

Project Execution and Tracking

Policy

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1 Purpose

To define SP AusNet's policy of project execution and tracking.

This Policy is a commitment of the Executive and Senior Management to provide systematic and responsible management of projects from initiation to completion undertaken by SP AusNet.

2 Scope

The scope of this policy includes initiation, approvals, execution and completion of all Projects undertaken by SP AusNet. It incorporates the delegations of authority for approvals and the systems used to track progress through project execution, final completion and the post implementation review.

3 References

The documents referred to below are an integral part of the policy. They are all available on the SP AusNet intranet.

- Delegations of Authority
- PAC Charter
- Project Execution and Tracking Procedures Manual
- AtoP Templates
- Procurement Policy and Procurement Manual
- PAC Procedures Manual

4 Objectives

The objectives of this policy are:

- 1 To establish a uniform approach to the initiation and monitoring of projects throughout their life cycle, based on a logical procedure implemented through the Project Execution and Tracking database (PET).
- 2 Ensure that proposals are aligned with SP AusNet strategic objectives of Business Excellence through
 - 2.1 identification and delivery of synergies and efficiencies and
 - 2.2 performance improvement of business systems and processes within a risk conscious environment and development of 'the SP AusNet way'

The Policy aims to meet these objectives by:

- 1 providing transparency on all projects undertaken

- 2 providing consistency by ensuring that the scope, anticipated benefits, potential risks and costs are considered and recorded
- 3 providing an audit trail of the project from initiation to completion
- 4 providing clear and concise guidance to staff on the procedures to follow to ensure compliance with the Project Execution and Tracking Policy.

5 Policy

The General Manager, Regulation and Business Strategy is responsible for ensuring that this policy is interpreted and applied correctly.

The Policy ensures adherence to the Delegations of Authority and provides procedures which give detailed instruction on the processes to be followed, in particular circumstances.

The Project Execution and Tracking Policy applies to all

- Capital Projects
- Non Recurring Projects and
- significant Opex Projects

and

- confirms all Capital Projects must be included in the Capital Allocation Portfolio prior to presentation to the Project Approval Committee.
- defines that an AtoP is required for
 - all Capital projects, irrespective of value
 - All Capital projects' AtoPs must be approved by the General Manager, Finance or his delegate in addition to the appropriate manager
 - The exception to this rule is Distribution Customer Capital projects less than \$100,000 which are approved within T²
 - all other projects if valued at \$25,000 or greater.
- determines that spending on a project may only commence following initiation and approval of the project in PET
- confirms that project approvals follow the specified Delegations of Authority .

Delegation of Authority AUTHORITIES TO PROCEED (AtoPs) - Summary - \$A				
	SP AusNet Board	MD & PAC	GM	SM
Budgeted Capex & Opex	≥\$10,000,000	\$250,000 - \$10,000,000	<\$250,000	As per individual delegations
Unbudgeted Capex & Opex	≥ \$1,000,000	< \$1,000,000	Nil	

Delegation of Authority				
AUTHORITIES TO PROCEED (AtoPs) - Summary - \$A				
	SP AusNet Board	MD & PAC	GM	SM
A-P Revisions	≥\$10,000,000	≤\$10,000,000	<\$250,000	
Consultancy Fees	≥\$1,000,000	<\$1,000,000	≤\$100,000	
Donations / Sponsorships / Contributions	≥\$100,000	≤\$100,000	≤\$20,000	

The policy requires adherence to and is implemented through a detailed procedure as outlined in the following section. This procedure forms a key part of the policy as it has been developed with the express purpose of ensuring that the policy is complied with.

5.1 Procedures

Procedures for the tracking of projects from initiation through to final completion are documented in the ***Project Execution and Tracking Procedures Manual***.

The Project Execution and Tracking Database (PET) is used to record all aspects of a Project.

