4.1   Project Start-up and Planning

4.1.1   Major Project Oversight

Oversight for Major Projects, including the organizational roles, authority and responsibilities is described in Table 5 below.

Table 5 – Major Health Capital Projects Oversight

Organizational Role	Authority	Responsibilities
Project Co-Sponsor	HEALTH DM	• Ensures the objectives and scope of the project are met
Project Co-Sponsor	AHS President and CEO	• Ensures the objectives, scope and approach of the project meet the organizational and program objectives of AHS service delivery plans
Project Leader	INFRA DM	• Accountable for delivery of the project according to approved scope and budget
Client Organization	AHS Capital Management and Clinical User Group Representatives	• Act as AHS representatives on the Project Steering Committee and Project Team

4.1.2   Project Management Framework

Generally, a framework for all Major Projects must be developed that:

- establishes clear accountabilities;
- demonstrates how project objectives are linked to funding approvals;
- respects organizational authorities throughout the project life-cycle; and
- establishes a clear decision-making process.

Specifically, the project management framework for Major Projects should:

- align with applicable TBF, HEALTH, INFRA, and AHS legislation, policies and procedures;
- include a Project Charter and organizational chart;

- identify inter-departmental arrangements or non-government participants and their roles and responsibilities;
- establish effective mechanisms for monitoring status and assessing performance, including:
  - reasonableness checks;
  - independent reviews when required; and
  - technical peer teams when required.
- use processes and documents that embody the principles of sound project management, including:
  - common templates and guidelines on document preparation;
  - continuous risk management;
  - standardized contracts; and
  - standardized tools, techniques and methodologies.
- provide suitable Project Managers and technical expertise; and
- include a proactive communication plan.

4.1.3　Project Organization and Approach

A project organization is created following project approval. This process involves HEALTH, INFRA and AHS assigning the necessary staff to undertake specific roles and responsibilities to complete the project.

The project organization is comprised of the Project Director and Project Manager (assigned by INFRA), the Project Team that supports the Project Manager, and the Project Steering Committee. The members of the Project Steering Committee include representatives from existing functional organizations within INFRA, AHS and HEALTH. Each organization commits to providing specialist resources to the Project Team and Project Steering Committee respectively.

There are two lines of authority that are exercised by the Project Director/Project Manager. One line is exercised horizontally across the functional structures by the Project Manager in the day-to-day management of the project, through the Project Team. The other line is exercised vertically through the functional hierarchy of each organization to address organizational decision making. This second line is typically exercised through the Project Steering Committee and includes the AHS Zones/Provincial Programs. The dynamic of the two lines of authority is important to the decision flow as the Project Director/Project

Manager will need to confirm that AHS, HEALTH and INFRA review and authorize decisions that impact the project, consistent with their roles and authorities.

Each organization assigns key staff to the Project Team or Project Steering Committee in order to facilitate decision-making throughout the life cycle of the project. The staff must carry the authority to act on behalf of their respective organizations within their assigned roles. However, it is understood that confirmation from the authority within each organization may be necessary. Staff must be familiar with the processes and protocols that relate to their area of expertise or role within the project. For example, the Clinical Liaison works closely with the Project Manager and within the Project Team and carries certain authority on behalf of AHS to provide the necessary input to day-to-day project decisions. Although the Clinical Liaison does not retain sufficient authority to authorize amendments to scope or to approve a Functional Program on behalf of AHS, they are the key contact for INFRA, and are therefore responsible for facilitating those decisions from their organization and ensuring appropriate involvement by AHS staff.

The general responsibilities for the five key project authorities are described below (Project Team, Project Steering Committee, Project Director, Project Manager and Clinical Liaison)

Project Team

The Project Team supports the Project Manager and is comprised of individuals who carry out the project work. This work may be a substantive technical role in achieving the objectives, or it may be work involved with the management of the project such as maintaining the project schedule.

The general relationship of the Project Team is identified in Figure 3 below. The Project Charter (Appendix 4.1) identifies the members of the Project Team and details their respective responsibilities to the project. The TOR for the Project Steering Committee and Project Team (Appendix 4.2 and Appendix 4.3) are referenced in the Project Charter.

