropriate project board report template. The timeframe and depth of detail required is dependent on the project category.

End of Phase Review and Approval

End of Phase Review and Approval is a project control mechanism situated at the end of each phase. This mechanism requires Project Board endorsement that all the deliverables of a particular phase have been undertaken and completed and approval granted for the Project Manager to commence the work of the following phase.

Minutes of the End of Phase Review meeting are to be uploaded into PACMAN by the Project Director (or delegate).

Part VI. Project Tools

Standards

All projects and their associated contracts will be managed and administered utilising PACMAN.

Project Management Methodology Lifecycle

A Project Management Methodology (PM Methodology) Lifecycle is constructed for each project type. Similarly to the PM Framework Lifecycle, the PM Methodology Lifecycle provides a high level illustration of the considerations, deliverables, management standards, tools and approvals required for each phase of a specific project.

The PM Methodology Lifecycle is designed to assist Project Managers and their team determine at a glance, what is required at each project phase.

Process Maps

Process maps are provided for each project type as a means of documenting and illustrating to Project Managers and their teams, the processes and sub-processes within a phase of a project.

Process maps can be used to gain an understanding of the task requirements of a project phase from start to finish and may assist project teams to more effectively plan and schedule their activities.

Practice Guides/Supporting Process Guides

Guides are provided for each project type and supporting process defined by the PM Framework.

Guides for project types are referred to as Practice Guides. Practice Guides contain the detail to accompany the processes illustrated in the process maps and work-flowed in PACMAN. They will assist in explaining to Project Managers and their teams, the methods for undertaking the activities required to complete a phase of work.

Supporting processes are those processes which are common to multiple project types such as Consultant Engagement and Administration and Project Registration. Similarly to Practice Guides, the Supporting Process Guides will provide the detailed methodology for undertaking supporting process activities.

Universal Support Guides

Universal support refers to those branches within BMW whose functions provide services to projects such as Tendering Services and Business Risk.

Universal Support Guides document the processes and details of the work undertaken within these branches and can assist project teams in developing a more holistic understanding of the preliminary functions involved in project management.

Templates

Specific templates, forms and checklists stamped with the PM Framework logo are provided to undertake the work required of project phases.

Some templates, such as the Business Case template, are mandatory and a project phase will be unable to be completed without their use. Whilst other items are provided purely for assistance, such as checklists or calculators, however their use is not compulsory.

PACMAN

PACMAN is a web-based application tool used to administer and manage projects and contracts based on the workflows documented in the process maps for each project type. All projects and their associated contracts will be required to be run utilising PACMAN.

PACMAN will link to the Practice Guides described above to further explain the actions required to undertake a task described in PACMAN.

iPortal

The iPortal is an interactive project management knowledge tool. Accessible from the BMW Intranet, the iPortal will house all the documentation required to understand and implement the PM Framework and undertake project work including all the Guides, templates, process maps, PM Methodology Lifecycles and the glossary.

The iPortal will also contain functions for all Project Managers and Officers to share information such as experiences, lessons learnt and other knowledge regarding project management.

Glossary

The glossary is a document containing terms used by BMW in relation to project management, including terms relating to the PM Framework, PACMAN, contracts, industry standards, and BMW business terms.