In summary, a project progresses through a workflow which is represented by a number of stages where one or more people have responsibility for completing an action. The stages in PET are summarised below:

5.2 Stages of Project Execution and Tracking

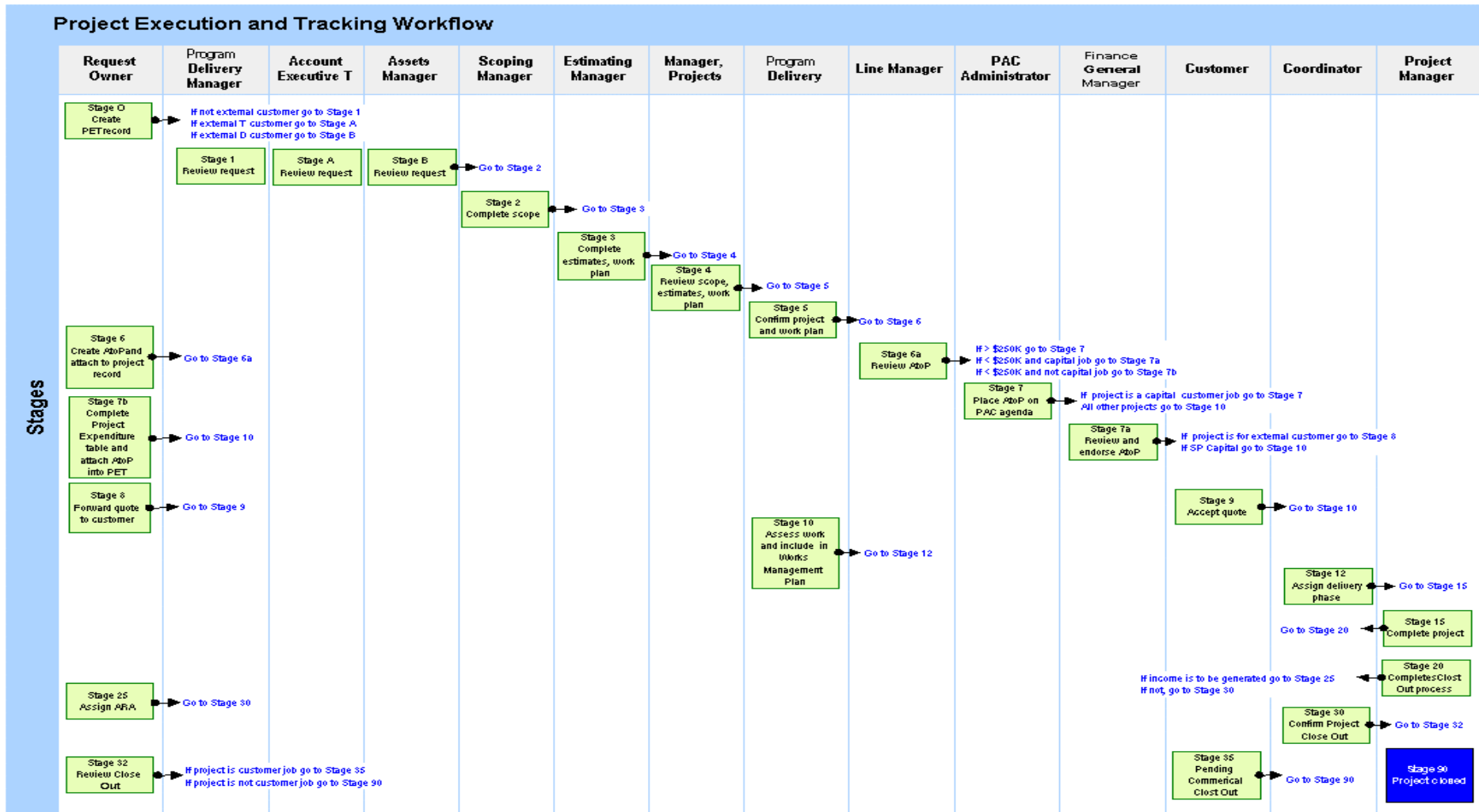
Following the stages below ensures:

- Transparency
- Accountability
- Efficient Communication
- An audit trail of the progress of a project