Figure 3 – Project Team

Figure 3 – Project Team

Legend

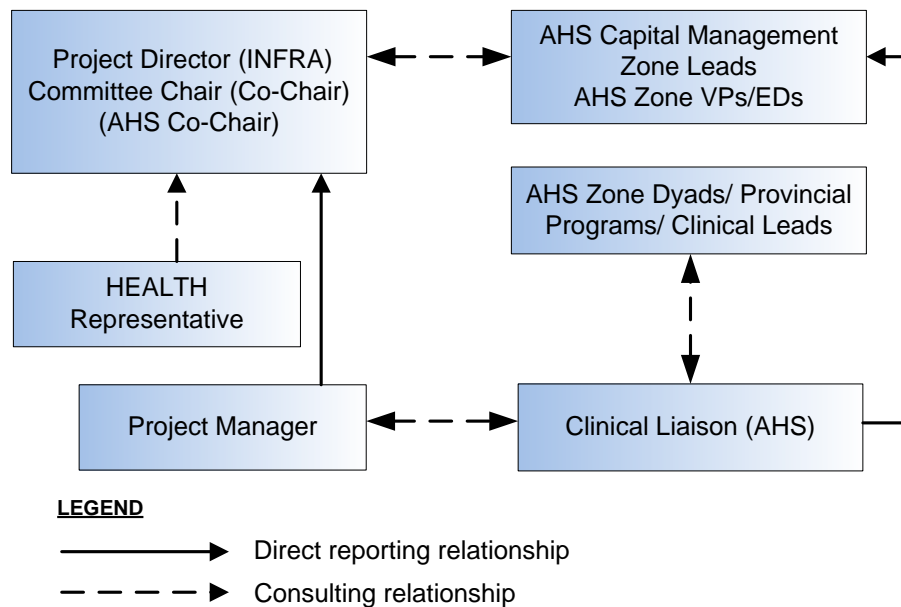→ Direct Reporting Relationship

----→ Consulting Relationship
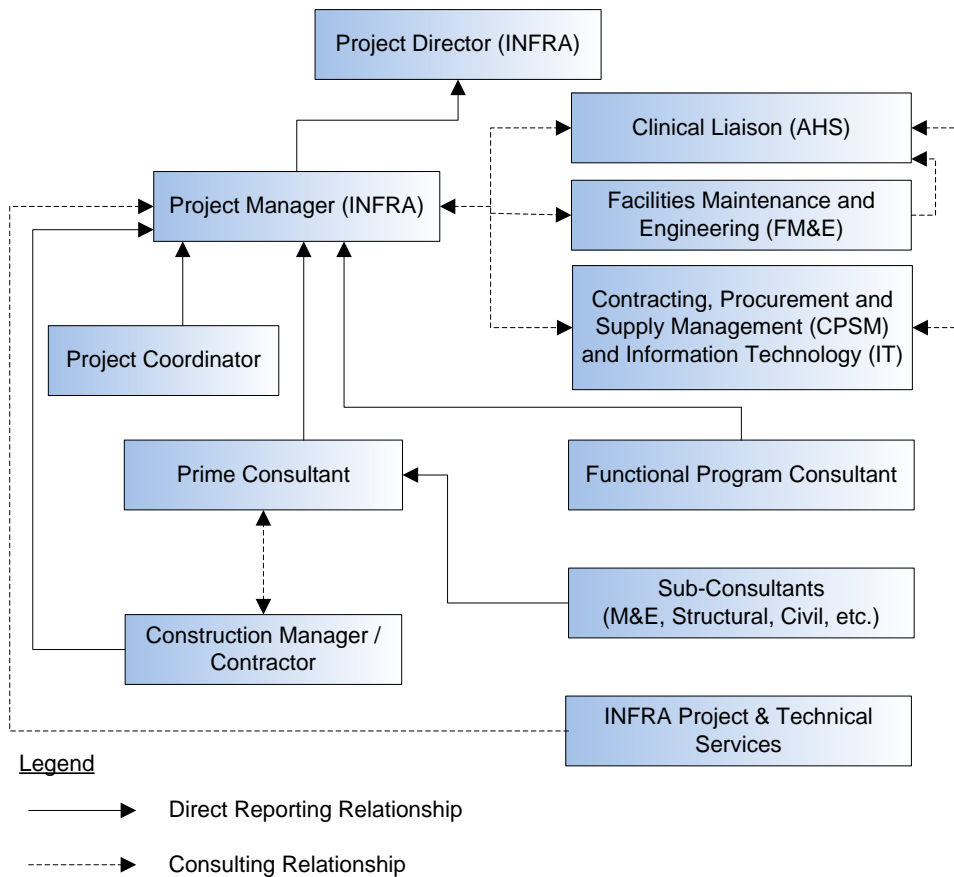
Project Team members are drawn from INFRA and AHS (see [4.1.3 Project Organization](#)). The core members of the Project Team include the Project Manager (INFRA), Clinical Liaison (AHS Zone Capital Management), Facilities Maintenance and Engineering (FM&E) representative (AHS), Furniture and Equipment representative (AHS Contracting, Procurement and Supply Management), IT, Prime Consultant, Prime Contractor, and Design Consultants. Team membership may evolve in size and composition throughout the life of the project. Committee membership may also include subject matter experts such as INFRAS' Technical Services or AHS' Cancer Care or Infection Prevention and Control (IPC) staff.

Project Steering Committee

As outlined in Figure 4 below is a typical Steering Committee structure, the Project Steering Committee is comprised of key executive and functional members of HEALTH, INFRA and AHS. It provides resolution, feedback or guidance throughout the project on matters relating to scope, program priorities, schedule, cost and quality concerns. The Committee resolves

issues brought forward by the Project Team that fall within the approved scope for the project.

Figure 4 - Project Steering Committee

```
┌─────────────────────────┐        ┌─────────────────────────┐
│  Project Director (INFRA)│◄─ ─ ─ ►│  AHS Capital Management  │
│  Committee Chair (Co-Chair)│      │       Zone Leads         │
│     (AHS Co-Chair)       │        │    AHS Zone VPs/EDs      │
└─────────────────────────┘        └─────────────────────────┘
      ▲         ▲                   ┌─────────────────────────┐
      ┊         │                   │ AHS Zone Dyads/ Provincial│
┌──────────────┐│                   │  Programs/ Clinical Leads │
│    HEALTH    ││                   └─────────────────────────┘
│Representative││                              ▲
└──────────────┘│                              ┊
                │                              ▼
┌──────────────┐                   ┌─────────────────────────┐
│Project Manager│◄─ ─ ─ ─ ─ ─ ─ ─►│   Clinical Liaison (AHS) │
└──────────────┘                   └─────────────────────────┘
```

LEGEND

⟶ Direct reporting relationship

─ ─ ─► Consulting relationship

While the Committee is expected to resolve any conflict that may arise within the project, the Project Charter will include a conflict management framework and escalation mechanism for issues that cannot be resolved by the Committee. See TOR (Appendix 4.2) for a complete description of roles and responsibilities for the Project Steering Committee.

To assist with joint decision-making, the Parties may agree to establish joint chairs for the Project Steering Committee involving both INFRA and AHS.

Project Director

The Project Director is assigned by INFRA and provides oversight and guidance to the Project Manager. The Project Director also chairs the Project Steering Committee, unless otherwise agreed amongst the Parties.

