DRAFT

LACHLAN SHIRE COUNCIL

PROJECT MANAGEMENT POLICY 2025

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1. BACKGROUND

Lachlan Shire Council is committed to effective project management for the benefit of its community.

2. SCOPE

This Policy applies to all staff involved in the management and administration of projects across Council.

This policy applies to all projects across Council – including (but not limited to) infrastructure, community and social projects.

3. OBJECTIVE

The purpose of this policy is to establish a corporate approach to initiating, planning, delivery and closing of Council projects.

The objectives of this policy are to ensure that:
- Projects are effectively managed within the limitations of Scope, Quality, Environment, Resources (Time and Budget) and Risk, and in accordance with legislative requirements;
- Appropriate governance and control is established;
- Communication, quality environmental and risk management plans are developed and executed throughout a project's life, as appropriate;
- Appropriate authorisation and acceptance is established throughout the life of a project;
- Stakeholder communication is inclusive;
- Post implementation reviews are conducted and actively used to improve the conduct of project delivery.

In order to achieve these objectives, this Project Management Policy must be included in the initiation, planning, delivery and completion/handover of all Council projects.

4. DEFINITIONS

Business case	A Business Case is based on an operational or strategic need that has been identified from within an area of Council. A Business Case should justify the baseline information about the project such as background, purpose, benefits, objectives, costs, funding sources of the proposed project, and evaluate the benefit, cost and risk of alternative options and provide a rationale for the preferred solution.
Gantt Chart	A Gantt chart is a visual bar chart used to plan and track a project's progress. It acts as a timeline that shows the list of tasks involved, their start and end dates, milestones, dependencies between tasks, and assignees.

High Value High Risk Report	A report that provides information on Council projects that are considered by the General Manager or Council to be a high value/high risk project for the organisation.
Project	A project is defined as a set 'body of work' with a defined start and end date, estimated cost, and accepted level of risk. The risk can be associated with human, government, financial / commercial, environmental, political, legal or business continuity factors. A project is also described as a temporary endeavour undertaken to achieve a particular outcome with a definite beginning and end, consists of managed and controlled actions, and is required to meet specific objectives within time, cost and quality constraints.
Project brief	The project brief contains a brief description of the objective and background / context for the overall project, and outlines the project management framework to be adopted for the initiation phase, including how to measure the success of the phase; deliverables, budget and resources; project activities and milestones; governance and reporting requirements; communication with stakeholders; risk and issues management; assumptions and constraints; related projects and interdependencies; guidelines / standards; levels of review; quality assurance and capturing lessons learned.
Project close out report	A report that reviews the performance of the completed project against the project plan and project objectives, noting any lessons learnt and recommendations for improvement.
Project governance	The framework of authority and accountability that defines and controls the outputs, outcomes and benefits from projects, programmes and portfolios. The mechanism whereby the Council exerts financial and technical control over the deployment of the work and the realisation of value.
Project governance body	This is the Project Control Group and/or the Project Steering Committee or Project Sponsor, depending on the size of the project.
Project management	Project management involves planning, control and co-ordination of a project from inception to completion, ensuring timeframes, budget, administrative obligations and quality are met.
Project manager	The person responsible for handling every aspect of a project from the day it starts until it closes is called a project manager. The responsibilities of a project manager typically entail detailed planning, smart resource utilisation, and managing the scope of the project.

Project plan	A project plan is one of the key formal documents created before starting any project. The document usually consists of approved cost, schedule, risk assessment, resources and project scope. It guides the execution of a project from initiation to project closure. The project plan also lays the foundation for all kinds of communication among the stakeholders. All project plans should include a stakeholder engagement and communications section that addresses consultation, media releases, social media, website updates (for major projects) and any funding requirements for notifications and opening ceremonies. Gantt charts should be included as part of the programming and monitoring of the project.
Project scope	Project scope is the part of project planning that involves determining and documenting a list of specific project goals, deliverables, tasks, costs and deadlines. It defines what is covered by the project and what is not. The scope statement also provides the team with guidelines for making decisions about change requests during the project.
Project stakeholder	Any individual that has a direct or indirect interest in a project is known as a project stakeholder. They usually affect or are affected by the project decisions being taken over the course of the project lifecycle. A stakeholder can be anyone from the project team, executives, sponsors, customers, or the end-users.
Project sponsor	The project sponsor is an individual (often a manager or executive) with overall accountability for the project and acts as the link between the project, the stakeholders, and strategic level decision-making groups.

