

CENTRAL PROCUREMENT DIRECTORATE

PROCUREMENT GUIDANCE NOTE 01/09

PROCEDURES AND PRINCIPLES FOR APPLICATION OF BEST PRACTICE IN PROGRAMME/PROJECT MANAGEMENT (PPM)

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Procurement Guidance Notes

Northern Ireland Public Procurement Policy was approved by the Executive in 2002. In approving the policy the Executive took the decision that legislation was not necessary to ensure that Departments, their Agencies, non-Departmental Public Bodies and Public Corporations complied with the policy. Instead it considered that compliance could be achieved by means of administrative action.

These Procurement Guidance Notes are the administrative means by which the Northern Ireland Public Sector is advised of procurement policy and best practice developments. They are developed by Central Procurement Directorate (CPD), in consultation with the Centres of Procurement Expertise (CoPEs), and are subject to the approval of the Procurement Board.

Once endorsed by the Procurement Board, they are issued to Departments for implementation and copied to CoPEs. CPD is responsible for disseminating advice and guidance to the NI public sector on public procurement policies and for monitoring implementation. Procurement Guidance Notes are also published on CPD's website.

The following Procurement Guidance Note is for use by those bodies covered by Northern Ireland Public Procurement Policy.

PURPOSE OF THIS GUIDANCE

1. This guidance is designed to further strengthen the management of programmes and projects within the NI public sector. It widens the previous focus on ICT enabled change programmes and projects (via DAO (DFP) 33/03) to cover all programme and project types.
2. This guidance also introduces the Successful Delivery (NI) website which will constitute a key resource for anyone with a formal role or interest in NI public sector programme and project management. The website is designed to be useful to a wide range of PPM stakeholders and practitioners and the guidance is structured in a way which allows it to be accessed at different levels. The site also includes templates, tools and techniques, news of current developments and events together with links to other relevant websites. The Successful Delivery (NI) website can be accessed at www.dfpni.gov.uk/successful-delivery

APPLICABILITY

3. Departments should ensure that this guidance is applied within their Departments, Agencies, NDPBs and other bodies for which they are responsible including public corporations and Government Owned Companies (GoCos).

REQUIREMENTS FOR PROGRAMME AND PROJECT MANAGEMENT

Background and Context

4. A Project is a set of agreed activities with a definite start, middle and end. Together these activities produce business products or services in line with an approved business case which is sponsored by senior managers within the organisation. Project Management provides structure and control of the project environment so that the agreed activities will produce the right products or services to meet the customer's expectations. Projects are temporary structures which must be properly managed and controlled in order to meet their stated objectives. They are usually delivered in an environment where both funding and resources are constrained and subject to competition.
5. A Programme delivers benefits to an organisation through change, based on an agreed vision of how the organisation or business will look in the future. Managing a programme involves co-ordinating the products and capabilities produced by its projects to move the organisation through the change process and deliver the projected benefits. Programmes connect the delivery of change to the strategic objectives and direction of the organisation. Programme Management is designed to guide the organisation through this dynamic environment, refining and re-focusing as necessary along the way. Programmes are concerned with delivering *outcomes* whereas Projects are focused on *outputs*.
6. All projects and programmes are about delivering change and will often involve complexity, risk and the need to manage different stakeholder interests. This can be achieved through a structured approach which draws on tried and tested methods and processes. Therefore, the Procurement Board considers it critical that projects and programmes are managed in accordance with this guidance.
7. The Central Procurement Directorate (CPD) will provide advice and support to those involved in projects and programmes through its Centre of Excellence (CPD/CoE) for Delivery, including tailored workshops on a range of PPM topics and activities.