Specific responsibilities of the Project Director include:

- approving Project Steering Committee membership and TOR following consultation with HEALTH and AHS;
- verifying project objectives and establishing desired outcomes and timelines in consultation with HEALTH and AHS;

- overseeing project delivery to ensure methods are appropriate and cost-effective;
- implementing effective project monitoring processes and ongoing communication processes with Project Manager and AHS representatives (e.g. Capital Management Zone Vice President/Executive Director, Clinical Liaison, User Groups);
- working with the Project Manager, Clinical Liaison and consultants as needed to provide timely communications to media and stakeholders as required (see section 2.5).
- ensuring project delivery meets the baseline cost, scope and schedule as stated in the approved Project Charter, Business Case, Functional Program or other HEALTH and INFRA Ministerial approved scope documents; and
- approving timelines.

In exceptional circumstances where an issue remains unresolved, the Project Director is expected to elevate the issue following consultation with the Project Steering Committee. Should an issue fall outside of the authority of the Project Steering Committee to resolve (such as scope changes without accompanying funding support) the Chair/Co-Chair of the Project Steering Committee will make representation to the Joint Operations Committee. This will include recommendations for resolution that are in the best interests of the three Parties.

Project Manager

The Project Manager is assigned by INFRA and is the senior project authority who leads the Project Team. The Project Manager has the responsibility and accountability for the delivery of safe, functional, high-quality, cost-effective, and sustainable facilities that meet AHS and HEALTH delivery needs.

The specific responsibilities of the Project Manager include:

- establishing a complete and accurate list of the resources required for project planning, design and implementation;
- managing the project planning and design processes in a manner that ensures HEALTH and AHS needs are documented and met;
- developing and approving in conjunction with AHS and HEALTH, important project planning documents, such as the Project Charter (see section 4.1.5 for project planning documents);
- working with Clinical Liaison and other Project Team members to ensure project objectives are reached;

- developing detailed technical and performance specifications, logistics requirements, business management processes, and acceptance of deliverables (except furnishing and equipment);

- procuring and engaging outside consultants and contractors (e.g., cost consultants, Functional Programmers, urban planning specialists, architects and engineers) see Appendix 9 - Procurement Planning Process Flowchart;

- overseeing all aspects of project construction execution, control, monitoring, commissioning and closure;

- working with the Project Director, Clinical Liaison and consultants as needed to provide timely communications to media and stakeholders as required (see section 2.5);

- coordinating resolution of ongoing operational issues in existing facilities with AHS FM&E, AHS Infection Prevention and Control (IIPC), and User Groups;

- monitoring budgets, forecasting, cash flows, etc. and approve expenditures and change orders (within expenditure officer authority);

- working with CPSM on the planning and implementation of F&E components, and monitoring F&E expenditures;

- working with AHS IT on the planning and implementation of IT components;

- ensuring the Alberta and National Building Codes and INFRA's technical standards are utilized as key resources for scope documentation and project delivery;

- establishing and implementing processes for risk management and mitigation;

- documenting and controlling all project expenditures, contractual commitments and contract changes according to established guidelines; and

- ensuring training is provided to AHS on building systems and that AHS has the opportunity to verify the performance of the building systems prior to handover through effective building and operational commissioning processes.

Clinical Liaison

On behalf of AHS, the Clinical Liaison acts as the key functional authority for the operational requirement and as the link between the INFRA Project Manager and AHS Zones/Provincial Programs representatives.

In this role the Clinical Liaison:

- assists in the coordination of resources and input on behalf of AHS through all phases of the project through to Project Close-out;

- represents the interests of AHS through all phases of the project

- represents/assists Zone/Provincial Program leadership in daily decision making on project related matters;
- coordinates the development, review, routing and sign-off of documents by AHS, except where F&E and IT are responsible for the process;
- coordinates project development work that defines the service requirements, including any preliminary studies and initial approvals;
- ensures that project objectives (scope), linked to a validated requirement (needs assessment) are established early in the project planning and maintained through to project completion;
- obtains the necessary functional inputs through a combination of negotiations with functional managers within AHS, and any direction or approvals that may be applied by AHS Capital Management or Zone/Provincial Programs Executive Leads; and
- works with the Project Director, Project Manager and consultants as needed to provide timely communications to media and stakeholders as required (see section 2.5)

The Clinical Liaison supports AHS Capital Management, the Zone Dyads, Provincial Programs staff and Clinical Leads through the relationship outlined in Figure 5.

Figure 5– AHS Project Support

Figure 5– AHS Project Support
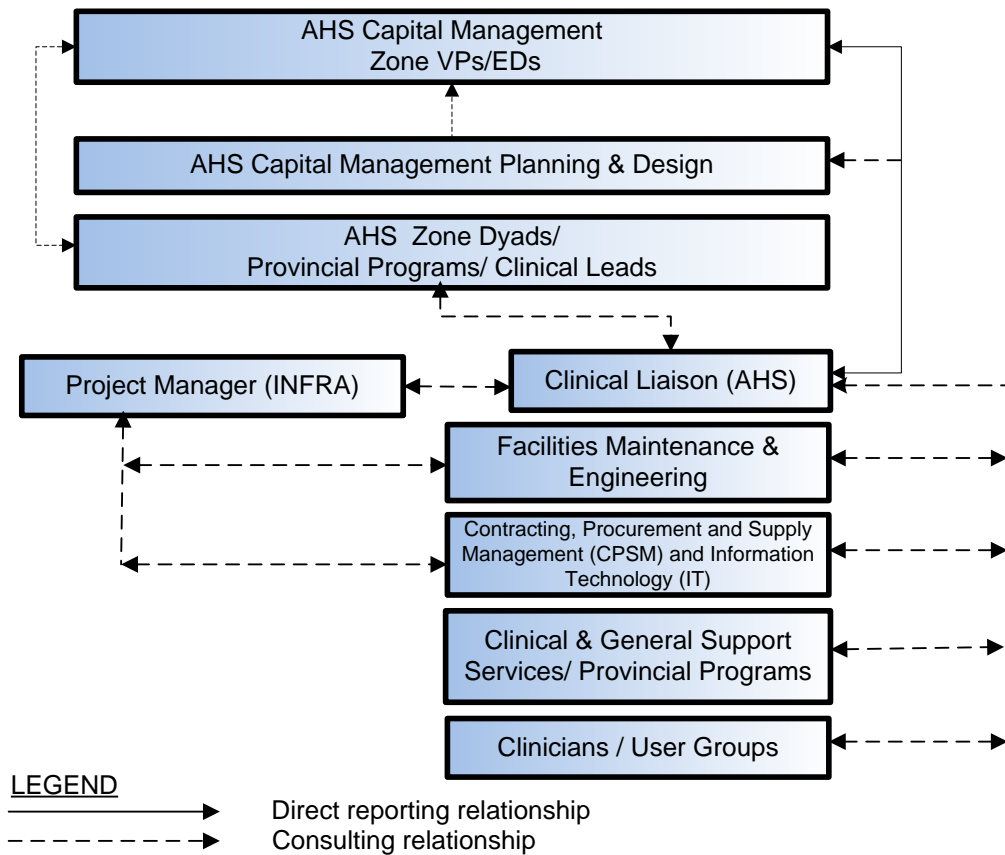
4.1.4   Joint Decision Points and Key Documents

