

Project Management Institute

***Government Extension to
the PMBOK® Guide
Third Edition***

Government Extension to the PMBOK® Guide Third Edition

ISBN 13: 978-1-930699-91-5

ISBN 10: 1-930699-91-3

Published by: Project Management Institute, Inc.
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Preface

The *Government Extension to the PMBOK® Guide Third Edition* is the first industry-specific extension to *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. It provides information on managing projects within the unique environment of the public sector. The term “public sector” refers to national, regional and local governments. This update expands the scope of the previous edition to include all forms of government. It supersedes the *Government Extension to A PMBOK® Guide—2000 Edition* and is aligned with, and a supplement to, the *PMBOK® Guide—Third Edition* and should be used in conjunction with it. The alignment enables easier reference to the corresponding sections in each document. The process names and designations were updated to match the changes introduced in the current edition of *PMBOK® Guide* in order to enable consistency and clarity.

The *PMBOK® Guide* describes knowledge and practices “generally recognized as good practices” and applicable to “most of the projects, most of the time” and for which there is wide spread consensus about their value and usefulness. As an extension, this document builds upon the *PMBOK® Guide—Third Edition* by describing additional knowledge and practices, and by modifying some of them.

Some changes were made in this edition to update and align this global standard to the *PMBOK® Guide—Third Edition*. A discussion of changes made in this edition can be found in Appendix A.

Section I

The Project Management Framework

Chapter 1 Introduction

Chapter 2 Project Life Cycle and Organization

Chapter 1

Introduction

PMI's *A Guide to the Project Management Body of Knowledge—Third Edition* describes the Project Management Body of Knowledge as “the sum of knowledge within the profession of project management” that resides with practitioners and academics who apply and advance it. While the *PMBOK® Guide—Third Edition* provides a generic foundation for managing projects in the public and private sectors, this document addresses the specific practices found in public sector projects. This document supersedes the previous edition of the Government Extension, entitled *Government Extension to the PMBOK® Guide—2000 Edition*.

This extension to the *PMBOK® Guide—Third Edition* provides an overview of key attributes of project governance that apply to most public sector organizations and that are “generally recognized as good practice . . . applicable to most projects most of the time,” and with “widespread consensus about their value and usefulness.” It establishes a framework for ensuring effective and efficient management of projects in the public sector. It does not, however, provide practices or guidance that should be uniformly applied on all projects. The project management team is ultimately responsible for determining what is appropriate for any given project.

Readers should note that, while many of the references used in the *Government Extension* are derived from the *PMBOK® Guide—Third Edition*, its content is specifically designed to suit the unique characteristics of projects in the government sector. Project management professionals should plan to use both documents concurrently in the execution of their responsibilities. To that end, this chapter is organized into the following sections to reflect the structure of the *PMBOK® Guide—Third Edition*:

- 1.1 Purpose of the *Government Extension*
- 1.2 What is a Project?
- 1.3 Project Management in the Government Context
- 1.4 Structure of the *Government Extension*
- 1.5 Areas of Expertise
- 1.6 Project Management Context
- 1.7 Explanation of *Government Extension* Processes: Inputs, Tools & Techniques, and Outputs

1.1 Purpose of the *Government Extension*

The *PMBOK® Guide—Third Edition* sets forth the subset of the Project Management Body of Knowledge that is generally recognized as good practice. It provides an overview of practices that apply to most projects most of the time, and for which there is widespread consensus about their value and usefulness. The concept of good practice implies that the correct application of skills, tools, and techniques not only can increase the chances of project success, but can be extended to many diverse application areas.

The *Government Extension* interprets and extends the precepts of proficient project management found in the *PMBOK® Guide—Third Edition* to public sector entities. The key characteristics of public sector projects are listed in Section 1.3 of this chapter.