5. POLICY IN BRIEF

This policy defines the process to be followed for effective Council Project Management across the four key phases of a project – 1. Initiation and Business case development, 2. Approvals, 3. Delivery including monitoring and reporting, and 4. Project Close and handover.

6. POLICY IN DETAIL

6.1   What is a Project?

A project is defined as a set 'body of work' with a defined start and end date, estimated cost, deliverables, and accepted level of risk. The risk can be associated with human, government, financial / commercial, environmental, political, legal or business continuity factors.

Projects are a temporary endeavour undertaken to achieve a particular outcome, with a definite beginning and end, consisting of managed and controlled actions, required to meet specific objectives within time, cost and quality constraints.

Projects can be of any size and duration. They can be as simple as planning a team building day or as complex as redeveloping a town centre or organising a major event.

A local government project can be funded from various sources - including capital, maintenance, or operational funds from Council, or external sources such as Government Grants, or a combination of these. Regardless of the funding source all need the same amount of planning to be successful.

6.2   What is Project Management?

Project management is a critical practice that applies knowledge, skills, tools and techniques to a broad range of project activities in order to meet the requirements of the particular project.

Project management involves planning, control and co-ordination of a project from inception to completion, ensuring timeframes, budget, administrative obligations and quality are met.

Project management brings together skills that relate to the management of time, cost, quality, scope, risk and human resources among others.

6.3   Project Lifecycle

The project life cycle is made up of four phases: initiation, planning, delivery/execution including monitoring and control, and closure/handover. These Project Management Phases are described as follows:

- **Initiation Phase**

  This phase commences with the inception of the project. It includes the business case and project justification which outlines the reasons for the project and its benefits, funding submission, scope and project cost estimates. Much of the work done here can be used in the project plan or be used in a funding submission. A project manager should be involved at this stage, otherwise, a PM should be consulted. Risks are identified and evaluated at this stage and a confidence level (or uniqueness score) should be determined to help the organisation decide if the project will be commenced.

- **Planning Phase**

  The planning phase is where the project solution is further developed in as much detail as possible and the steps necessary to meet the project's objective are planned. In this step, the team identifies all the work to be done. (Including things like regulatory approvals). The project's tasks and resource requirements are identified, along with the strategy for producing them. The scope is defined, risks identified, stakeholder engagement and budget finalised. At the end of the planning phase, the Project Manager will have a plan to deliver the project. This plan is to be approved before delivery commences.

- **Delivery/Execution Phase**

  In the delivery phase, the project plan is actioned, and project deliverables are achieved. The designs are developed, and contractors are engaged.

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- **Project Monitoring and Controlling**

  In the Delivery/Execution Phase, progress is to be continuously monitored, and any appropriate adjustments are made and recorded as variances from the original plan. Progress information is reported through regular team meetings to maintain control over the direction of the project.

  The Project Manager will compare the progress reports with the project plan to measure the performance of the project activities and take corrective actions.

  A Project Performance Report is to be prepared by the Project Manager on a monthly basis or as may be agreed by the Project Governance Body, and at least quarterly.

- **Project Close / Handover Phase**

  During the final closure, or completion phase, the emphasis is on releasing the final deliverables to the customer, handing over project documentation to the project owner, terminating supplier contracts, releasing project resources, and communicating the closure of the project to all stakeholders.

  Project handover and project closure report are completed at this stage. The last remaining step is to conduct lessons-learned studies to examine what went well and what didn't. This will help future project teams in all phases of a project.

  Project sign-offs, handovers and approvals are completed at this stage.

6.4   Project Management Framework

Council projects are to be managed in accordance with this policy and best practice methodology through the four phases of the project lifecycle.

