



STAFF REPORT ACTION REQUIRED

Project Management Maturity Plan – 2017 Maturity Assessment

Date:	December 11, 2017
To:	Toronto Transit Commission Board
From:	Chief Executive Officer

Summary

In December 2016, staff were directed by the Board to transmit an annual third-party report to track progress against the Project Management Maturity Plan beginning in December 2017.

The purpose of this report is to transmit the assessment results on the Project Management Maturity Plan conducted by KPMG.

Recommendations

It is recommended that the TTC Board:

1. Receive this report for information.

Financial Impact

The financial impact of the 2018 Next Steps in this report will be accommodated in the PMM plan budget estimates. The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Decision History

At the December meeting, staff were requested to transmit an annual third-party report to track progress against the Project Management Maturity Plan beginning in December 2017.

Capital Delivery Review – Implementation Plan Report:

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/December 20/Reports/11 Capital Delivery Review Implementation Plan.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/December%2020/Reports/11%20Capital%20Delivery%20Review%20Implementation%20Plan.pdf)

Decision:

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/December 20/Reports/Decisions/Capital Delivery Review-PM Maturity Implementation.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/December%20/Reports/Decisions/Capital%20Delivery%20Review-PM%20Maturity%20Implementation.pdf)

Issue Background

An annual third-party assessment will be conducted to track progress against the implementation process for the Project Management Maturity (PMM) Plan.

Accessibility/Equity Matters

The implementation of PMM Plan work will have significant positive equity and accessibility impacts by ensuring that project sponsors, project managers and the wider project teams where applicable apply a diversity and inclusion lens to project planning, development and implementation.

Comments

The first annual third-party maturity assessment was conducted by KPMG in November 2017. The assessment focused on corporate-level project management maturity, rather than group level maturity. The full assessment report can be found in the supplementary link.

The purpose of the assessment is to:

1. Review and confirm progress on seven work streams as committed to in December 2016;
2. Identify how the initiatives undertaken have impacted project management maturity compared to KPMG's original report; and
3. Present to the Board an assessment of maturity advancement, with recommendations on what should be emphasized for the next year.

Staff will ensure that the '2018 Next Steps' in the attached report will be included in the 2018 PMM Plan work plan. The work plan will be reported using the same method as projects included in the revised Board Reporting protocol to be tabled in 2018.

Contact

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Appendices

- Appendix 1- Letter from KPMG to TTC CEO – Toronto Transit Commission Project Management Maturity Plan – Maturity Assessment December 2017
- Appendix 2 - Presentation: TTC Project Management Maturity Plan – 2017 Assessment
- Appendix 3 - KPMG Report: Toronto Transit Commission Project Management Maturity Plan – 2017 Maturity Assessment (electronic only)



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Andy Byford, Chief Executive Officer
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December 4, 2017

Re: Toronto Transit Commission Project Management Maturity Plan Annual Assessment (2017)

Dear Mr. Byford,

We are pleased to submit our assessment of the Toronto Transit Commission's 2017 progress on its four-year Project Management Maturity Plan ("PMM Plan"). This assessment report follows a request from the Board at its meeting December 20, 2016 to "*request staff transmit an annual third-party report to track progress against the PMM Plan beginning in December 2017*".

In developing this report, KPMG reviewed commitments in the PMM Plan and priorities of the Portfolio Management Office's ("PfMO"), assessed progress on these commitments in 2017, mapped the progress to the maturity knowledge areas in our original Capital Program Delivery Review ("CPDR"), and assessed whether the TTC's maturity advancement is on track with recommended next steps to ensure success. Our assessment for 2017 was focussed on corporate-level project management maturity, rather than group level maturity. As highlighted in our CPDR, it was an important first step for the TTC to develop a unified corporate project management framework with minimum standards. Only after these common expectations are in place is it reasonable to expect the maturity of individual groups to improve.

The TTC's progress against the PMM Plan in 2017 can broadly be summarized as follows:

- **Governance** – The TTC corporately defined project governance, including roles and responsibilities, both across the project lifecycle and scaled to projects of varying risk and complexity. This was captured in the Project Management Framework ("PMF"), which was then rolled out, with training, to the TTC Board, TTC executive, as well as project sponsors, steering committees and project managers of pilot projects.
- **Standards** – The TTC developed 13 corporate minimum standards (including cost estimating, scheduling and stakeholder management, among others) that will be rolled out in early 2018.
- **Pilot** – The TTC selected 10 critical projects across the organization to serve as the pilot for rollout of the new governance and standards through early 2018.
- **Resources** – The PfMO added internal resources and procured consultant resources to support development of new governance and standards, to support the PfMO in its reporting duties, and to provide specific support to individual projects.