Appendix D of the *PMBOK® Guide—Third Edition* describes application area extensions. Application area extensions are necessary when there are generally accepted knowledge and practices for a category of projects in one application area that are not generally accepted across the full range of project types in most application areas. Application areas reflect:

- Unique or unusual aspects of the project environment of which the project management team must be aware in order to manage the project efficiently and effectively
- Common knowledge and practices that, if followed, will improve the efficiency and effectiveness of a project (e.g., standard work breakdown structures).

Projects undertaken by government organizations are primarily funded by and executed for the benefit of citizens, rather than for financial results. To this extent, the focus of the *Government Extension to the PMBOK® Guide—Third Edition* centers on two distinguishing factors peculiar to public sector organizations that can affect project governance:

- The law which stipulates precise terms for the execution and enforcement of fiduciary, managerial, and sociopolitical responsibilities
- Responsibility of the project team to serve as stewards of the public interest

This *Government Extension* provides a framework for improving the management of public sector projects. The recommendations presented here are focused on providing guidance in managing the intricacies of government project specifics. They provide guiding principles for ensuring the efficiency and effectiveness of project controls to allow accountability to a nation's citizens, as required by public law.

1.1.1 Audience for the *Government Extension to the PMBOK® Guide Third Edition*

This extension serves as a foundational reference for anyone involved in or with the profession of project management, working for or doing business with public sector organizations. This includes, but is not limited to:

- Political leaders
- Senior executives
- Program managers and managers of project managers
- Project managers and other project team members
- Members of a project management office
- Customers and other stakeholders
- Functional managers with employees assigned to project teams
- Internal and external auditors, and project personnel who define and assess project controls
- Educators teaching project management and other related subjects
- Consultants and other specialists in the project management and related fields

- Trainers developing project management educational programs
- Researchers analyzing project management.

1.2 What Is a Project?

See Section 1.2 of the *PMBOK® Guide*—Third Edition.

1.2.1 Project Characteristics

See Section 1.2.1 of the *PMBOK® Guide*—Third Edition.

1.2.2 Projects vs. Operational Work

See Section 1.2.2 of the *PMBOK® Guide*—Third Edition.

1.2.3 Projects and Strategic Planning

See Section 1.2.3 of the *PMBOK® Guide*—Third Edition.

1.2.4 Why are Government Projects Unique?

Government projects are generally considered to have unique characteristics from those in the private sector. The project management team must recognize the following unique characteristics in order to manage the project efficiently and effectively:

- Legal constraints on government projects
- Accountability to the public
- Utilization of public resources

.1 Legal Constraints on Government Projects

Although private sector projects may be subject to certain laws and regulations, government projects are generally subject to additional laws and regulations that can significantly impact government projects. Government bodies establish laws and regulations that set clear limits on the government body, the executive leadership, and the ministries, agencies, and departments. To proceed beyond these limits, government officials generally must obtain permission from the government body or from an administrative body having delegated authority. If granted, this permission can take the form of a change in the law or a waiver of a legal requirement.

.2 Accountability to the Public

In private sector projects, project managers are accountable to the immediate client and a limited number of stakeholders such as shareholders, employees, etc. However, in government projects, the project managers are accountable to many stakeholders beyond the immediate client. In the public sector, participants in the accountability process are internal and external to the government body. Internal participants can include various members of the government body including the executive leadership and representatives of ministries, agencies, and departments, as well as employees. External participants include members of the public, special interest groups, the press, and other levels of government. All of these participants in the accountability process may have the right to challenge or protest decisions made by project managers in public sector projects.

.3 Utilization of Public Resources

Government budgets are funded with public resources that come from *mandatory* taxes, bonds, and other fees that require budget authority to obligate and subsequently spend, or outlay, the funds. Execution of budget authority is generally a three-step process:

- Funds are *committed* through a budget resolution that reflects consensus of the legislative body
- Funds are *obligated* when a procurement action is undertaken
- Funds are *outlaid* when the goods are delivered or services are rendered.