The RASCI Matrix (Appendix 3) identifies key joint decision points and the organizational responsibilities and accountabilities attached to these decisions. The decision points mark a series of gates that the project must successfully pass. The decision points will normally require the preparation of decision documents under the leadership of the Project Manager, and supported by the Project Team, following a period of development and review.

For some joint decision points, consultants manage the document development process, such as the Functional Program. The Project Charter identifies the responsibility for document preparation and the authority for key decisions.

The decision gates include the following as a minimum, and depending on the nature of the project, there may be additional gates to confirm interim outcomes or subsidiary activities/plans:

- Project Charter;
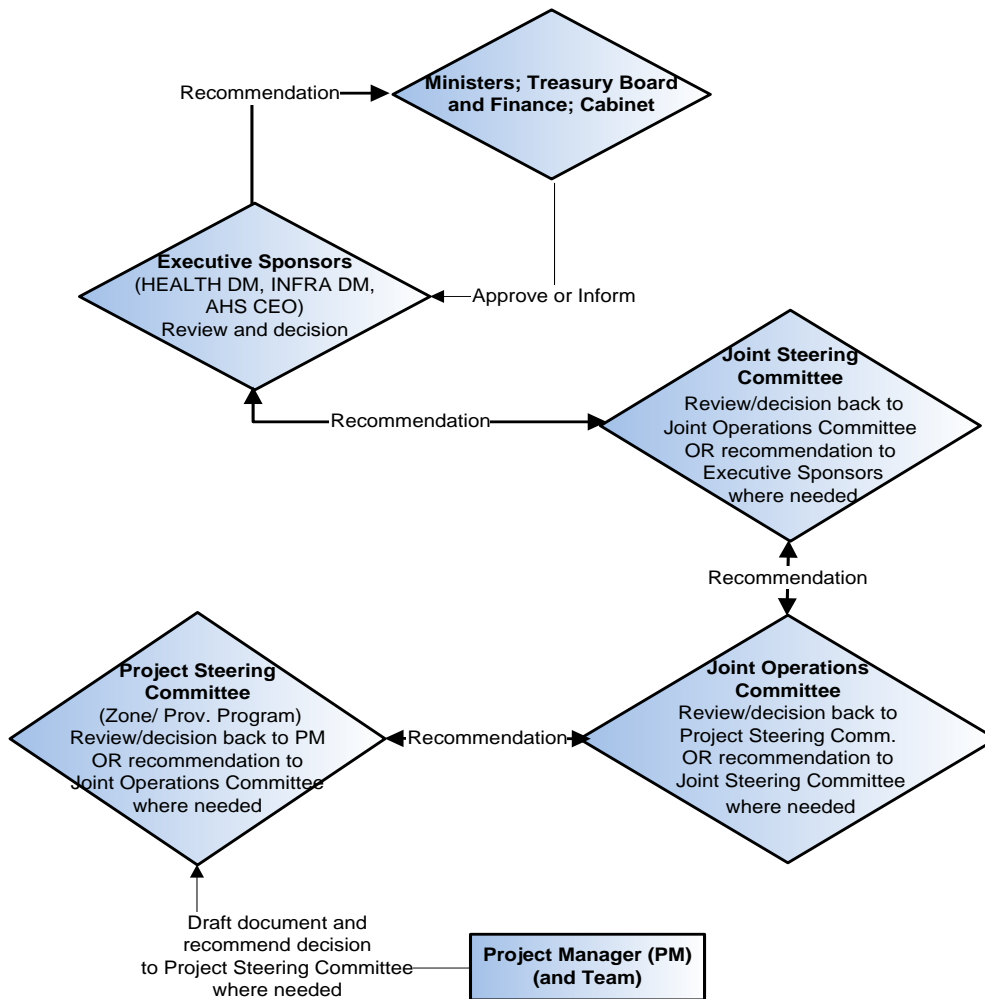- Project Management Plan;

- Functional Program;

- Schematic Design;

- Design Development;

- Working Drawings;

- Building Commissioning;

- Handover;

- Operational Commissioning; and

- Close Out.

The development of the decision documents will normally occur sequentially and must be identified within the project schedule. Where risks can be appropriately managed and depending on the nature of the project, there may be opportunities to overlap the development of the documents to expedite delivery. This implies that a document or process is initiated before a final decision is made on a previous document. While this may be possible, the Project Manager must take into account the risks/impacts of such a course.

Project related decisions are made by the Project Team or the Project Steering Committee. When consensus is not reached or higher approval is required, the issue is elevated to the Joint Operations Committee or to a higher level through the Joint Operations Committee.

Figure 6 provides a representation of the Joint Decision Process flow from the Project Manager through to a decision by the Joint Steering Committee. Where decision authority resides at a level lower than the Executive Sponsors, the decision process will end at that level. This process is used for decisions that are within the approved scope of the project. For the Joint Decision Process dealing with scope changes see section 4.1.6.