The TTC's progress in 2017 was centred on a small, core group of people developing a common corporate understanding of governance, project lifecycle, categories of project risk and complexity, and minimum project management standards. The Year 1 plan was more aggressive than what was achieved, with many of the progress areas noted above taking the full year to achieve, rather than the six months envisioned in the PMM Plan. The slowed pace was a deliberate decision by the PMM Plan working group members driven by the desire to phase the rollout of the framework and subsequent standards, and to adopt a pilot-driven rollout strategy. On the recommendation of the PMM Plan working group, the PMM Steering Committee approved this change to strategy.

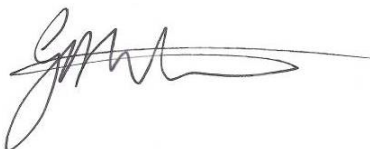
It is KPMG's view that these were both reasonable decisions given the importance of solidifying the foundational governance and standards before rolling it out to the organization. As such, the maturity advancement in Year 1 is limited because although the foundational items are now in place, they have yet to be rolled out across the organization. KPMG believes that the TTC is still on track for achieving its objectives by the end of Year 4, given that we anticipate major advances in maturity will come with the rollout of the new governance and standards first through the pilot and then to the broader capital portfolio.

Two significant early indicators of how well the TTC will be able to handle the accelerated change expected in 2018-2019 compared to 2017 will be the success of PMF implementation on the pilot projects, and the ability to ramp up the additional internal resources coming onboard in 2018.

In addition to what's already in the PMM Plan, our assessment report highlights 15 next steps that the TTC should address to ensure progress remains on track through 2018 and beyond. If the TTC follows their existing plan, achieves the acceleration change described above, and implements the next steps, KPMG anticipates it to advance corporate maturity to a mid-Standardized level by the end of 2018.

KPMG has separately reviewed the TTC's *2018 Top 10 Priorities* in their '*Capital Delivery Review Status Update #2*' and can confirm that they address the KPMG's key next steps.

Yours truly,

A handwritten signature in black ink, appearing to read 'G. Webster', with a long horizontal flourish extending to the right.

Gary Webster

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TTC Project Management Maturity Plan

2017 Maturity Assessment

TTC Board

December 11, 2017

Background – History & Approach

- In September of 2016, the Board endorsed the final report and 41 recommendations from KPMG on the TTC Capital Program Delivery Review (“CPDR”).
- In December of 2016, the Board endorsed the TTC’s Project Management Maturity Plan (“PMM Plan”), to take immediate action on all of KPMG’s recommendations.
- The TTC committed in *“the first six to twelve months to see significant advances as minimum corporate expectations are set to improve governance, management processes and oversight throughout the project lifecycle.”*
- This is the first of an **annual maturity assessment** intended to assess how the work completed to-date has advanced the organization’s project management maturity towards its goal of a ‘Monitored’ state by:
 - Reviewing commitments in the PMM Plan and the TTC’s other priorities
 - Assessing the progress on these commitments and priorities in 2017
 - Mapping the progress to the maturity areas identified in the CPDR
 - Assessing whether maturity advancement is on track
 - Advising on Next Steps to help ensure success

