

## 8 Resource Management

Planning for managing the people, finances, physical and information resources required to perform the project activities is vital no matter what the project size or complexity. For small projects, the planning may not be documented, but for large and/or more complex projects detailed documentation will enable better management of the resources, as well as transparency for the Key Stakeholders.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Financial resources - managing these resources for a project and the importance of planning for purchases required to develop project outputs
- Human resources - managing the human side of projects and a Project Manager's perspective of managing consultants and contractors
- Physical resources - including considering the physical requirements of the team
- Information resources - including their management

### 8.1 Financial Resources

During the SET-UP stage of a project, a detailed project budget should be developed that reflects the resources required to complete the project's activities and tasks. This budget should include the costs required for:

- All project staff salaries and on-costs
- Project Team accommodation costs
- Physical resources (refer to *Section 8.3: Physical Resources*)
- Services or consultancies necessary to undertake the project
- Project management costs, ie any costs associated with risk mitigation strategies and quality assurance

The project budget also may include an estimate of the financial contribution made by another organisation to provide an accurate cumulative total cost for the project. At this stage the funding arrangements (source) for the project should be known and documented in the *Project Business Plan*.

In addition, it is important to plan how you will make purchases during the project. It can be achieved by developing a procurement plan that could form part of the *Project Business Plan* or *Project Execution Plan*. A procurement plan enables you to:

- Identify important issues arising through the procurement cycle, and to document how they are to be dealt with and by whom
- Establish a time scale and sequence for the procurement activity - this activity is particularly important if an open tender process is to be followed, as the steps required in the process, if done correctly, can be time consuming

- Provide a framework against which the Project Manager can monitor progress and outcomes/benefits, and evaluate them so that they can take corrective action
- Record the procurement methods, the proposed contractual arrangement, the strategic objectives and the targets and performance measures
- Record project terms of reference, accountabilities and responsibilities - Project Sponsor, Project Manager, Procurement Manager and Technical Adviser

For information on financial management within your Agency, contact your Finance branch or equivalent. For additional information on purchasing on behalf of the Tasmanian Government, related Department of Treasury and Finance publications, including the *Handbook for Government Procurement* and the available Tasmanian Government common use contracts, go to [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au).

Once the estimate of individual costs has been identified and linked to project activities or milestones, an overall project budget can be developed. This linking enables monitoring and reporting to occur throughout the project of actual expenditure against the planned expenditure for the project. Depending on the size and complexity of the project, information on actual project expenditure can be maintained by the Project Team (small projects), or using the Agency/organisation's Financial Management Information System whereby the project expenditure is uniquely identifiable by appropriate cost coding (large and/or more complex projects).

There are a number of tools that can be used to assist with reporting the actual project expenditure against planned expenditure. They can be in tabular form or graphical representation.

Any approved changes to the initially approved project budget should be documented, and any issues that arise as a result of the budget or the funding arrangements can be recorded for later reference during an evaluation of the project.

As identified in *Section 12: Closure*, at the end of the project there may need to be thought given to what will happen to any excess funds or how any deficit will be funded.

## **Probity**

Probity is essentially the consideration of ethical issues relating to procurement. In practice, it entails not only doing the right thing, but also having evidence of the right processes that will stand up to scrutiny. Some general principles identified include:

- Ensure best value to the public in monetary terms
- Ensure fairness and impartiality (determine evaluation criteria in advance)
- Deal with conflicts of interest that could influence outcomes
- Ensure accountability (maintain detailed records and support material)

It is essential that probity considerations be built in, as they cannot be adequately resolved once problems occur. Security provisions cannot counter conflicts of interest. A probity auditor aims to ensure processes are consistent with policies and guidelines, and must be independent.

There is a range of approaches that can be taken on probity issues. A useful resource on this topic is *Probity Guidelines for Procurement (2004)*, commonly called *Probity Guidelines*.

(Refer to the Government's Purchasing website at [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au))

## 8.2 Human Resources

During the SET-UP phase of a project, a detailed analysis should be undertaken to identify the personnel to complete the project's activities and tasks on time and to the required level of quality. This analysis should include a study of the mix of skills and the number of staff needed for the project, over its life. The costs for these staff, including any training requirements, should be reflected in the project budget.

(Refer to *Section 8.1: Financial Resources*)

Experience has taught us that recruitment timeframes and budget must be estimated adequately in the project planning and approved documentation, with realistic project start and finish dates established for the project. More time should be allocated to this activity than often is currently allowed in the SET-UP phase. It is also advisable to establish realistic Project End Dates to allow for leave periods before Project Finalisation.

The Project Team may include personnel from another Agency or organisation in the form of an in-kind contribution or to facilitate transcendence across organisational boundaries. At this stage, the resourcing requirements should be known and documented in the *Project Business Plan*.

When employing people from another Agency, consideration should be given to the capture of information, such as recreational leave balances on recruitment, and reconcile them with recreational leave balances at the end of an employee's work period on the project. Currently, a major issue for projects is the amount of leave often carried by project personnel due to the very nature of project work with its timeframe demands. This issue can result in serious implications for project budgets.

It is recommended that staff should exit projects with the same amount of, or less, leave than they brought with them, to assist in solving this issue for projects across government, taking an enterprise-wide or whole-of-government approach to project management.

