



Project Protocol for the Management and Execution of Projects by State Enterprises in Trinidad and Tobago

Corporate Governance Seminar
13th July 2011



State Enterprises involved in Pilot Survey

- RDC
- CISL
- PSAEL
- East POS
- NQCL
- Others



Critical Activities affecting Successful delivery

Execution of projects was varied with particular reference to:

1. Project Concept and Design,
2. Site Selection / Preparation
3. Collaboration between agencies
4. Funding
5. Selection and Management of Contractors



Some Issues

1. Procurement Practices
2. Relationship with line Ministry
3. Quality management/ Scheduling
4. Harmonization of technical standards.
5. Cost Estimation, Cost Over-runs
6. Risk mitigation/ Time Management
7. Cash Flow management/Budgeting



Recommendation

Standardised Project Management Protocol

- This document puts in one package guidelines and procedures based on best practice to improve the governance of SPSEs and specifically addresses the factors identified which affect successful project execution.



Expected Benefits

- Standardization of Project Execution
- Organizational consistency in the management of projects
- Improved supervision of projects
- reducing variances in cost
- ensuring that projects are completed within Time, Budget, Quality and Scope,
- Effective Risk Management



Performance Management

- Clear Deliverables and scope management
- Establishment of performance benchmarks
- Defining of a reporting formant to stakeholders
- Timely reports to identify project progress /management responsiveness
- Quarterly reviews to track execution



Key tasks to support this approach

- The Pre qualification of Contractors
- Memorandum of Understanding Developing clear deliverables/ Scope/ Project planning
- Review of contract implementation processes
- The Development of an underpinning audit methodology supported by a robust quality assurance frame work.



Framework Documents

- MoU- defines relationship between companies and the Client Ministry
- Annual Contract Document: Annual deliverables including payment arrangements
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- Tender Procedures
- IDF Procedures for Funding



Highlights of the Project Protocol Document

- Project Definition /Project Reporting formats
- Procurement System/ Contractor Selection
- Quality/ Human Resource Management
- Resource Related and Finance Management
- Risk related processes / Project Fraud
- Interdependency Management / Environment Analysis
- Compliance requirements by the GORTT
- Audit Methodology /Performance Benchmarks
- Cost Estimation, Budgeting /Cash Management
- Quality Benchmark checklist/ Project Execution Checklists from Concept to Close out and Handover .



The Value System

- This guide takes a holistic view of the project activities of the State enterprise within the overall context of the changing macro and micro environment. It supports proactive management behavior and responsiveness in a timely manner.
- This approach allows for the management of change and provides for organization flexibility and adaptability to meet the requirements of effective project management within the strategic expectations of the respective Line Ministeries and the Ministry of Finance



Value Chain Management

- The Manual allows for the matching of Project Based Management which underpins the strategy for national infrastructure development by the Government of Trinidad and Tobago,
- With Project Management which is the execution of projects by Special purpose Companies in a planned and seamless fashion by defining and documenting all the processes which allows for the identification of gaps and supports effective management responses in a timely fashion improving resource utilization



The New Way Forward

- This Project Management approach is to be implemented by State Enterprises as a best practice standard for Trinidad and Tobago
- State Enterprises Adopt MOWT construction standards in the execution of all Infrastructure Projects
- Development of supporting organization within the relevant Ministries to support this initiative
- Develop reporting formats (electronic) and review timelines
- Develop training (electronic) to support this method



The New Way Forward

Supply Chain Management

- Develop appropriate links with training agencies (eg HYPE), re certification expectations : welding masonry , plumbing,
- Improve training in logistics management
- Improve project planning and project integration
- Improved networking and collaboration between state agencies.



Corporate Governance for Projects

- The Execution of Projects should be able to achieve the objectives of the firm in alignment with its mandate.
- The focus of the project management protocol is not only to enhance Output management but to provide for **OUTCOME Measurement**
- It is also to be used by the (Corporation Sole) to benchmark the performance of the Board of Directors and the Management of State Enterprises executing projects.



The issue of Project Supervision

- State Enterprises act on behalf of the state and are directly responsible to the Minister of Finance (Corporation Sole)
- The Management of the Enterprises is the first level of control to ensure that Value is earned for the use of public funds .
- The line Ministry and the Ministry of Finance work jointly to address the requirements of each enterprise but the emphasis is on **Proper Project Execution.**



The Integrity Act

- Alignment and Compliance with Relevant Regulations and the Laws of Trinidad and Tobago especially the Integrity Act. 83 of 2000 which states inter alia;-
- **Part IV Code of Conduct Section III**
- ***No person to whom this Part applies shall be a party to or shall undertake any project or activity involving the use of public funds in disregard of the Financial Orders or other Regulations applicable to such funds.***



Proper Project Planning

- Developing the Project Objectives, Project success Factors within a Master Plan
- Ensuring proper project concept/ design with relevant approvals .
- Preparing proper Cost Estimates and ensuing earned value supported by the appropriate Human Resources
- Ensuring a procurement regime which supports best practice with a proper organizational structure.



Project Planning

- Proper Selection of contractors based on competence, capacity and proven capability.
- Timely management responsiveness to problems when identified.
- Effective Audit Methods which ensure that project fraud is minimized
- Where project fraud is identified swift action taken to protect the public interest .



END

- The agreement of the Government of Trinidad and Tobago to establish standards for the execution of projects as detailed in the Project Management Protocol for State Enterprises **(PMPS)** would not achieve the goal of improved project execution and quality delivery within time and projected cost without the co-operation of the Management of the State Enterprises to ensure full compliance and to faithfully implement the methods contained.