Stage	Action Required and Progression
Stage 0	Request Owner creates record in PET. When the record is saved, PET forwards it to the Program Delivery Manager for approval, advancing the project to Stage 1 unless external Customer Project in which case it will advance to Stage A for Transmission or Stage B for Distribution.
Stage A (Ext Customer only)	The nominated Account Executive Reviews the project request and if acceptable, progresses the project to Stage B.
Stage B (Ext Customer only)	The nominated Assets Manager reviews the project request and if acceptable, progresses the project to Stage 1.
Stage 1	Program Delivery Manager reviews the request and assigns the Scoping Manager and Estimating Manager and advances the Project to Stage 2.
Stage 2 (not required for Non System Capital NSC)	Scoping Manager completes the scope of the Project and then progresses the Project to the Estimating Manager and advances the Project to Stage 3.
Stage 3	Estimating Manager prepares scope, estimates and work plan. When complete the Estimating Manager advances the Project to Stage 4.

Stage	Action Required and Progression
(not required for NSC)	
Stage 4 (not required for NSC)	Manager, Projects reviews the scope, estimates and work plan and if satisfied that it meets the customer's requirements advances the Project to Stage 5.
Stage 5 (not required for NSC)	Program Delivery confirms the project can be accommodated in the works plan and if satisfied, advances the project to Stage 6.
Stage 6	Request Owner creates AtoP document and attaches it to the project record. It then advances to Stage 6a.
Stage 6a	Line Manager critically reviews AtoP and if endorsed it progresses to: If > \$250k the project then advances to Stage 7. If < 250k and is Capital, the Project advances to Stage 7a. If < 250k and is not Capital, Project advances to Stage 7b.
Stage 7	PAC Administrator places AtoP on PAC Agenda. Once endorsed, Project proceeds to: If Customer Capital - Stage 8. All other Projects - Stage 10.
Stage 7a <250k only	General Manager, Finance reviews and endorses AtoP. If Project is External Customer then record advances to Stage 8. If Project is SP AusNet Capital then it advised to Stage 10.
Stage 7b	Request Owner completes Project Expenditure table & attached signed and scanned AtoP into PET. Project is then advanced to Stage 10.
Stage 8 (Ext Customer only)	Request Owner forwards Quote to Customer and advances Project to Stage 9.
Stage 9 (Ext Customer only)	Customer accepts Quote - Request Owner advances Project to Stage 10.
Stage 10	Program Delivery Manager now assesses work and includes it in the Works Management Plan. He / She nominates a Coordinator and advances the project to Stage 12.
Stage 12	Coordinator assigns the delivery phase of the project to a Project Manager and advances project to Stage 15.
Stage 15	Project Manager takes Project to practical completion and when complete advances project to Stage 20.
Stage 20	Project Manager to complete 'Close Out' process. When complete Project progresses to Stage 25, if income is to be generated, or Stage 30 if not.
Stage 25	PET assigns the ARA preparation task to the Request Owner (income generation Projects only).
Stage 30	Coordinator confirms Project Close Out.
Stage 32	Request Owner reviews Coordinator's Close Out. If accepted it the project is progressed to Stage 35 if a Customer job, and Stage 90 if not.
Stage 35 (Ext Customer only)	All Customer Jobs - Pending Commercial Close Out.
Stage 90	Project Closed

5.3 Responsible Party at Stages of Project Execution and Tracking



5.4 Reporting

PET provides reports to management, facilitating their monitoring and reviewing of projects. Specifically PET provides:

- Project tracking against capital portfolio
- Project outcome against original project scope
- Project outcome against original identified benefit

The PET database is a constantly evolving tool ensuring it maximises the efficiencies of project tracking and meets the changing needs of the business.

5.5 Definitions

Project

A project is defined as any activity which requires resources, personnel and or direct expenditure; either Capital or Opex or both.

- It may be a Distribution Business request for a new feeder, feeder upgrade or transformer,
- It may be an external customer, such as VENCORP requesting an increase in line capacity, reactive support etc
- It may be part of the regulatory reset
- It may be part of internal maintenance
- Or it may be non-system capital, IT projects, infrastructure etc

All Capital projects, irrespective of value, require an Authority to Proceed.