Leadership and Responsibility

8. Successful programmes and projects require clear, active and visible leadership from the top. Overall responsibility for delivering the business objectives and benefits of any programme or project must be vested in a single, responsible and visible individual, the Senior Responsible Owner (SRO). The SRO should be the owner of the overall business change that is being delivered by the programme or project. For corporate or cross-cutting programmes and projects a single SRO must be appointed to take responsibility for the initiative and must be recognised as the owner across all organisations involved.
9. The role of the SRO can be summarised as follows:
 - Has ultimate responsibility and accountability for the outcome of the programme or project;
 - Is the key decision maker – Executive on the project board;
 - Has ‘ownership’ of the business case;
 - Is responsible for the realisation of business benefits arising out of the programme or project; and
 - Ensures that appropriate PPM skills and experience are in place.
10. Individuals assuming the SRO role must complete relevant training (eg Centre for Applied Learning’s (CAL’s) SRO Masterclass) and should be proactive in providing leadership and direction throughout the life of the programme or project. For these reasons it is important that, as far as possible, the SRO role should be fulfilled by the same person for the duration of the project or programme. Further information on the SRO’s roles and responsibilities is provided at www.dfpni.gov.uk/index/successful-delivery/content_-_successful_delivery-senior_responsible_owner.htm

Management Methodologies

11. For programme management the recommended standard for the NI public sector is the OGC **Managing Successful Programmes (MSP)** framework. For project management generally, the OGC **PRojects IN Controlled Environments (PRINCE2)** methodology should be used. For construction projects the principles and procedures set out in the Policy Framework for Construction Procurement should be followed. This has been developed specifically for use in construction works projects in Northern Ireland.

12. These methodologies are designed to be flexible and should always be applied with proportionate effort in mind. It is not expected that every aspect will be applied in every instance.

Skills and Experience

13. It is important that people leading, managing and working on programmes and projects are able to carry out their roles effectively. In addition to being clear on their responsibilities staff must also have the relevant competencies associated with their role. These can be acquired through experience and training and there are a range of courses designed to provide training in the relevant competencies. These are listed at www.dfpni.gov.uk/index/successful-delivery/content-successful-delivery-learning-development.htm. SROs must ensure that staff undertake training to the appropriate level. The CPD/CoE can advise on what level of training is relevant in specific circumstances.

GATEWAY REVIEW PROCESS

14. The OGC Gateway Review Process is a key assurance mechanism designed to provide an objective view of a programme or project's ability to deliver on time and to budget. It is not part of the programme or project management process. The Gateway Review Process is managed in NI by CPD via the CPD/CoE for Delivery which is a recognised OGC Authorised Hub. Further guidance on the Gateway Review Process can be found at www.dfpni.gov.uk/successful-delivery/gateway-review.htm.
15. All programmes and projects are required to complete a risk assessment which should be validated by the Head of the Departmental Programme Office or Portfolio Manager under arrangements with the CPD/CoE. However, Departments and Organisations may decide on a de minimis cut off point, below which a risk assessment may not be required, but must do so on the basis of a full understanding of the implications and be accountable for their action. De minimis limits should be approved by the Accounting Officer in consultation with the Head of the appropriate Centre of Procurement Expertise (COPE).
16. Where a risk assessment designates a programme or project as medium or high risk the assessment should be forwarded to CPD/CoE for agreement (gateway@dfpni.gov.uk). If this risk level is confirmed, CPD/CoE will make arrangements on behalf of the SRO for an OGC Gateway Review, using an experienced and impartial review team. Where the programme or project is

designated low risk an internal peer review should be undertaken, in line with Gateway principles by an independent team appointed by the Department.

17. In the event of a disagreement arising between the department and CPD/CoE in relation to a department's determination of risk levels, the matter should be referred to the Departmental Accounting Officer and Director of CPD for resolution.

WEBSITE MAINTENANCE

18. The website supporting this directive will be maintained by the CPD/CoE for Delivery. (As it will provide a dynamic 'community' environment for PPM practitioners and interested parties alike, Programme and Project managers are encouraged to access and contribute ideas for the site on a regular basis, regardless of their levels of experience.

ACTION

19. Departments are asked to ensure that this letter is drawn to the attention of:
 - all those responsible for or have a role in programmes and projects; and
 - those bodies for which Departments are responsible, including agencies, NDPBs and GoCos.
20. Copies of this guidance can be accessed on the CPD website www.cpdni.gov.uk or at www.dfpni.gov.uk/successful-delivery.