

Procedure

Capital Infrastructure - Project Delivery

This procedure falls under Capital Infrastructure - Project Delivery Policy - C555A

Program Impacted	Project and Asset Management <i>The City of Edmonton's projects are well-managed and assets are maintained for accountable service delivery.</i>
Approved By	City Manager
Date of Approval	TBD
Approval History	May 7, 2010
Next Scheduled Review	2028

Application

Project Delivery Models under consideration must include consideration of the following conditions;

- **Alignment with City priorities is achieved:** The project is aligned with the City's corporate plans and emerging priorities and strategies.
- **Public Interest is protected:** Delivery of public infrastructure and services by a private entity including the appropriate engagement of stakeholders is considered only when the public interest can be protected. Public interest must be thoroughly examined and discussed. The assessment of public interest includes the impact of the delivery model's ability to deliver on service objectives and quality, affordability, public access, health and safety, user rights, security, privacy and public input. Public interest will be ensured by securing private sector commitment to deliver specified outcomes through clear and enforceable performance arrangements over the contract term. The community will be well informed about the obligations of the City and the private sector. Public interest will be protected through establishment of mechanisms to respond to changing needs of the City and users over the contract term.
- **Value for money is demonstrated:** The type of project delivery model will be pursued if it is likely to deliver better value for money for the City and the users than other comparable delivery methods. Value for money is a balanced assessment of quantitative and qualitative factors (e.g. economic environment, private sector expertise, risk profile, administrative considerations). An alternate delivery model has potential to deliver value for money where:

- risks and benefits can be designed to create incentives for cost effective, high quality services,
- there is scope for the private sector to demonstrate particular expertise and/or innovative capacity,
- there is adequate market interest and capacity to ensure benefits of competition are met,
- there are efficiencies to be gained from the recommended level of integration (or not) between design and construction, (and operation and/or maintenance)
- **Risks are identified, effectively shared and managed:** All project risks (e.g. construction, cost, schedule) are identified and assessed to ensure effective risk management. Risks can be allocated to the party best able to manage the risk at the least cost (while protecting the public interest) and the party has discretion on how to address the risk. Risk allocation between the parties is clear and enforceable with consequential financial outcomes.
- **Private sector is appropriately engaged:** Private sector confidence will be maintained through efficient and timely assessment, project authorizations and competitive procurement processes. Procurement processes and outcomes will be transparent, protect commercial confidentiality and meet legislated privacy requirements. Transparency must not harm the competitive process or the City's negotiation position and must not discourage private industry participation. Procurement plans and evaluation guidelines will be developed to effectively assess the proposals and select the successful proponent.
- **Appropriate governance and accountabilities are established:** The project governance (i.e. processes and structures) will:
 - perform policy conformity review and oversight to ensure transparency, due diligence and the protection of the public interest
 - ensure thorough assessments are completed and efficient approval processes are in place
 - fit the project scope, scale, complexity and the differing needs of each stage of the project to permit effective and efficient project management, issue resolution and timely decision making
 - support appropriate delegation to deliver specified outcomes
 - establish project management and reporting accountabilities
 - consider requirements of key stakeholders and external and internal resources
 - be consistent with best practices within industry
 - support formal and ongoing communications between stakeholders to facilitate delivery of their roles
 - require an audit trail through the maintenance of records and ensure open and transparent financial accounting and reporting
 - prevent, identify, and address potential, perceived, and actual conflicts of interests and unfair advantages

Process

Procurement Planning and the selection of a preferred project delivery model will follow a three-phase process, including:

- Phase 1 - Assessment (an evaluation of the various delivery models including market sounding)
 - Any project that exceeds the \$500 million threshold, Administration will report the results of the assessment to Council
- Phase 2 - Procurement (the evaluation and recommendation of a proponent) in accordance with the Procurement Standard and any other relevant approved policies or standards
- Phase 3 - Contract Management (the ongoing performance management and end of contract strategy) in accordance with the Contract Management Standard and any other relevant approved policies or standards