

# 12.1

## Project Closure

### Learning Objectives

1. Describe the procedures for closing out contracts.
2. Describe the elements and purpose of the post-project review process.
3. Identify the types of documents that should be archived.
4. Identify the objectives of the project closeout celebration.

Team members who were excited by the project in its early stages may find it difficult to maintain their focus to complete the project. They might already be looking forward to the next project. Bringing a project to an end requires a different management style that focuses on details as well as an analysis of the decisions that were made.

### Closing out Contracts

The last stage of the project procurement cycle includes the payment of the bills and closing of procurement contracts. Suppliers provide commodities that should meet standards of quality. The project team must check the records of deliveries made and determine that they were acceptable quality. If any items were rejected for poor quality or not delivered, the final payment is adjusted accordingly.

## **Punch Lists and Performance Tests**

If a vendor is providing a service or building something for the project, there are usually items that must be fixed or mistakes that must be corrected before the contract is complete. On a software project, performance tests are run on the software, usually by the people who will be using the software, and any performance expectations not met are noted. Sometimes the expectations were not captured in the project scope of work and sometimes the performance did not meet the expectations established in the scope. If the items were not in the scope of work and the owner wants the work done, then the owner typically issues a change order. If the expectations were in the scope of work, the contractor is still responsible for completing the work.

Before the contract is closed, any minor items that need to be repaired or completed are placed on a **punch list**, which is a list of all the items found by the client/or team/manager that still remain to be done. The project team will then work on all of the items on the list, building a small schedule to complete the remaining work. If the number of items on the punch list is too large or the amount of work is significant, the project team continues to work the project. Once the punch list becomes smaller, the project manager begins closing down the project, maintaining only enough staff and equipment to support the team that is working the punch list.

## **Transfer to Customer or Sponsor**

If the product of the project is a software system, or something that must be operated and maintained by someone else, it must be turned over to the people who will be responsible for it after the project is complete. They might perform their own inspection to determine if the project team has met its goals for quality and that all elements of the project are complete. These performance tests are typically identified in the original project contract.

## Final Payments

The final payment is usually more than a simple percentage of the work that remains to be completed. Completing the project might involve fixing the most difficult problems that are disproportionately expensive to solve, so the final payment should be large enough to motivate the vendor to give the project a high priority so that the project can be completed on time.

If the supplier has met all the contractual obligations, including fixing problems and making repairs as noted on a punch list, the project team signs off on the contract and submits it to the accounting department for final payment. The supplier is notified that the last payment is final and completes the contractual agreement between the supplier and the project.

## Post-project Evaluations

Before the team is dissolved and begins to focus on the next project, a review is conducted to capture the lessons that can be learned from this project, often called a **lessons learned meeting** or document. The team explores what went well and captures the processes to understand why they went well. The team asks if the process is transferable to other projects. The team also explores what did not go well and what people learned from the experience. The process is not to find blame, but to learn.

Quality management is a process of continual improvement that includes learning from past projects and making changes to improve the next project. This process is documented as evidence that quality management practices are in use. Some organizations have formal processes for changing work processes and integrating the lessons learned from the project so other projects can benefit. Some organizations are less formal in the approach and expect individuals to learn from the experience and take the experience to their next

project and share what they learned with others in a very informal way. Whatever type of approach is used, the following elements should be evaluated and the results of the post-project evaluations are summarized in reports for external and internal use.

## **Project Profile**

One of the first activities was to create a project profile to determine where the challenges were most likely to occur. If the Darnall-Preston Complexity Index (DPCI) was used, each of the complexity evaluations is reviewed and compared to actual events that occurred during the project. The team explores the changes in the complexity level during the life of the project and how the team managed the complexity during the life of the project. Learning from this exercise develops expertise that is useful in making the next project profile. The DPCI rating is adjusted, if necessary, for reference purposes on future projects.

## **Trust and Alignment Effectiveness**

The project leadership reviews the effect of trust—or lack of trust—on the project and the effectiveness of alignment meetings at building trust. The team determines which problems might have been foreseen and mitigated and which ones could not have been reasonably predicted. What were the cues that were missed by the team that indicated a problem was emerging? What could the team have done to better predict and prevent trust issues?

## **Schedule and Budget Management**

The original schedule of activities and the network diagram are compared to the actual schedule of events. Events that caused changes to the schedule are reviewed to see how the use of contingency reserves and float mitigated the disruption caused by those events. The original estimates of contingency time are reviewed

to determine if they were adequate and if the estimates of duration and float were accurate. These activities are necessary for the project team to develop expertise in estimating schedule elements in future projects—they are not used to place blame.