Figure 6– Joint Decision Making Process

The steps in the Joint Decision Process are as follows:

- the Project Team reviews the final draft document, after which the Project Manager submits the document to the Project Steering Committee for their review and discussion (for example, a Functional Program). The Project Manager must forward documentation to committee members sufficiently in advance of a scheduled meeting (as laid out in the project plan) to facilitate review not just by committee members but also by any supporting staff to the committee;

- the Clinical Liaison ensures that draft documents are circulated to the appropriate staff within AHS and that feedback is provided according to the timelines established by both the Project Manager and Clinical Liaison; and

- the Project Steering Committee is charged with resolving project decisions that are within the scope and budget of the project.

Sufficient time should be allowed in the project schedule for the document approval process, given the levels of review required and the number of organizations involved.

While decision documents are approved by a single representative on behalf of their respective organizations, the signature signifies that all necessary reviews and approvals have been obtained within that organization.

Inter-organizational decision making and problem resolution must observe project budget and schedule constraints to the extent possible and follow due process for any changes to approved project parameters (see section 4.1.6 for more information).

4.1.5   Project Planning Documents

Project Charter

The Project Charter is an essential document that is prepared as early as possible in the life of a project, generally immediately after Project Approval and the assignment of the Project Director and Project Manager. It establishes the project organization and provides guidance in the form of assigned responsibilities, broad project objectives and constraints. Reporting relationships and delegated authority are clearly defined and documented in the Project Charter for all members of a Project Organization. It is a living document that evolves with the project and is updated as the project and immediate objectives change.

The initial document is drafted by the Project Manager, with significant input from Project Team members who are appointed as early as possible following Project Approval. The benefit of this team approach is that it takes advantage of the institutional and occupational backgrounds of the members of the Project Team. The Project Manager normally drafts those areas dealing with delivery questions, such as time, cost, risk, etc. The Clinical Liaison represents the operational requirements, the process for internal approvals, as well as the schedule.

For more information, see Appendix 4.1 - Project Charter Template. Project Managers may truncate, add to, or combine sections of the document to provide the necessary clarity according to the uniqueness of the project.

The Project Manager presents the completed draft to the members of the Project Steering Committee for their review and agreement. The final draft document is approved by the INFRA Project Director. The Clinical Liaison coordinates the sign-off for AHS.

Project Management Plan

The Project Manager establishes a Project Management Plan (PMP) early in the project life cycle in consultation with Project Team members. A project management plan provides basic information about the project, and describes the planning, execution, monitoring and control, and close-out of the project.

For less complex projects the information provided by the PMP may be included within the project charter and the subsidiary plans.

The Project Director consults with the Project Steering Committee and resolves any outstanding issues between the Parties before approving the Plan. Once approved, the Plan will provide a baseline to monitor progress and measure results. The Plan content will vary depending on the complexity of a project, and for some projects a plan may not be required based on the nature of the project. Templates for the plans are available to the Project Managers through INFRA's Project Implementation Management System (PIMS) site.

The Project Management Plan is an executive summary of several detailed subsidiary management plans (see Table 6). Depending on the nature of the project some of the subsidiary plans may not be required or may developed and provided by consultants/contractors.

Table 6 – Project Management Plan

INPUTS TO PLAN	SUBSIDIARY PLANS
Approved project funding	Scope Management Plan
Needs Assessment	Schedule Management Plan
Business Case	Procurement Management Plan
Project Charter (Project Approved)	Cost Management Plan
Functional Program Framework	Quality Management Plan
Project delivery method	Human Resources Management Plan
Stakeholders' analysis	Communications Management Plan
Initial risk analysis	Claims Management Plan
	Risk Management Plan

INPUTS TO PLAN	SUBSIDIARY PLANS
	Health and Safety Management Plan (under development)
	Environmental Management Plan
	Close out Management Plan
	Building Commissioning/Handover Plan
	Move-In Plan (Note: AHS is responsible for developing)
	Operational Commissioning Plan (Note: AHS is responsible for developing)

Scope, Budget and Schedule

The Project Manager is responsible for the management of the scope, budget and schedule for the project. After forming a Project Team and developing a Project Charter, the Project Manager will confirm the scope, budget and schedule for the project and bring to the attention of the Project Steering Committee Chair any issues or ambiguities requiring clarification.

While the Project Charter provides a broad outline of project scope, the Project Manager may elect to prepare a Scope Management Plan should the project carry a greater degree of complexity. A Scope Management Plan ensures the project includes all the work required to complete the project and *excludes* all the work not necessary to complete the project. The Scope Management Plan details how project scope will be defined, managed, controlled, verified and communicated to the Project Team and other stakeholders. It clearly defines who is responsible for managing the project's scope and acts as a guide for managing and controlling the scope.

4.1.6   Changes to Approved Project Parameters

While the implementation objective is the delivery of quality projects, on time and within budget, circumstances may arise that necessitate a change in the scope (project objectives), schedule or budget of a project. A proposal to change these parameters may occur any time following the formal approval of a project through to the handover of the facility. Changes, when approved, will modify the project objectives outlined within the Business Case or the last approved change for the project.

It is important to note that TBF approves the overall scope and budget for a project following the submission of the Business Case as part of HEALTH's submission into GoA annual CPP.

Minor Change Requests

INFRA has the authority to approve and implement minor change requests that are consistent with the project objectives and within the approved project budget. The Project Manager prepares change requests with the support of the Project Team. The approval authority for change requests is delineated within INFRA's Expenditure Officer Authority Guidelines. The project's contingency fund provides the financial source for minor change requests.

When a minor change request is contemplated, the Project Manager is responsible for ensuring that all impacted parties are consulted as appropriate, notably the Project Team and in particular the F&E/IT and the FM&E representatives.