The project manager has a duty to use the public funds to meet the goals set by government bodies. The approval and budgeting process, as well as financial and scope control mechanisms, help to ensure that the expenditure of funds collected from mandatory taxes, bonds, and fees complies with applicable laws and regulations, and that funds are well utilized to provide better public service for the citizens. Although Benefits Cost Analysis (BCA) and Return on Investment (ROI) are sometimes used in the public sector to evaluate government projects, project success is more often measured in benefits to the public rather than revenue or cost savings to the government body.

Project decisions should be guided by professional judgment consistent with the public interest and trust. Officials, project managers, and auditors are entrusted with the responsibility to ensure that public resources are used efficiently and effectively.

1.3 Project Management in the Government Context

The *PMBOK® Guide*—Third Edition characterizes program management as “the centralized, coordinated management of a group of projects to achieve the program’s strategic objectives and benefits.” Their strong focus on strategic planning distinguishes such projects from more tactical projects.

In the private sector, projects are aligned with strategic plans and company objectives, and may be part of programs or portfolios. In large companies, such project hierarchies are formalized most of the time, whereas in small or mid-size organizations, the projects might only have implicit interdependencies.

1.3.1 Levels of Government

This extension applies to three generally recognized levels of government. What follows are representative descriptions of those levels that are widely recognized around the globe. It is not meant to be an exhaustive description of all levels of government worldwide.

- **National government.** The government of an internationally recognized country. Generally the country will be a confederation or a federation of regional governments defined below, or a unitary state.
- **Regional government.** The government of a portion of a large country with a national government. In small countries, there may not be any regional governments—only a national government and local governments. Regional governments are called by many different terms, including but not limited to: states, provinces, landers, departments, cantons, principalities, republics, territories, etc.

- **Local government.** The government of a small portion of a country or region. There are sometimes overlapping local governments with different duties. Local governments are called by many different terms, including but not limited to: counties, cities, towns, municipalities, prefectures, boroughs, shires, etc.

1.3.2 Project and Stakeholder Interdependencies

Government projects are determined by the government’s agenda, and have to be approved and budgeted in advance. Government project are not normally analyzed on an individual basis; for larger bodies (such as national and regional governments), it is more practical to group them as programs from a budgeting and control perspective. The long approval and budgeting cycles require government projects to be much more strategically oriented than private sector ones.

In the public sector, not only is there a higher percentage of projects that are part of programs than in the private sector, but project interdependencies are more clearly identified and documented. The governance and management flows hierarchically from political agenda items down to the execution level (as represented by projects).

In most cases, the stakeholders involved at each level represent and draw authority from the stakeholders involved at the upper level in the hierarchy. For example, if a government agenda item requires cooperation at the program level from two agencies, the specific branches or divisions and stakeholders within each agency would be involved.

Indeed, the lower hierarchical levels will have additional stakeholders with no representation at the upper levels, such as interest-specific citizens’ groups or third parties involved in project execution. Nonetheless, almost every project has a core group of stakeholders with representation at higher levels. This provides project stability and alignment to program and higher levels, but could also create dramatic impacts generated by external factors, such as government or political direction changes.

1.4 Structure of the *Government Extension*

The *Government Extension to the PMBOK® Guide Third Edition* is organized into the following three sections:

- The Project Management Framework
- The Standard for Project Management of a Project
- The Project Management Knowledge Areas.

1.4.1 Section I:—The Project Management Framework

Section 1, “The Project Management Framework,” provides a basic structure for understanding project management in the government sector.

Chapter 1, **Introduction**, defines key terms and provides an overview for the rest of the *Government Extension*.

Chapter 2, **Project Life Cycle and Organization**, describes the environment in which government projects operate. The project management team should understand this broader context. Managing the day-to-day activities of the project is necessary, but not sufficient, to ensure success.

1.4.2 Section II:—The Standard for Project Management of a Project

Section II, “The Standard for Project Management of a Project,” specifies all the project management processes that are used by the project team to manage a government project.

Chapter 3, **Project Management Processes for a Project**, describes the five required Project Management Process Groups for any project and their constituent project management processes. This chapter describes the multidimensional nature of project management.