All other projects require an Authority to Proceed if greater than \$25,000.

Customer

The Customer may be external or internal i.e. the undertaking of a project for a Distribution Company or other external Requestor or the undertaking of a project for another Division.

PET Database

This is the lotus notes database in which all projects are recorded, tracked and in which all associated documentation is placed. It provides the audit trail on all projects within SP AusNet. Refer to the Project Execution and Tracking Procedures Manual for work instructions on how to use this database.

EAC / PAC Portal

This is the lotus notes database in which Projects to be considered for approval by the PAC are recorded along with the minutes of the Project Approval Committee. Links to the PET Database are created for all projects considered by the PAC and all Requisitions considered by the EAC (Expenditure Approval Committee).

Project Approval Committee (PAC)

This Committee considers all projects requesting approval of a value equal to or greater than \$250,000 excluding GST. The PAC Charter defines its role as:

- Approval of the Capital Works Program
- Approval of modifications to the Capital Works Program
- Assess and approve well documented projects and proposals which are consistent with the strategic direction of the company
- Ensure the projects achieve their stated objectives.

PAC Process

Projects recorded in PET and are \$250,000 or greater, will automatically be routed to the PAC Administrator to place on the PAC Agenda. The PAC meets weekly; every Tuesday at 10.30am. Deadline for receipt of papers by the PAC Administrator is 'Close of Business' Tuesdays. All papers submitted must be endorsed by the Sponsoring GM prior to receipt by the PAC Administrator.

Authority to Proceed (AtoP)

The AtoP is the document required to be completed and authorised prior to the commencement of a "project". This document provides the essential information on a project that Managers require to make an informed decision when considering it for approval. It will include the scope of the project, an economic analysis, risk analysis and identification of regulatory obligations. Templates are provided in the Policies and Procedures database.

AtoP Revisions

Sometimes it is necessary to revise the scope and or the cost estimates associated with a project. When this is the case, the same Delegations of Authority apply. Specific templates are available for AtoP Revisions and there are specific sections of the PET database that track the Revisions process.

Capital Allocation Panel (CAP)

This is the Committee that receives and recommends capital projects, whether Customer initiated or SP initiated into the Capital Portfolio for any given period. All Capital Projects must be included in the Capital Allocation Portfolio prior to presentation to the PAC. The Capital Allocation Panel stores the current portfolio and minutes of meetings in the Committee Communications Database.

5.6 Responsibilities

The following table outlines the Roles and Responsibilities that are required to ensure that the Project Execution and Tracking Policy and the procedures associated with these are effective and meet the ongoing needs of the business.

Role	Responsibility
Capital Allocation Panel	This Committee receives requests for inclusion of Capital Projects into the current Capital Portfolio.
Coordinator	This person is responsible for the execution of the project, usually delegated to the Project Manager, however, this person has responsibility for the Project Manager.
Estimating Manager	This is the person responsible for gathering the financial estimates of the project and mapping the time frames for the work to be undertaken.
Manager, Projects	This is the person responsible for approval of projects following scoping, estimating and inclusion in work plans.
PAC Administrator	This is the person responsible for ensuring projects requiring approval from the Project Approval Committee, are placed on the Agenda, minuted when considered and if approved, signed off so that execution can commence.

Role	Responsibility
PAC Chairman	The PAC Chairman is responsible for the Project Approval Committee and the Capital Portfolio.
Program Delivery Manager	This is the person responsible for inclusion of the project in the divisional works plan.
Project Manager	This is the person assigned by the Coordinator to implement the Project.
Request Owner	This is the person responsible for initiating the Request and who is seeking approval to include the work within the works plans of the Division responsible for executing the project.
Scoping Manager	This is the person responsible for the full scoping documentation relating to the project.
Sponsoring General Manager	This is the General Manager who has final responsibility for the project i.e. the "Business Owner" and not necessarily the GM of the business unit executing the project.