A Quick Guide to Proposing Capital Projects

Project management is not rocket science!! It is a process that enables managers to guide a project from start to finish and to do so in a way that maximises the probability of positive outcomes and reduces inefficiency.

Bangor University is increasingly involved in the delivery of high value, high visibility projects and its success in attracting research funding is increasing year-on-year. The larger projects, which may include new buildings, refurbished facilities, and new IT systems, are a welcome sign of our success and our investment for the future. However, unless properly managed this can give rise to increased risk of serious financial and/or reputational loss. Consequently, proper Project Management is a very important process

The typical Project Management Life Cycle comprises four phases:
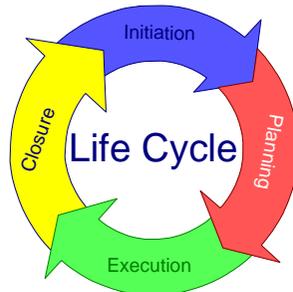
Initiation - starting up the project, producing (eg) a project brief, business case, feasibility study, and identifying the project team and resources.

Planning - setting out the roadmap for the project developing the proposal and necessary costs, resources and risk assessment etc. Securing funding and procuring the solution.

Execution - you've secured funding and commence the activities described in the Project Plan, monitoring and controlling the project delivery, scope, costs, etc and reporting progress.

Closure - winding-down the project by releasing staff, handing over any deliverables etc. to the customer and completing a post project review.

The University's ***Project Management Framework*** is based on best practice using the ***5-Case Model*** and ***Gateways*** which will be used to test and challenge the proposals as they are being developed. The advantages are many, it enables clear identification of objectives of the project, why it is being undertaken and what benefits should arise. Good project management institutes a strategy that results in:

- The project delivering its promised benefits

- Better efficiency & effectiveness in delivering outcomes

- Sharing best practice

- Increase in quality

- Working smarter and achieving so much more

- Increased motivation arising from positive results - a virtuous circle
- Enhanced reputation
- Potential risks identified at an early stage with time to develop and implement mitigating actions

Initiation: Capital Project ideas should be developed using a ***Strategic Outline Plan*** (SOP) which tests how the idea fits with University strategies. This is the first step in the 5-Case process and is a brief document which should be sent to the Head of School and the ***Capital Programmes Board*** (CPB) for their support. Once approval has been received to proceed, the first phase of building the business case starts. In the 5-Case Model this is the ***Strategic Outline Case*** (SOC). Again, this must be approved by the CPB. For projects deemed by the CPB to fall into the lowest ***Project Risk Category,*** the CPB may authorise the proposing college or department to proceed to deliver the project without further business justification (ie the project will not require an OBC or FBC).

Templates for the SOP & SOC are available and should be used.

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Planning: the development of the initial idea as captured in the SOC through an **Outline Business Case** (OBC) into a detailed and costed **Full Business Case** (FBC) with increasing detail of the necessary costs, resources and risk etc. at each step. Following good practice, the business case should be reviewed internally in advance of presentation to the CPB.

All of these documents can be used to support fund raising activities etc. and the process of their development gives the University confidence that good governance is being practiced. The output of this phase includes the detailed business justification and results in the decision to invest.

Templates for the OBC & FBC are available and should be used <u>if specified by the CPB</u>.

Following approval of the OBC by the CPB there will be a requirement, depending on the Project Risk Category, for higher authorisation from the University Council or Resources Committee before the procurement process can be started. Once this has been given, the OBC can then be used to go out to tender to deliver whatever capital works are required by the project. When the tendering process has been completed satisfactorily, then the OBC is updated to reflect the results and becomes the Full Business Case. The FBC should then be reviewed by the CPB and the appropriate higher authority before the tendered contracts are signed by the University.

This is arguably the most important stage in the lifecycle: many projects fail due to the simple fact that not enough thought had been put into the planning stage. Time spent thinking through the project's purpose, aims, objectives, activities & outputs, potential risks, implications etc at this stage is time well spent and can reduce the likelihood of problems occurring later on.

Careful consideration should be given to project governance, both in terms of the project team itself and also the management reporting chain. For larger and more complex projects it is required that a Project Board be set up to provide advice and support where appropriate.

Execution

The Project Manager is responsible to the University for the successful completion of the project. The PM accepts responsibility for the key success factors for the project, e.g. deliverables, milestones, cost etc.

Before starting work the PM should:

- review the contract to ensure that they are familiar with all aims, requirements and expectations;
- review the Project Plan, work packages and work breakdown structure to ensure they are still valid;
- check that all resources are available on the required timescales;
- brief the project team appropriately;

Useful tips may be found in the University's Project Management Framework.

Regular monitoring and reviewing of the planned activities including managing time, cost, quality, change, risks, issues, suppliers, stakeholders and communications, both internal and external are required for the lifetime of the project. Should a project run into difficulties, then the problem should be reported immediately to the Project Board, together with a proposal for remedial action, who will in turn report the problem to the CPB.

Closure

Project Closure involves releasing the final deliverables to the customer, handing over project documentation to the business, terminating supplier contracts, releasing project resources and communicating project closure to all stakeholders. The last remaining step is to undertake a **Post Project Review** to identify the level of project success and note any **lessons learned** for future projects.