1.4.3 Section III:—The Project Management Knowledge Areas

Section III, “The Project Management Knowledge Areas,” organizes the forty-four project management processes from Chapter 3’s Project Management Process Groups into nine Knowledge Areas. An introduction to Section III describes the legend for the process flow diagrams used in each Knowledge Area chapter, and also provides introductory material applicable to all nine Knowledge Areas.

Chapter 4, **Project Integration Management**, describes the processes and activities that integrate the various elements of project management that are identified, defined, combined, unified, and coordinated within the Project Management Process Groups. It consists of the Develop Project Charter, Develop Preliminary Project Scope Statement, Develop Project Management Plan, Direct and Manage Project Execution, Monitor and Control Project Work, Integrated Change Control, and Close Project project management processes.

Chapter 5, **Project Scope Management**, describes the processes involved in ascertaining that the project includes all the work required, and only the work required, to complete the project successfully. It consists of the Scope Planning, Scope Definition, Create Work Breakdown Structure (WBS), Scope Verification, and Scope Control project management processes.

Chapter 6, **Project Time Management**, describes the processes concerning the timely completion of the project. It consists of the Activity Definition, Activity Sequencing, Activity Resource Estimating, Activity Duration Estimating, Schedule Development, and Schedule Control project management processes.

Chapter 7, **Project Cost Management**, describes the processes involved in planning, estimating, budgeting, and controlling costs so that the project is completed within the approved budget. It consists of the Cost Estimating, Cost Budgeting, and Cost Control project management processes.

Chapter 8, **Project Quality Management**, describes the processes involved in assuring that the project will satisfy the objectives for which it was undertaken. It consists of the Quality Planning, Perform Quality Assurance, and Perform Quality Control project management processes.

Chapter 9, **Project Human Resource Management**, describes the processes that organize and manage the project team. It consists of the Human Resource Planning, Acquire Project Team, Develop Project Team, and Manage Project Team project management processes.

Chapter 10, **Project Communications Management**, describes the processes concerning the timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information. It consists of the Communications Planning, Information Distribution, Performance Reporting, and Manage Stakeholders project management processes.

Chapter 11, **Project Risk Management**, describes the processes concerned with conducting risk management on a project. It consists of the Risk Management Plan-

ning, Risk Identification, Qualitative Risk Analysis, Quantitative Risk Analysis, Risk Response Planning, and Risk Monitoring and Control project management processes.

Chapter 12, **Project Procurement Management**, describes the processes that purchase or acquire products, services or results, as well as contract management processes. It consists of the Plan Purchases and Acquisitions, Plan Contracting, Request Seller Responses, Select Sellers, Contract Administration, and Contract Closure project management processes.

1.5 Areas of Expertise

See Section 1.5 of the *PMBOK® Guide*—Third Edition.

1.5.1 Project Management Body of Knowledge

See Section 1.5.1 of the *PMBOK® Guide*—Third Edition.

1.5.2 Application Area Knowledge, Standards, and Regulations

See Section 1.5.2 of the *PMBOK® Guide*—Third Edition.

1.5.3 Understanding the Project Environment

See Section 1.5.3 of the *PMBOK® Guide*—Third Edition.

1.5.4 General Management Knowledge and Skills

See Section 1.5.4 of the *PMBOK® Guide*—Third Edition.

1.5.5 Interpersonal Skills

See Section 1.5.5 of the *PMBOK® Guide*—Third Edition.

1.6 Project Management Context

See Section 1.6 of the *PMBOK® Guide*—Third Edition.

1.6.1 Programs and Program Management

See Section 1.6.1 of the *PMBOK® Guide*—Third Edition, with an understanding that programs are generally more common in government than in the private sector. In government programs, there is often far more emphasis on the ongoing operations described in the *PMBOK® Guide*—Third Edition definition and, in some cases, some government bodies classify ongoing operations themselves as a program. Further, some governments also treat programs like portfolios of projects. Unlike commercial programs, government programs are used to set social goals, provide social services, and set priorities through public discourse (meetings and voting) and accountability (audits, hearings, legal actions, and the press).

