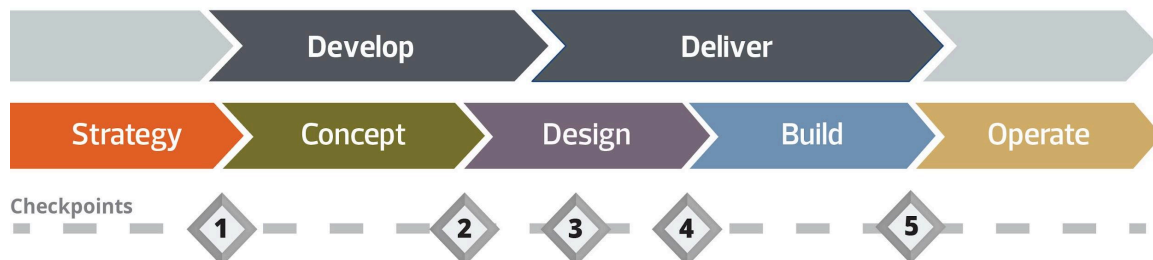


Project Development And Delivery Model Overview

City Policy C591 - Capital Project Governance Policy, requires that all capital projects follow the Project Development and Delivery Model (PDDM). The PDDM is a phased approach that includes formal checkpoint reviews as projects progress through the strategy, concept, design, build and operate value chain. The PDDM is intended to ensure that all City projects progress to an appropriate level of development prior to being considered for the delivery phase. The following is a description of the checkpoints through the project delivery process:



Checkpoint 1: Project Initiation

Projects are reviewed for readiness to begin, and receive funding for concept development; includes assessment of project for maturity, appropriate definition of scope and priority.

Checkpoint 2: Authorization for Design Expenditure

Once concept development is complete, the project will be evaluated to receive additional funding for preliminary or schematic design. The project must be at an appropriate maturity level and the scope must be confirmed, to improve confidence in understanding schedule and budget requirements.

Checkpoint 3: Approval for Capital Budget

A level of design is completed on the project to the point that risks are appropriately identified and mitigated, and a defined schedule and budget can be set relative to the identified scope. Depending on the size and complexity of the project, the level of design completed may vary. At this point, projects could be approved for funding for detailed design and construction.

Checkpoint 4: Authorization for Construction Expenditure

A final check is undertaken prior to projects being tendered, which includes assessment of readiness and a final scope review. If the project is not within the approved scope, budget and schedule, a change request may be considered or the project may be sent back for revision.

Checkpoint 5: Handover

Once the project is complete, a handover process is undertaken to ensure that the scope is satisfactory and all closeout activities are completed. The project is commissioned and available for public service.

The PDDM model requires that capital projects that are similar in nature and part of a larger program initiative be approved within composite capital profiles. All projects within composite capital profiles proceed through the PDDM's phased approach.

Based on Administration's practice to date, significant capital projects (growth and renewal projects greater than \$10 million) require approval of a standalone capital profile when they reach Checkpoint 3 of the PDDM (a standalone capital profile is for the delivery and reporting of a single project). The estimate of the budget required for delivery of the project at Checkpoint 3 is -20/+30 per cent. When the project is tendered at Checkpoint 4, these -20/+30 per cent variances are managed through additional recosting adjustments made between the composite and the standalone capital profiles. Recosting adjustments less than \$5 million can be approved administratively by the City Manager, and those greater than \$5 million require Council approval.

The PDDM is intended to ensure that all City projects progress to an appropriate level of development prior to being considered for the delivery phase. This approach provides Council and business partners with more accurate information about a project's progress and viability at set points throughout the project life cycle, which, in turn, allows the City to make informed decisions about how to allocate capital spending more effectively. This process also enhances transparency and improves communication about the project status and overall maturity.