



Town Hall (928) 474-5242
Fax (928) 474-4610

Town of Payson
303 N. Beeline Highway
Payson, Arizona 85541-4306

COUNCIL AGENDA ITEM MEMO

Date: May 22, 2024

To: Mayor and Council

From: Rod Buchanan, Interim Project Manager

Subject: Program Management Office

PURPOSE: No Action Required. This Memo is to inform the Mayor and Council about the temporary Program Management Office (PMO) structure that is being established to manage upcoming Capital Improvement Projects.

BACKGROUND:

Community Survey Results: In January of 2021, 2022, and 2023 the CIP Community Survey results listed a number of important priorities desired by the community.

Council Strategic Initiatives:

- On January 30, 2021, the Town Council initiated a strategic planning process, which included the identification of its priority capital infrastructure projects and direction to staff to begin a community survey related to capital improvements.
- January 4, 2022, Council held a second Corporate Strategic Planning session with the purpose to seek Council direction related to the fiscal year 2022-2023 budget priorities and adopted resolution 3275, Council Goals and Priorities.
- On February 4, 2023 at the Council Retreat, a number of projects were listed as Council Strategic Initiatives and priority goals outlined in resolution 3320.
- On May 13, 2023, the Town Council Formulated the Capital Improvement Citizen Advisory Committee (CIPCAC)
- In October 2023, the CIPCAC presented recommendations to the Town Council, including the use of bonds to finance capital construction of selected projects and to increase the Town's Transaction Privilege Tax rate by 1% to pay for the debit service.

Council Direction: On November 7, 2023 the Council reviewed priority capital improvement projects, reviewed CIPCAC recommendations and provided direction to staff.

Architect and Engineer Firm Selection Process: Two different firms have already been selected to begin pre-design efforts for the aquatics and recreation center and the event center.

SUMMARY:

Purpose of the Program Management Office: The Town of Payson has recently experienced a significant increase in Capital Improvement Planning and Construction Projects, including new and rehabilitation projects. These projects will address infrastructure needs as well as planned amenities to enhance the quality of life for Payson residents and visitors. The projects are necessary to address future needs, continue to assist in the economic development of Payson, and continue to provide quality services to those we serve.

The attached Program Management Office (PMO) Plan (ATTACHMENT A) is intended to address, in a temporary and scalable structure, the increased demand for project delivery utilizing a more comprehensive approach to the anticipated peak workload, in the most cost-efficient manner.

This Plan outlines an ad hoc organizational change creating a temporary structure for seamless and efficient project delivery. Selected projects will be managed within this structure. The structure will allow for the management of Payson’s projects to balance individual project needs within the collective framework of the capital projects involved. The basic structure allows for Project Groups made up of companies on a contractual basis to be activated as needed, utilizing a time and material approach, to be as efficient as possible.

<u>Executive Team</u>
Program Manager & Finance Rep

<u>Project Group 1</u> Assigned Projects	<u>Project Group 2</u> Assigned Projects	<u>Project Group 3 (to transition to Engineering Team in the future as projects become more manageable)</u>	<u>Project Group 4</u> Assigned Projects
Project Manager	Project Manager	Project Manager	Project Manager
Construction Manager	Construction Manager	Construction Manager	Construction Manager

Future Decisions: Council will receive regular updates and opportunities to provide feedback, input and direction. The PMO shall manage multiple Town Projects utilizing this approach.

FINANCIAL IMPACT AND FUNDING SOURCE:

There is no fiscal impact at this time for this report. These anticipated management services were contemplated in the construct of future bond funded projects and will be funded from the increase in sales tax revenue.

RECOMMENDATION: This memo is for information only.

ATTACHMENT A

Town of Payson CIP Project and Construction Management Plan

May 22, 2024

Introduction

The Town of Payson has recently experienced an increase in Capital Improvement Planning and Construction Projects, including new and rehabilitation projects. These projects will address infrastructure needs as well as planned amenities to enhance the quality of life for Payson residents and visitors. The projects are necessary to address future needs, continue to assist in the economic development of Payson, and continue to provide quality services to those we serve.

Due to the increased demand for project delivery, a broader, scalable, more comprehensive approach to how Payson manages its capital improvement program, and the anticipated peak workload is required. Some of these projects are being planned in coordination with anticipated bond funding requiring careful organization and management of projects.

This plan outlines an ad hoc organizational change with the intention of creating a temporary structure for seamless and efficient project delivery. The structure will allow for the management of many projects as a single program to balance individual project needs within the collective framework of all capital projects involved.

The magnitude of the work requires Payson to seek additional resources to help successfully execute the projects. The resource needs will include

augmented Project Management responsibilities, as well as resources in multiple areas such as Finance/Budget and Procurement, Project and Construction Management, Scheduling, Change Management, Risk Management, and Document Controls.

Current Environment / Project Management Objectives

Payson has begun work on several projects, and some have yet to be started. This recommended structure will allow for existing projects to be managed through completion as well as allowing planning to begin on new projects. The scope and complexity of the work will require Payson to take a more comprehensive approach to how we manage this workload.

Payson will create a scalable Program Management Office (PMO) within the current organization structure, and hire a Program Manager, reporting to the Executive Team. The executive team will appoint program sponsor(s), to serve as a direct point of contact to the Program Manager between scheduled weekly meetings. The intent of the PMO will be to manage the Capital Improvement Program (CIP) as a single program, which will balance individual project needs, prioritize resource allocation by project, and create a scalable environment between the various projects.

Project management best practices will need to be implemented into the current environment, in addition to securing additional resources, to put Payson in the best possible position to accomplish these projects.

To assist Payson in managing these projects a PMO structure has been authorized by the Town Manager to create a team of contractors that can be integrated into Payson's organization to manage the intricate complexities associated with the capital improvement and bond projects.

The initial vision is that the PMO requires a PMO Program Manager to oversee the administrative management of the contract project management team(s)—ensuring quality control and accountability for project management by the team of contractor project/construction managers. The PMO would initially secure up to four Project and Construction Managers to deliver the assigned projects. This would be accomplished by hiring one or more firms. The contractors would report to the assigned Payson PMO for each of the assigned projects to ensure that project management meets Payson's project objectives.

Some benefits of this formal project management structure include:

- Allow Payson to better handle interdependencies between functions within a project, and interdependencies between projects
- The ability to better manage project scope, contractor performance, budget, and timely project delivery

- Allow Payson to simplify project coordination with internal and external partners
- Reduces the impact on the Town’s Engineering Department and allows the Town Engineer to remain focused on managing critical town planning, operations and customer needs, while continuing to serve as the Town’s Subject Matter Expert
- Provides overall management of tight project critical paths
- Ability to come into an existing project and assume project management responsibilities, identify potential process improvements, and work with Town staff to create and implement improvements
- Ensure consistency of reporting data
- Utilize project management tools to proactively identify potential issues such as subcontractor performance, resource constraints, and delays to any established grant or bond project schedules

PMO Structure

The Executive Team (Town Manager and Deputy Town Managers) will provide oversight of and direction to the Program Manager and assigned projects. After a solicitation effort, and once under contract, areas of responsibility will be assigned to the consultant(s) within their areas of expertise and will be payable using a time and materials approach based on established and agreed upon rates.

<u>Executive Team</u>
<u>PMO</u>

EXAMPLE

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