This policy has been prepared in accordance with the following:

- ISO 21500, an international standard that provides guidelines for project management. The standard was developed to help organizations plan, implement and complete projects effectively and efficiently.

- *IPWEA Project Management Toolkit – Tools and Techniques for Managing Local Government Projects*. This toolkit provides numerous templates as may be required to assist throughout the four phases of a project.

- *A Guide to the Project Management Body of Knowledge* (PMBOK) 2021

All projects must be planned, monitored and tracked, and saved to required Council systems. Council currently utilises software including the *Pulse Project Management* Module to facilitate electronic entry and reporting of the four phases of a project. Additionally, Excel is utilised as required for project planning and monitoring. Software requirements may change over time to meet Council requirements.

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A Business Case is required for larger projects, or where the project is considered by the General Manager or Council to be a high risk to the Council, or when required by the funding body, and for all projects with a value greater than $500,000 if not already endorsed by Council for inclusion in the Delivery Program/Operational Plan.

Approval of the Business Case is required by the relevant Director, the Executive Leadership Team, and/or General Manager. Once approved, the project can be submitted for consideration by Council for inclusion into the Delivery Program and Operational Plans.

All projects must have:

- required approvals

- a nominated Project Manager and an identified Project Governance Body (as appropriate).

- A project plan - a formal document that consists of approved cost, schedule, risk assessment, resources and project scope.

  The project plan guides the execution of a project from initiation to project closure, and lays the foundation for all kinds of communication among the stakeholders. Where applicable, project plans should include a stakeholder engagement and communications section that addresses consultation, media releases, social media, website updates (for major projects) and any funding requirements for notifications and opening ceremonies as may be required.

- Gantt charts (or similar) prepared as part of the programming and monitoring of the project – a visual plan to track a project's progress with a timeline that shows the list of tasks involved, their start and end dates, milestones, dependencies between tasks, and assignees. A Gantt Chart can be prepared in Excel or using specialist software as appropriate (Appendix 2a and 2b)

- Regular reporting on the project plan, including any proposed variances, to be prepared by the project manager to the Project Governance Body (refer 6.6 below and Appendix 1).

6.5 Project Approvals

Only projects approved by Council and included in Council endorsed Delivery Program and Operational Plans are permitted to proceed. Any proposed projects outside of the Delivery Program or Operational Plan will require specific approval from the General Manager or Council depending on the scale of the proposed project.

Private Works can be approved by the relevant Manager/Director/General Manager depending on cost, in accordance with Council procedures.

All projects with a value greater than $150,000 must have a project plan approved by the relevant Director and/or the Executive Leadership Team. This project plan must be approved before the project can commence.

There may be other approvals required by other agencies such as *Transport for NSW* and relevant funding bodies, or Council procedures, depending on the nature of the project.

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6.6 Reporting and Monitoring

Project monitoring is required throughout the project and particularly during the delivery phase, with reference to the project plan and in accordance with funding body requirements.

Regular reporting on project progress is required at least quarterly, or more frequently as may be determined.

A Project Governance Body is to be identified for any specific project.

A Project Report is to be submitted to Council on a monthly basis or as required by the Project Governance Body or Council, but at least quarterly - for monitoring large projects, or projects determined as high risk and/or high public interest.

A sample project reporting format is included at Appendix 1.

6.7 Handover / Completion

The handover process to the Project Owner / Service Owner must be carried out as detailed in the project plan before the project can be closed out.

A project close-out report is required for all projects with a value greater than $100,000 within three (3) months of the project completion

6.8 Templates

Templates for the various phases of project management and reporting are available as needed in *the IPWEA Project Management Toolkit – Tools and Techniques for Managing Local Government Projects – see link provided in Section 9 below*

Appendices 2a and 2b include a sample Gantt Chart in Excel/ project tracking, and Appendix 1 includes a Project Management Reporting template.

7. ROLES AND RESPONSIBILITIES

The Project Sponsor is responsible for project funding and ensuring the project achieves its objectives and benefits.