Government bodies, especially larger governments, generally appropriate funds to programs rather than to individual projects. On regional or national levels, the legisla-

tive body sets program goals and priorities but can not review the details of every project. For example, such bodies may appropriate funds for a program of school improvements, with rules for how the funds are to be divided among individual projects. The government body has the authority to fund and then later redirect (reprogram) program funding to other purposes, provided there is a majority in agreement to do so.

On the other hand, in smaller governments, the legislative body may appropriate funds for individual projects and/or programs. A local body may, for instance, appropriate funds for an individual project involving a new classroom at a local school or a program for school improvements. The use of public funding, public accountability and setting of social goals that are measured in social good rather than return on investment make government programs unique.

1.6.2 Portfolios and Portfolio Management

See Section 1.6.2 of the *PMBOK® Guide*—Third Edition, with an understanding that portfolios of projects are very common in smaller government bodies where each project can be approved, funded, and monitored individually. Managing and monitoring them as portfolios allows the budgetary authority to have an overall view of the entire budget execution, and redistribute funds as needed to achieve maximum benefits for their constituents.

1.6.3 Subprojects

See Section 1.6.3 of the *PMBOK® Guide*—Third Edition.

1.6.4 Project Management Office

See Section 1.6.4 of the *PMBOK® Guide*—Third Edition.

1.7 Explanation of *Government Extension Processes: Inputs, Tools & Techniques, and Outputs*

This document follows closely the structure and organization of the *PMBOK® Guide*—Third Edition. This enables easier cross-referencing between equivalent sections of this extension and the *PMBOK® Guide*.

The *PMBOK® Guide*—Third Edition describes the inputs, tools and techniques, and outputs of each project management process. For each process, it includes a table that lists three types of elements. This document includes similar tables. In each table, the elements have the following format:

- Elements that remain unchanged from the *PMBOK® Guide*—Third Edition are shown in plain text.
- New items are shown in *bold italics*
- Changed elements are shown in *italics*.

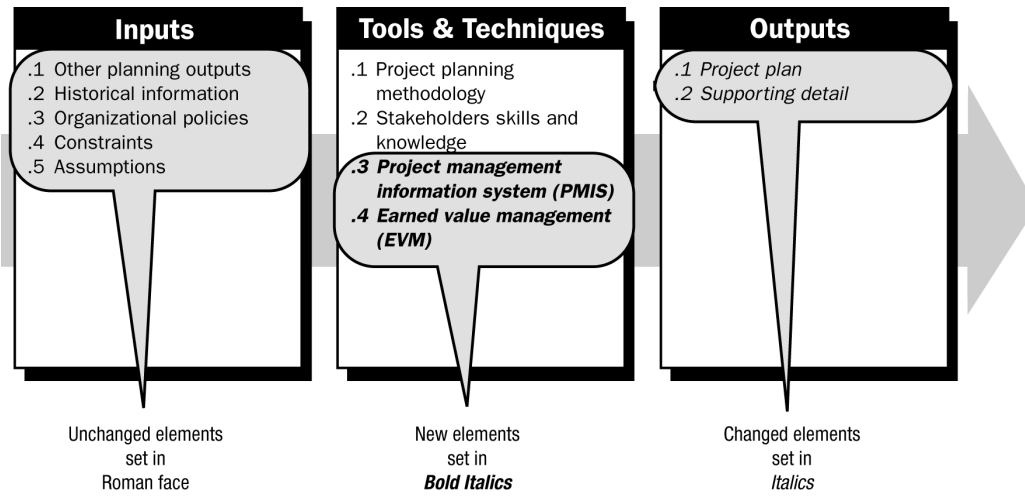


Figure 1-1. Identification of Revised Inputs, Tools & Techniques, and Outputs