

6.0 INFRASTRUCTURE MAINTENANCE PROGRAM (IMP)

Chapter 6.0 describes the purpose of the IMP and the roles, responsibilities, accountabilities, processes and policies associated with the delivery of the program.

The purpose of the IMP is to undertake projects that are intended to protect the integrity of eligible health facilities across the province through planned repair, replacement and maintenance. Funding is provided to AHS through the GoA's Capital Plan with the primary objective of improving the physical condition of health facilities and reducing deferred maintenance. Maintaining health facilities at an acceptable condition also enables the efficient and effective delivery of health services and programs. Minor functional upgrading projects are also eligible under this program under the criteria noted within these guidelines.

These guidelines provide a tool for decision making by HEALTH, INFRA and AHS, and document the program management processes from the initial approval stage through to the close-out of the projects. The processes delineate the organizational level responsibilities and promote ease of administration. When situations fall outside of the intent of these program guidelines, AHS should confirm program eligibility with INFRA and the eligibility of functional projects with HEALTH.

6.1 Organizational Roles and Responsibilities

To effectively oversee the organizational responsibilities for the management of the IMP and approved IMP projects, the following governance structure is in place.

6.1.1 Health Capital Joint Steering Committee

- Provides strategic direction to the Health Capital Joint Operations Committee, including overseeing the management of all health capital programs and projects.

6.1.2 Health Capital Joint Operations Committee

- Establishes and provides overall direction to various sub-committees including the IMP Sub-Committee;
- receives updates on the status of the Three-Year IMP Rolling Plan and resolves issues on delivery, processes, resourcing, etc.; and
- leads the annual review of the IMP Guidelines and recommends updates to the Health Capital Joint Steering Committee.

6.1.3 Alberta Health Services

- Consistent with the responsibilities and accountabilities outlined herein, manages the IMP funding envelope allocated by government for infrastructure maintenance in health facilities;
- manages the delivery of eligible IMP projects;
- identifies annual priority maintenance projects and submits to government;
- maintains and updates an annual Three-Year IMP Rolling Plan;
- supports the facility evaluation program undertaken by INFRA to monitor the condition of all health facilities; and
- performs routine and preventative maintenance within the operating budget to avoid situations that result in deterioration or state of disrepair/unsafe conditions.

6.1.4 Alberta Health

- Reviews AHS' Three-Year IMP Rolling Plan and advises INFRA of any projects which do not align with HEALTH's Business Plan, GoA's Capital Plan or AHS' Business Plan; and
- approves functional projects identified in AHS' Three-Year IMP Rolling Plan as priorities.

6.1.5 Infrastructure

- Manages health capital funding programs including the IMP funding and is accountable to ensure documented value for investment;
- approves Three-Year IMP Rolling Plans submitted annually by AHS taking into account any feedback from HEALTH concerning the suitability of proposed functional projects;
- receives, reviews, and approves IMP program and project reports from AHS;
- provides technical advice, upon request, to assist with problem evaluation or the assessment of alternate solutions and responds to questions regarding eligibility prior to the inclusion of a project or expenditure in the IMP plans; and
- monitors the condition of health facilities and reports condition information to Albertans.

6.2 Eligibility Criteria

6.2.1 General Program Eligibility Criteria

The following criteria apply to funding under the IMP:

- the primary purpose of the program is to undertake projects that are intended to repair, upgrade or replace base building systems and building service equipment, including but not limited to the following systems and functions:

- HVAC, roofing, fire alarms, electrical, plumbing, security, nurse call, life safety, medical gas, elevators, building envelope, communications (excluding IT maintenance, upgrading and replacement);
- hazardous materials removal, site services and roadways; and
- energy efficiency initiatives.
- engineering studies that investigate maintenance-related engineering issues and target cost efficiencies (e.g., studies on roofing requirements);
- engineering and costing studies that are essential to inform the scope and cost of other related IMP projects;
- emergency projects requiring the immediate repair or replacement of the failed facility components needed to keep the facility safely in operation (see [section 6.3](#) regarding contingency for emergency projects);
- demolition of facilities if separate approval has been provided by the Minister of HEALTH and the facility is not being replaced with a Major Capital Project;
- the total cost for all phases of the project (TPS) is less than \$5 million;
- the value of a project must be greater than the minimum costs stated below:
 - campus size is less than or equal to 40,000m² – minimum cost is \$5,000;
 - campus size is between 40,000m² and 100,000m² – minimum cost is \$10,000; and
 - campus is larger than or equal to 100,000m² – minimum cost is \$50,000.
- the repair, upgrade or replacement of existing program delivery equipment or furniture is not the primary objective of the project; and
- functional upgrades or renovation projects which will reduce deferred maintenance and/or enhance the functionality of existing clinical or health service delivery space, e.g., the capital upgrade of a renal dialysis room.