The Project Owner / Service Owner accepts the new service, capability, project or product; is responsible for realisation of project outcomes, ongoing asset management implications and any identified benefits.

The Project Manager is responsible for the administration and management of the project, and compliance with this policy and other relevant Council policies and procedures and is the key project contact and responsible for management, of the project team.

The Project Governance Body has oversight of the project and ensures that the project is executed in line with the approved project documentation; monitors project health including risks and issues and acts to remediate or cancel the project if required.

For Projects on the High Value High Risk Register, the Project Governance Body comprises the Executive Leadership Team, Finance Manager, Communications Officer, Project Sponsor and other project participants as required.

8. FURTHER INFORMATION

Further information about this policy can be obtained by:

- contacting the relevant Director or General Manager
- contacting the Governance and Risk Officer

9. RELATED DOCUMENTS

Related LSC policies include:

- Procurement Policy
- Risk Management Policy
- Asset Management Policy
- Code of Conduct
- Gifts, Benefits and Bribes Policy
- Related Parties Disclosure Policy

Related Legislation and guidelines include:

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2021
- AS ISO 21500:2016 Guidance on Project Management
- A Guide to the Project Management Body of Knowledge (PMBOK) 2021
- The IPWEA Project Management Toolkit – Tools and Techniques for Managing Local Government Projects.
  - (IPWEA: Institute of Public Works Engineering Australasia (NSW Division) LTD, Address: 447 Kent St SYDNEY 2000, Phone:02 82673001, Email: admin@ipweansw.org)

Nothing in this policy limits any applicable legislation.

10. RIGHT TO VARY/TERMINATE

Council reserves the right to vary or terminate this policy at any time.

Greg Tory

GENERAL MANAGER

Project Performance Report

Distribution List

Record the details of all project stakeholders accessing this document.

Name	Position	Signature	Date

Version Control

Record all approved changes to this document.

Revision #	Change Description	Approval Date	Author

Project Name

Record the project name in a way that clearly communicates what it is about.

Project

Record a unique identifier for the project that enables appropriate referencing.

Sponsor/Client

Record the name and contact details of the project sponsor/client.

Project Manager

Record the name and contact details of the project manager.

Summary Dashboard

Schedule	☐ Behind ☐ On ☐ Ahead	Budget	☐ Under ☐ On ☐ Over
Planned work		Planned $	
Actual work		Actual $	
% work complete		% Budget spent	
Remaining work		Remaining $	

Record in the dashboard the relevant information to enable accurate reporting of actual performance against both planned work complete (schedule) and planned costs incurred (budget).

Progress

Record relevant and concise information from the project's commencement through to the reporting date, including reference to any of the following (add your own), if required:

- deliverables achieved
- issues resolved
- milestones reached
- risks managed
- stakeholder involvement
- team performance.

Status

Record relevant and concise information as at the reporting date identifying both the schedule and budget baseline data measured against actual performance and budget to-date. Justify any variations between planned and actual results and the corrective actions (if required).

Include a graphical baseline project schedule including time-phased budgeting for comparison purposes.

Completion

Record all work outstanding and budget requirements for completion. Reference should include potential risks, contingencies, proposed changes, approvals and other escalating issues, potential delays and/or anticipated cost over-runs impacting successful completion — on time, on budget and as specified.

Authorisation

Sign off

Record the name, signature and date of all appropriate stakeholders signing this performance report.

Updates

Record confirmation the following documents have been amended in line with the performance report.