Changing the location of a wall or re-locating the entrance to a room would be examples of minor change requests. Such requests are not likely to impact the project objectives or budget.

Major Change Requests (Scope Changes)

To initiate a request to change the project objectives or budget, the organization seeking the change forwards a proposal in writing to the Project Director (the 'Change Proposal'). The process outlined below provides for the review and validation of plausible options and the assessment of any impacts.

The Change Proposal must be feasible and achievable within the project even though additional funding may be necessary. The Proposal must be reviewed and supported by the Project Steering Committee. Where any scope or budget change is required to implement the Change Proposal, the Joint Operations Committee reviews the Change Proposal (following Project Steering Committee recommendation) and in turn provides a recommendation to the Joint Steering Committee regarding implementation. The Joint Steering Committee determines the next steps concerning an amendment to the project objectives or a request for additional project funding.

An example of a major change request would be changing the functionality of a room from administrative space to an operating room. Such a request would impact the project objectives and/or budget.

The Project Manager coordinates the Project Team's work to define the technical requirements and implications of a Change Proposal. The Clinical Liaison works with the Zone Medical Lead and Capital Management Lead to review and validate any changes to program requirements and their implications. The process for reviewing and approving a Change Proposal follows these steps:

- *Identify Requirements:* The originator of a Change Proposal must substantiate the request for change. This may require a revisit of the Business Case to analyze and update the program service delivery objectives of the project;

- *Verification of Change Proposal Requirements:* Through consultation with the Parties, the Project Manager reviews the Change Proposal and validates the requirement for change through the Project Steering Committee. This review and validation process must take into account any strategies that may mitigate the need or cost of the proposed change, including any synergies with other projects, programs or facilities. During the verification process, the Project Manager consults with INFRA's Health Facilities Branch planning staff and HEALTH who verify whether the proposed change is consistent with the Business Case and project objectives that were approved for delivery by the GoA;

- *Review Cost and Technical Factors:* Once the need for the Change Proposal is verified by the Project Steering Committee, the Project Manager prepares an assessment of the cost, schedule and any technical implications of the proposed change. The Project Manager is responsible for ensuring that all parties are consulted as appropriate, notably the Project Team and in particular the F&E/IT representative concerning any F&E/IT impacts;

- *Project Steering Committee Recommendation:* Since the Project Steering Committee does not retain the authority to make decisions concerning the implementation of a Change Proposal, the Committee must formulate a recommendation concerning their preferred course of action to the Joint Operations Committee. The Project Director prepares a recommendation to the Joint Operations Committee that details the objectives and options concerning the change, as well as any cost, schedule and technical implications;

- *Joint Operations Committee:* The Joint Operations Committee provides executive review of the substantiation for the Change Proposal and the implications of any change. The core members of the Joint Operations Committee may consult with the members of the Project Steering Committee to assure themselves of the appropriateness of the recommendation.

The Project Director attends the Joint Operations Committee meeting to present the Change Proposal on behalf of the Project Steering Committee. The Joint Operations Committee decides whether the change proposal needs to go to the Joint Steering Committee for approval or information. If further analysis is necessary before this recommendation is presented at Joint Steering, the Joint Operations Committee requests this review through the Project Director;

- *Joint Steering Committee:* The Joint Steering Committee reviews Change Proposals and determines the next steps. This may include referral to the organization with the authority to resolve the matter, such as HEALTH for decisions concerning policy and funding matters, INFRA for technical matters, or AHS in consultation with HEALTH for operating cost implications; and

- *Treasury Board and Finance:* Major changes that require substantial additional funding are elevated to the Executive Sponsor, the Ministers and finally to TBF for funding approval consideration.

4.1.7   Site Selection, Land Acquisition and Divestiture of Assets

Site Selection

For Major Projects involving new construction, the Business Case identifies preferred sites or locations for the project. This is based on the development of a set of criteria consistent with the objectives of the project, which may include:

- proximity to transportation and communication links;
- proximity relative to where residents would best be serviced by the facility, with attention to population centers and access;
- proximity to other community or health facilities that impact the delivery of healthcare services at the new facility;
- the size of the parcel of land and whether it is appropriate for the area plan and facility plan;
- adequate parking facilities;
- topography and soil suitability (soil sampling or an environmental assessment prior to acquisition may be warranted); and
- site survey (may be appropriate prior to acquisition).

Potential sites are reviewed with representatives from the Parties. In this process, the potential sites are evaluated against the project criteria and recommendations are made to acquire the preferred site.

Final site determination and acquisition occurs following approval of the project by the Treasury Board.

Health planning may identify long-term requirements for strategic land acquisitions to facilitate decisions that better take into account the criteria listed above. An example of this requirement could be a strategic project that requires several years of planning to meet a comprehensive geographic need that emerges due to population growth. AHS may identify strategic land acquisitions within its annual Capital Submission (see section 3.3.2 – Part 5).

Land Acquisition and Management

For renovation projects, the Project Manager is responsible to liaise with the FM&E lead from AHS to define the space allocation for the project. This allocation must be consistent with the terms, conditions and policies of the AHS site management authority and must be incorporated into the tender/contract documents.

For projects that require site acquisitions, INFRA will consult with the AHS Capital Management and HEALTH Facilities Planning Branch prior to any decision on a site acquisition. Suitability of the site and its ability to facilitate the scope and program delivery requirements of AHS will be key considerations in the consultation.

INFRA acquires the preferred property using capital funding from within the approved project budget.

The Project Manager is supported by the INFRA Properties Division, Realty Services Branch, for land acquisition. The Properties Division is responsible for completing negotiations, finalizing the terms of sale and any contractual arrangements. The Project Manager also receives support from the Project Steering Committee which includes executive representation from AHS Capital Management.