A review of budget estimates for the cost of work scheduled is compared to the actual costs. If the estimates are frequently different from the actual costs, the choice of estimating method is reviewed.

## **Risk Mitigation**

After the project is finished, the estimates of risk can be reviewed and compared to the events that actually took place. Did events occur that were unforeseen? What cues existed that may have allowed the team to predict these events? Was the project contingency sufficient to cover unforeseen risks? Even if nothing went wrong on this project, it is not proof that risk mitigation was a waste of money, but it is useful to compare the cost of avoiding risk versus the cost of unexpected events to understand how much it cost to avoid risk.

## **Procurement Contracts**

The performance of suppliers and vendors is reviewed to determine if they should still be included in the list of qualified suppliers or vendors. The choice of contract for each is reviewed to determine if the decision to share risk was justified and if the choice of incentives worked.

## **Customer Satisfaction**

Relationships with the client are reviewed and decisions about including the client in project decisions and alignment meetings are discussed. The client is given the opportunity to express satisfaction and identify areas in which to improve. Often a senior manager from the organization interviews the client to develop feedback on the

project team performance.

A general report that provides an overview of the project is created to provide stakeholders with a summary of the project. The report includes the original goals and objectives and statements that show how the project met those goals and objectives. Performance on the schedule and budget are summarized and an assessment of client satisfaction is provided. A version of this report can be provided to the client as a stakeholder and as another means for deriving feedback.

## **Senior Management**

The report to senior management contains all the information provided to the stakeholders in a short executive summary. The report identifies practices and processes that could be improved or lessons that were learned that could be useful on future projects.

## **Document Archival**

The documents associated with the project must be stored in a safe location where they can be retrieved for future reference. Signed contracts or other documents that might be used in tax reviews or lawsuits must be stored. Organizations will have legal document storage and retrieval policies that apply to project documents and must be followed. Some project documents can be stored electronically.

Care should be taken to store documents in a form that can be recovered easily. If the documents are stored electronically, standard naming conventions should be used so documents can be sorted and grouped by name. If documents are stored in paper form, the expiration date of the documents should be determined so they can be destroyed at some point in the future. The following are documents that are typically archived:

- Charter documents
- Scope statement
- Original budget
- Change documents
- DPCI ratings
- Manager's summary—lessons learned
- Final DPCI rating

## **Project Celebration**

A final celebration is a symbolic ending of a project and perhaps the dissolution of the team. The end of a major project is often a time to reflect. Project team members and stakeholders have typically invested a great deal of time and emotional energy into the success of the project. Because of this investment and because of the close relationships that develop during a project, project closure is often sad. However, it is also an opportunity to improve client and team-member satisfaction.



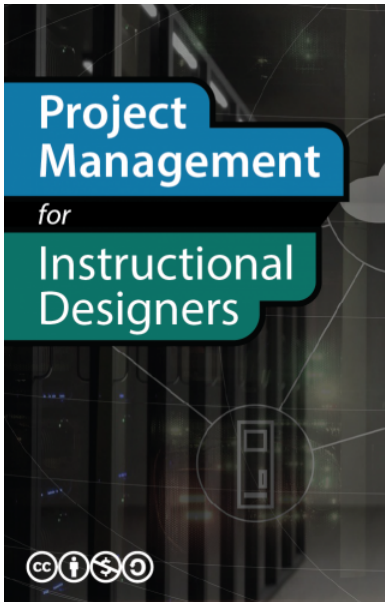
Image by Jason Pratt

Reviewing the challenges and successes of the project creates a positive memory of the project and reinforces the learning that can be transferred to future projects. Awards or recognition plaques might be given out to individuals who made an outstanding contribution to the project. Groups or teams can be recognized for instances where trust between team members made a positive difference can be rewarded. Celebrating the successes of the project provides a sense of accomplishment and closure that brings satisfaction and pride in a job well done.



## Key Takeaways

- To close contracts, systems are tested, materials are inspected, and punch lists of work to be completed are made.
- The purpose of the post-project review is to examine decisions that were made with partial knowledge with the way the project actually developed to learn from the experience and to improve future decisions. It is also used to identify processes that can be improved.
- Original project documents, such as the charter, scope statement, and budget, are stored. Documents developed during the project, such as change agreements, are stored. Post-project reviews, including a summary of lessons learned and a final project profile description—DPCI rating—are saved.
- At the project closeout celebration, positive behavior is awarded for individuals, and groups and the client or sponsor is invited to speak to enforce a sense of satisfaction.



Wiley, D. et al. (2018). Project Management for Instructional Designers. EdTech Books.  
<https://edtechbooks.org/pm4id>



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