6.2.2 Ineligible Projects

The following projects and initiatives are not eligible for funding under the IMP. This list is not exhaustive and AHS should confirm project eligibility with INFRA if the intent is outside the criteria noted in [section 6.2.1](#) above:

- development of master plans, service plans and Functional Program's;
- projects which are debt-financed by AHS such as parkades;
- projects within retail or AHS tenant space;
- projects that involve routine preventative or operational maintenance;
- projects over \$5 million;

- projects that are part of a Major Capital Project or are in new space; and
- IT equipment maintenance, upgrading or replacement.

6.2.3 Eligible Facility Types

Health facility infrastructure owned, contracted or leased by AHS is eligible for IMP funding, including the following:

- hospitals owned and operated by AHS under the *Hospitals Act* or *Mental Health Act*;
- hospitals leased to AHS or a voluntary organization and operated under the *Hospitals Act* or *Mental Health Act*;
- hospitals owned and operated by a voluntary organization under the *Hospitals Act* and having an Equity Agreement in place with the Minister of HEALTH;
- nursing homes owned by the Province and operated by AHS under the *Nursing Homes Act*;
- nursing homes owned and operated by AHS under the *Nursing Homes Act*;
- health facility infrastructure owned by the Province and leased to AHS to accommodate or support the delivery of health programs and services operated under health legislation;
- health facility infrastructure owned or leased by AHS and used to accommodate or support the delivery of health programs and services operated under health legislation;
- nursing homes owned by a private corporation or voluntary organization that will be developed under an infrastructure partnership arrangement between AHS and the private or voluntary organization and that will be operated by that private or voluntary organization under the *Nursing Homes Act*. Eligibility for IMP funding for such facilities is subject to conditions as outlined in an agreement between AHS and the partner organization;
- health facility infrastructure used for addiction services which are either operated by AHS or operated by a third-party under contract by AHS;
- health facility infrastructure used for emergency medical services which are either operated by AHS or operated by a third-party under contract to AHS; and
- Supportive Living Facilities owned and operated by AHS.

6.2.4 Eligible Infrastructure Maintenance Program Project Costs

A project funded from the IMP may include the following types of eligible costs:

- construction costs;

- fees for consultants and inspection agencies;
- installation, replacement, upgrading or repair of building systems equipment;
- for functional projects only:
 - the purchase of program delivery equipment required as the direct result of a project for new programs, or to expand existing programs;
 - the upgrade or replacement of existing program delivery equipment and furniture that cannot, as the direct result of the project, practically or cost effectively be reused; and
 - the cost of transferring or moving any existing program delivery equipment and furniture that can be reused.
- project insurance which is the direct result of project construction, as required, excluding insurance deductibles;
- decanting if required as a result of the project;
- hazardous materials abatement costs;
- project administration costs (see definition under [section 6.7](#)) of three per cent (3%) per project based on the current year actual expenditures for the project; and
- other such costs identified by AHS and approved by INFRA.

6.3 Prioritization of Projects

AHS utilizes their allocation of IMP funding to implement their highest priority projects. For all proposed projects, excluding functional projects, AHS will rank these projects based on the risk assessment methods identified by the RECAPP system. The RECAPP system of prioritization assists with determining which critical needs should be addressed within the allocated funding. The determinants that influence prioritization are grouped into the following categories for ranking:

- **High Priority (Priority 1) – Life, Health and Safety Needs:** The imperative to address these types of projects is based on identification of issues that need to be addressed to mitigate a real potential or imminent risk to the life, health and/or safety of facility occupants and users. They may include structural and support failure, major building system failures, or requirements directed under current building codes which have been documented by an order issued by an authority having jurisdiction;
- **Medium Priority (Priority 2) – Immediate Needs:** The imperative to address these types of projects is based on identification of issues that need attention in order to prevent

them from escalating to Priority One, which will lead to serious or prolonged deterioration of a facility or its systems, affect the operability of a facility or its systems, or will adversely affect program delivery; and

- **Low Priority (Priority 3) – General Needs:** These types of projects have been assessed as non-urgent and can be planned over a period of time without undue risk to the facility occupants or facility operability. They are generally components which are amenable to replacement or upgrading based on their life cycle.