Where project personnel are carrying large amounts of leave, it is advisable to report on these leave entitlements to each Steering Committee meeting as part of the Project Manager's *Status Report*, so that this key issue can be monitored and hopefully addressed.

Some large and/or complex projects have partly addressed the leave issues through collaborative decisions, such as voluntary closing down project activities for a time, for example over the early January or around Easter periods. Obviously this shutdown time is not always possible.

People are our most valuable resource and you should ensure that the OH&S requirements of your Project Team are addressed within your *Project Business Plan*. This information may include the fact that weekend work is required, which will have leave accumulation and O H & S issues that must be addressed.

In addition, it is important to plan how and when you will engage the project personnel, and the type of employment conditions. Additional information on the recruitment of personnel can be obtained through your Agency's Human Resources branch, or equivalent, and through the Office of the State Service Commissioner ([www.osscc.tas.gov.au](http://www.osscc.tas.gov.au)).

In addition, consideration should be given to the development requirements for the Project Team by way of formal training or team building activities. Your Agency's Human Resources branch should be able to assist you in determining the method to use

for conducting performance review and development sessions and handling staff issues that may arise.

Any approved changes to the initially approved project personnel should be documented, and any issues that arise as a result of the skills mix or Project Team structure can be recorded for later reference during an evaluation of the project.

As identified in *Section 12: Closure*, there should be plans for releasing resources before the project is to be finalised, and Project Teams should gradually be wound down. The movement of project staff from the project to other roles, including the timing of their move and the capture of their project knowledge, should be planned.

### **8.2.1 Contract Management**

The main purpose of contract management is to ensure that both parties meet their obligations and that Agencies obtain value for money through satisfactory performance under the contract.

For additional information on contact management, refer to your Agency's Tender Review Committee (or equivalent). Additional information on the engagement and the use of consultants may be found in the *Treasurer's Instruction No. 1309 – Protocol for the engagement and use of contractors – Goods and Services* <http://digbig.com/4dwyf>.

### **8.2.2 Managing Consultants and Contractors - a Project Manager's Perspective**

Managing consultants and contractors can be an important aspect of a Project Manager's role. Participants at a Project Managers' Forum made the following suggestions on this topic:

- Be rigorous in selection (use previous performance as a guide)
- Elements of a good contract:
  - precise
  - clear
  - well-documented
  - focused on the deliverables/outputs, rather than how they are achieved
- Remember: If it is not in the contract it is not in the deal!
- Payment details to consider:
  - when
  - deliverables
  - penalties
  - how much
- Penalty provisions often are not enforceable. It is important to include these provisions in the contract, but think about why they are being included - it may be a sign that something is not right!
- The relationship between the outsourcer and vendor is important - work at maintaining it so that issues can be resolved easily without referring to the contract.

- The role of the individual is important. The company is only as good as its people, but people can change.
- Ownership of intellectual property needs to be resolved.
- Consider including clauses that cater for the Government picking up individuals/expertise if a company fails.
- Make your Request for Proposal document as detailed as possible and include contract conditions. It will shorten the negotiation time later.
- Consider the role of the prime contractor. Assess whether you will get the return for the premium you will pay.
- In order to maintain a good relationship at the 'working' level, consider escalating problematic issues to someone or a group with political clout (such as the Steering Committee or an executive Manager) earlier rather than later. Hopefully, then the resolution of such problems will not impact too severely on your personal working relations.
- Project Managers should have a good awareness of contracts and negotiations.
- Bring in specialised negotiation expertise as and when required.
- Make yourself aware of Government policy resources in this area, such as Departmental proformas, Treasury instructions etc.
- Encourage consultants to work with Departmental staff and resources to enable the transfer of knowledge.
- When dealing with an organisation that you have not worked with before, you need to be aware of the organisation's culture in order to work effectively with them.

### 8.3 Physical Resources

During the SET-UP phase of a project, a detailed analysis is required to identify the physical resources needed to enable the projects activities and tasks to be completed. This analysis may include accommodation, which may require modifications and/or fit out to accommodate the team, vehicles, computers and infrastructure, phones and any other equipment or assets. The costs for these things should be reflected in the project budget.

(Refer to *Section 8.1: Financial Resources*)

As identified in *Section 12: Closure*, there should be plans for disposal of any assets that were acquired for the project and who will manage them on completion of the project.

### 8.4 Information Resources

During the SET-UP phase of a project, a detailed analysis is required to identify internal and external sources of information, and to document the information. Records management arrangements to be adopted for the project must take into consideration the needs of the project and Agencies/organisations providing information to the project. For example, the level of application of document control, information storage, backup of hard copy and soft (electronic) copy records and documents, and the level of

documentation to be maintained. If there are costs associated with obtaining and storing any information, they should be reflected in the project budget.

(Refer to *Section 8.1: Financial Resources*)

In addition, appropriate security and confidentiality is important. Additional guidelines on privacy and security can be obtained from your Agency and through the Inter Agency Policy and Projects Unit, Department of Premier and Cabinet (this website).

As identified in *Section 12: Closure*, at the end of the project consideration should be given to the handling, disposal and retention periods of information supplied to the project. Records management processes should have been in place from the beginning of the project and should utilise the Agency's Records Management system.

(Also refer to the *Archives Act 1983* at [www.thelaw.tas.gov.au](http://www.thelaw.tas.gov.au))

Any issues that arise as a result of the information management arrangements can be recorded for later reference during an evaluation of the project.