INFRA's role in land acquisition and management includes:

- negotiating the terms of the land acquisition consistent with current Provincial legislation;
- consulting with AHS on any terms that may impact AHS following the transfer of the land title from INFRA to AHS;
- managing the property through to its handover to AHS, including the payment of taxes, insurances or the maintenance of pre-existing facilities, along with any pre-existing leases that were established within those facilities (these expenses should be identified in the Business Case);

- engaging AHS on any matters that may impact regional or site specific service delivery or facility plans; and
- leading discussions with municipalities or developers to achieve the project parameters or negotiating site development requirements.

Transfer of Title

The title for the property will be transferred by INFRA to AHS at handover of the completed facility. See section 4.4.2 for more information.

Divestiture of Assets

AHS is responsible for determining how it will use the land, buildings or facilities that it owns. AHS will consult with HEALTH and INFRA when considering disposition of an interest in land, a health care facility or a structure used for health care purposes. This ensures that any such transactions are compliant with current GoA legislation, policies and procedures.

4.1.8   Functional Program

A Functional Program is an important step in the project planning process. It describes the scope of services to be addressed by the project and identifies important service or functional requirements that must be met. For each service or functional component, the Functional Program specifies necessary human, technical and building resources. The Functional Program is used to:

- provide instruction for the preparation of a Schematic Design;
- provide clarification for key stakeholders about the scope of the project; and
- provide project costing and estimated operating costs for the project.

The steps in this process include:

- procuring a programming consultant;
- determining the depth of analysis required for each component of a Functional Programming study based on the project's size, complexity and risk;
- developing a Functional Program that takes into consideration the following:
    - the opportunity or challenge that the project is addressing;
    - the strategic alignment between the project's goals and objectives;
    - the major features of the project, its scope of work, space requirements and technical scope;
    - the impact of the project on current operations;
    - the financial operating requirements resulting from the project; and

- the financial capital requirements of the project and funding sources.
- gaining approval for the Functional Program by HEALTH, AHS, and INFRA Executive Sponsors.

The components of a Functional Program are:

- executive summary;
- assumptions;
- planning parameters;
- activities/functions for each component within the project;
- staff workload/patient volumes;
- functional relationships;
- design criteria/physical requirements;
- schedule of accommodation (e.g., listing of rooms by program requirement, area, intended number of occupants, major equipment etc.);
- F&E/IT requirements and costs (e.g., equipment list);
- impact analysis, including impact on overall facility/system and on core, clinical and support services staff workloads and additional equipment needs from new or additional services;
- development options (Conceptual Development Plan);
- project cost plan;
- operating and incremental operating cost projections; and
- other considerations (e.g. additional items such as site development plan, operational impacts on parking and traffic studies may be included for projects that are large and complex in nature).

The Functional Programming components detailed above may not need to be completed for every project. Moreover, the information provided for each element is scalable to the nature and impact of a project. The overall length of the Functional Program should be kept to a minimum, ensuring that it stays on topic and presents only relevant information in a clear and concise manner. (Refer to Appendix 7 – Functional Program Framework for more detail).

Roles and Responsibilities

INFRA is responsible for leading the development of the Functional Program, including the procurement of a Programming Consultant with funding support from the approved project budget (see Appendix 9 – Procurement Planning Process Flowchart). Both HEALTH and AHS support INFRA in the development of the Functional Program.

The Programming Consultant will report to INFRA and be responsive to AHS in the development of the Functional Program as it is important that the consultant, INFRA, AHS and HEALTH, as needed, establish a partnering approach.

In procuring the Programming Consultant, INFRA invites AHS to participate in the development of the Request for Qualifications (RFQ), if needed, the Request for Proposals (RFP) and the review of the respondent submissions. The INFRA project manager ensures that the consultant establishes a sound methodology for the development of the Functional Program that facilitates the input of AHS Zone Capital Management staff, Clinical and Medical Zone Leads (Zone Dyads), Provincial Programs staff and Clinical Leads. The consultative process to developing the Functional Program includes the review and follow-up of any documentation that the consultant develops.

It is important that the INFRA project manager consults with AHS and HEALTH concerning the identification of the planning parameters and priorities at the inception of the Functional Program, including the objectives, methodology, supporting information and reporting and review process. The Clinical Liaison will provide central coordination of resources and input on behalf of AHS (with the exception of F&E and IT) with particular attention to the input and interaction of both AHS zone and provincial representatives.

As a component in the development of the Functional Program, AHS develops an F&E/IT Equipment Plan that is appended to the Functional Program upon its completion (see section 7.6). The Equipment Plan is used to establish the project's equipment budget. Approval of the Functional Program in turn approves the F&E/IT budget (see section 4.1.10).

The final draft of the Functional Program is prepared by the Programming Consultant and submitted to INFRA for review by the team that participated in its development. Once the team concurs that the objectives of the Functional Program are met, the Project Steering Committee reviews and recommends approval. The Chair of the Project Steering Committee (Project Director) in turn forwards the completed draft and the Project Steering Committee's recommendation to the Senior Vice President, AHS Capital Management for final organizational review and sign-off on behalf of AHS. Following AHS approval of the Functional Program, the Project Director forwards the Functional Program and AHS sign-off to HEALTH for final approval.

4.1.9   Project Funding

GoA Funding

The annual HEALTH submission into GoA's annual CPP includes a description of the proposed or requested GoA funding support, as well as any other funding sources that will support the proposed project.

In most cases, the GoA will provide the primary source of funding, known as the Total Provincial Support (TPS). Capital projects may also receive funding contributions from other sources, such as, charitable donations, other levels of government, third party stakeholders or debt financing by AHS that together make up the total project budget, also known as the Total Project Cost (TPC).

INFRA is responsible for managing all project funding for the projects it is delivering, including that provided by the GoA as well as any other funding source. Project funding from other funding sources is described below.

Other Funding Sources

Other funding sources and specific management responsibilities are outlined in Table 7 below. Also see Appendix 11 – Project Reporting Matrix for more information.