Findings – Summary

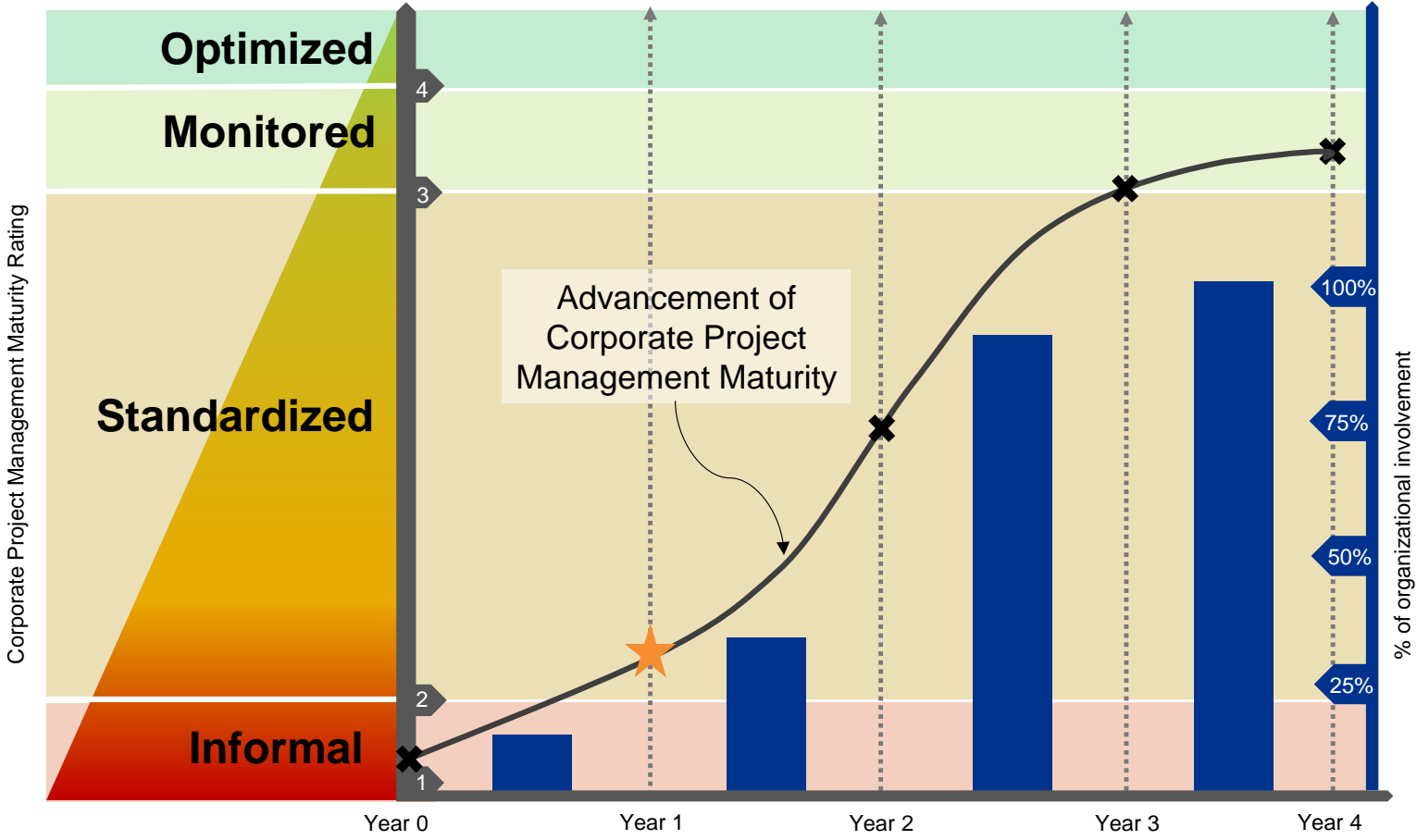
- Assessment focused on corporate-level project management maturity, rather than group-level maturity.
- As highlighted in CPDR, a unified corporate project management framework with minimum standards is a prerequisite of maturity improvement at the group level.
- The TTC's progress against the PMM Plan in 2017 can broadly be summarized as follows:
 - **Governance** – Was corporately defined, including roles and responsibilities, both across the project lifecycle and scaled to projects of varying risk and complexity.
 - **Standards** – Developed 13 corporate minimum standards (including cost estimating, scheduling and stakeholder management, among others) that will be rolled out in early 2018.
 - **Pilot** – Selected 10 critical projects across the organization to serve as the pilot for rollout of the new governance and standards through early 2018.
 - **Resources** – PfMO added internal and consultant resources to support development of new governance and standards, to support the PfMO in its reporting duties, and to provide specific support to individual projects.
- Corporately the TTC has moved from having limited corporate project management support to a corporate maturity that can be characterized as in the 'Low-Standardized' range.

Findings – Details

- Recognizing the importance of solidifying the foundational governance and standards before rolling it out to the organization, the PMM Plan Steering Committee took the deliberate decision to slow the pace of implementation using two strategies:
 - Phased rollout of the framework, followed by standards
 - Adoption of a pilot-driven rollout of 10 critical projects, to be followed by a broader implementation
- As a result, the original Year 1 plan was more aggressive than what was achieved, with many activities taking the full year to achieve, rather than the six months envisioned in the PMM Plan.
- It is KPMG’s view that this slowed rollout was an appropriate decision given the importance of solidifying the foundational governance and standards before rolling it out to the organization.
- KPMG believes that the TTC is still on track for achieving its objectives by the end of Year 4, given that we anticipate major advances in maturity will come with the rollout of the new governance and standards first through the pilot and then to the broader capital portfolio.

Findings - Details

- This progress can be shown by representing how project management maturity is expected to increase over the PMM Plan (curve and left axis) and relate that to the proportion of the organization that will be contributing to that increase (bars and right axis).



Findings – Conclusion

- There are two significant early indicators of how well the TTC will be able to handle the accelerated change expected in 2018-2019 compared to 2017:
 - the success of PMF implementation on the pilot projects
 - the ability to ramp up internal resources coming onboard in 2018
- It will be important for the PfMO and PMM Plan Steering Committee to critically review implementation status in mid-2018 to make appropriate adjustments.
- In addition to what’s already in the PMM Plan, our assessment report highlights 15 Next Steps that the TTC should address to ensure progress remains on track through 2018 and beyond.
- If the TTC follows their existing plan, achieves the acceleration change described above, and implements the next steps, KPMG anticipates it to advance corporate maturity to a mid-Standardized level by the end of 2018.



Thank you



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