- ☐ Project Scope
- ☐ Project Plan
- ☐ Project Risk Register
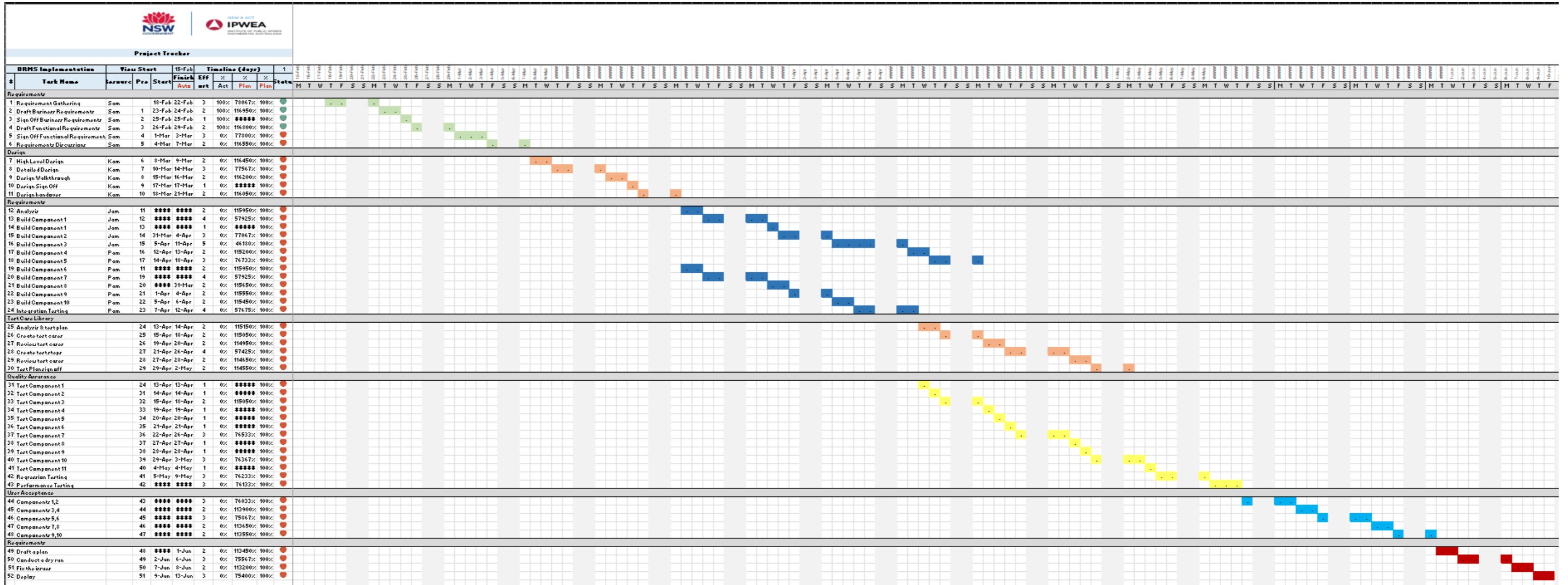- ☐ Project Change Request
- ☐ Contract (if variation required)

Appendices

Record the details of any other information and/or documentation supporting the performance report.

Source: IPWEA Toolkit

APPENDIX 2A: PROJECT PLANNING - SAMPLE GANTT CHART USING EXCEL (SIMPLE)

#	Task Name	Resource	Pre	Start	Finish (Auto)	Effort (days)	%
	BRMS Implementation	View Start	6-Jun	Timeline	1		
1	Requirement Gathering	John		6-Jun	7-Jun	2	100%
2	Draft Business Requirements	Ted	1	8-Jun	9-Jun	2	100%
3	Sign Off Business Requirements	Med	2	10-Jun	13-Jun	2	25%
4	Draft Functional Requirements	Geg	3	14-Jun	15-Jun	2	30%
5	Sign Off Functional Requirements	Rice	4	16-Jun	21-Jun	4	40%
6	System Design	John	5	22-Jun	23-Jun	2	90%
7	Build	Gerad	6	24-Jun	29-Jun	4	100%
8	Test	Maine	7	30-Jun	6-Jul	5	25%
9	Implement	Zuber	8	7-Jul	11-Jul	3	30%
10	Close	John	9	12-Jul	18-Jul	5	40%
11	Support	John	10	19-Jul	25-Jul	5	40%
12	Support	John	11	26-Jul	27-Jul	2	40%

2a-Gantt Chart Excel.xlsx

(Source: IPWEA Toolkit)

APPENDIX 2B: SAMPLE PROJECT TRACKER EXCEL GANTT CHART

1b-Project Tracker
Excel with Gantt Chart

Source: IPWEA Toolkit

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