Table 7 – Management Responsibility by Funding Source

FUNDING SOURCE	MANAGEMENT RESPONSIBILITY
Charitable Foundations: Various charitable foundations may seek to contribute funds to a project for the delivery of specific items. The foundation contribution will increase the TPC of the project. (See Appendix 11 for more information).	• AHS will coordinate foundation contribution proposals consistent with the terms that are outlined in an expenditure approval letter from the foundation board. The INFRA Project Manager will coordinate the signing of a foundation contribution agreement between AHS and INFRA that outlines the work to be undertaken and the cost of the work. (See Appendix 8 - Foundation Funding Contribution Agreement). • The agreement identifies the terms that allow INFRA to control and expend the funding contribution for the delivery of specific items as part of the overall capital project, including the payment of invoices.
Ancillary Funding, (e.g. retail pharmacies) AHS is responsible for funding revenue-generating entities, typically accomplished through a debt funding arrangement with the Province. Ancillary funding increases the TPC for the project.	• INFRA Project Managers will coordinate the signing of a funding contribution agreement between INFRA and AHS for ancillary funding. (See Appendix 8 - Charitable Foundations/Ancillary Funding Template). • This agreement will facilitate the management of the funds by INFRA, including the payment of invoices.

FUNDING SOURCE	MANAGEMENT RESPONSIBILITY
IMP: Through authorization by the Joint Steering Committee, IMP projects and their associated funds may be implemented in conjunction with a capital project for reasons of efficiency (see Chapter 6). IMP contributions increase the TPC of the overall project.	• Upon approval to proceed with an IMP funding contribution, INFRA's Finance Branch will coordinate the assignment of funds to INFRA's project budget, thus reducing the annual IMP grant to AHS.
Universities and University Research: Funding contributions may be provided from research grants received through private contributions, or from private or public research organizations such as the Canadian Institute of Health Research. The funding contributions are normally directed to the delivery of specific items within the overall capital project. Research contributions increase the TPC of the project.	• Research funding contributions will be managed in a manner similar to that established for charitable foundation contributions. Research foundations or similar bodies will have additional requirements for timelines and reporting that must be met. These requirements are typically in addition to what is requested by charitable foundations.

The expenditure of funding from third-party contributions is reported by INFRA to AHS on a quarterly basis.

Additional funding from third-parties, such as charitable donations, may come forward after a project has been approved by the GoA and this may impact project scope. When this occurs, Project Managers/Directors must ensure that the proposed change is administered according to section 4.1.6 of the Manual.

Additions to the scope and budget generated through a foundation contribution must be consistent with the overall objectives of the project. Any additions must not adversely impact the approved scope, schedule and budget, or existing facilities and their operations. Should a foundation contribution cause an increase in operating costs, such increases will require the prior consent of HEALTH and AHS.

4.1.10   Alternative Capital Funding

The primary interest for the GoA in Alternative Capital Funding (ACF) for project delivery is to explore ways in which private sector involvement in projects could reduce the provincial capital outlay, reduce overall costs and share risks by taking advantage of core competencies in the private sector.

ACF encompasses a wide range of models with varying implications for risk transfer, ownership and operations. There are three primary alternative funding approaches within health capital projects:

- *Public Private Partnership (P3)* - A private sector partner provides infrastructure and/or services that have been traditionally delivered by the public sector. A key component of P3 arrangements is the sharing of the project risks (e.g., design, construction and concession) between the public and private sector partners according to who is better able to manage them. Under the GoA definition of a P3, the public sector contributes debt funding for the capital cost of the project which is repaid by the GoA over the life of the project, typically over a 25 to 30 year service delivery concession. It does not include outsourcing (private partner provides infrastructure on a short-term rental basis or operates and maintains AHS owned infrastructure) or design/build (fixed-price contract for design and construction) options.

The development of a successful P3 arrangement will require attention to a large variety of issues through a detailed planning and analysis process. TBF is responsible for the standards and processes for the development and implementation of P3 procurements. Information on the processes and organizational responsibilities for the development of an ACF project are available through the TBF website at:

http://www.treasuryboard.alberta.ca/AlternativeCapitalFunding.cfm.

While INFRA leads the development of a P3 Business Case for major capital projects, a project team that includes direct representation from AHS and HEALTH is essential to evaluate the merits of an ACF or P3 approach. The first step in the P3 evaluation is the Opportunity Paper which considers at a high-level whether the project attributes meet the prerequisites for a P3 delivery model. If the Opportunity Paper provides a positive assessment, INFRA will establish a dedicated Business Case development team in collaboration with HEALTH and AHS to consider the value of proceeding with a P3 procurement. The Business Case findings require review through an executive oversight committee comprised of the DMs of HEALTH, INFRA, TBF, Justice and Attorney General, and

the President and CEO of AHS. If the Business Case and project attributes provide value for money, including the proposed risk transfer and service delivery objectives, the executive committee may recommend to TBF that the project proceed as a P3. P3 procurements will require the development of detailed contract and service delivery specifications. HEALTH and AHS partner with INFRA as members of the project team in the development of the RFQ, RFP and project oversight following contract award. The procurement process is governed by TBF processes outlined at the above link;

- *Health Authority Borrowing* – AHS borrows up front capital funds for specific projects, which is paid down by future GoA annual budget allocations; and
- *User Charges* – Revenue mechanisms that can be used in combination with other ACF options, or not, involving the collection of charges from the users of a particular capital project. Typically, these funds are used to repay borrowing or commitments under an ACF project.

4.1.11 Furniture and Equipment, Information Technology Planning and Procurement

F&E/IT planning and procurement is integral to the planning and delivery process for a Health Project.

Organizational responsibilities and processes are outlined in Chapter 7.

4.1.12 AHS Planning Considerations

Alberta Health Services has many matters to consider in the planning and delivery of a Health Project. These include, but are not limited to the following:

- Stakeholder Consultation (Patients and Families)
- Infection prevention and control, and
- Simulation-based mock-up evaluations.

Additional information on these considerations is located in Appendix 4.5