In addition to the above-noted project types, AHS may determine that functional upgrading to existing sites is needed to support program delivery needs. In this case, consideration will be given to functional upgrading on a case-by-case basis if the following criteria are met:

- High-priority maintenance projects (Priority 1 above) identified as critical have been addressed in AHS' Three-Year IMP Rolling Plan;
- Functional projects will reduce deferred maintenance and/or will enhance the functionality of existing clinical or health service delivery space; and
- Projects have been identified as a high-priority from a functional upgrading perspective in AHS' Three-Year IMP Rolling Plan.

In addition, provision of a contingency for emergent projects must be identified within AHS' Three-Year IMP Rolling Plan to cover potential unforeseen situations that affect facilities or program operations such as the immediate repair or replacement of failed facility components required to keep the facility safely in operation.

6.4 Development of an Infrastructure Maintenance Plan

To enable effective planning of maintenance needs, AHS will undertake an internal project review process that involves identification and prioritization of all eligible projects throughout the province, and submit a Three-year IMP Rolling Plan to INFRA. The plan will be updated annually and will include information on active and proposed projects. As well, a contingency for emergent projects will be identified.

AHS' Three-Year IMP Rolling Plan will be comprised of the following:

6.4.1 Project Activity in Current Fiscal Year (Year 1)

- Projects approved and underway in previous years that will continue into the current fiscal year;
- projects planned for the current fiscal year; and

- a proposed contingency for emergent projects and the amount of emergent contingency carried forward from the previous year(s).

6.4.2 Proposed Projects for Future Years (Years 2 and 3)

- All proposed projects that are anticipated to commence in years two and three of the plan;
- projects that will carry forward from previous years; and
- a proposed contingency for emergent projects.

6.4.3 Project Information Requirements

For each year of the plan, the following project information is required:

- project title, location, facility name and AHS' project number;
- a description of the project, including justification for the project, the impacts of not implementing the project, the scope and cost;
- updated/current budget amounts for projects carried forward from previous year(s);
- anticipated annual cash flow requirements;
- any other funding source applications or usage, e.g., foundation funding or operating funding; and
- specific reference to any supporting documentation that is available if requested, such as consultant reports, inspection reports, drawings or any other relevant information, e.g., the title and date of specific reports.

To be considered for approval, these projects must meet the IMP eligibility criteria described in [section 6.2](#) of these guidelines.

6.4.4 Timelines

AHS is to submit its Three-Year IMP Rolling Plan to INFRA for review and approval by December 31 for the subsequent fiscal year.

6.4.5 INFRA Review

Following receipt of AHS' Three-Year IMP Rolling Plan and prior to approval, INFRA will undertake a review as noted below:

Year One (1) of the Plan:

- analyzing expenditures on approved projects that are underway;
- seeking clarification from AHS when needed;

- resolving issues to ensure there is agreement on the status, scope, cost, delivery schedules, etc.;
- reviewing the plan to ensure that an appropriate contingency has been set aside for the two future years to address emergency situations; and
- reviewing other areas of the plan, as required.

Years Two (2) and Three (3) of the Plan:

- analyzing each of the projects to ensure they adhere to the intent and eligibility criteria of the program and these guidelines; and
- requesting HEALTH to review any projects of a functional nature and provide written feedback to INFRA. INFRA will then work with AHS to resolve any outstanding issues resulting from the ministries' reviews of AHS' Three-Year IMP Rolling Plan.

6.4.6 Plan Approval and Payment of Grant Funds

Plan Approval:

Following INFRA's review of AHS' Three-Year IMP Rolling Plan, written notification will be sent to AHS advising of the ministry's support for the plan and that it will be implemented within the funding approved by GoA. Once the provincial budget has been approved and announced, and the annual amount of program funding is known, the Minister of Infrastructure (or his designate) will provide written notification to AHS indicating:

- the total amount of approved IMP funds budgeted for the upcoming fiscal year, including information on any significant changes to anticipated funding levels for the following two years; and
- formal approval of the plan, incorporating any changes that may have been made during the reviews undertaken by INFRA and HEALTH.

Approval of the annual IMP Plan by INFRA is not intended to preclude AHS from revising its Plan during the year, should project priorities or needs change. Examples of these changes may include the transfer of funds between projects in the Plan, the use of surplus funds from completed projects in the Plan to initiate new projects, emergency projects or the addition of new maintenance projects. Written notification will be provided by AHS to INFRA for any revisions to the current year plan and these revisions will be identified within the quarterly report. If any new maintenance projects exceeding \$1 million are added to the current approved plan, AHS must submit a request to INFRA for review and approval.

All communications about the IMP funding are the responsibility of INFRA. Communications directly related to a specific projects or its delivery are the responsibility of AHS.

Payment of Grant Funds

The release of annual IMP funds to AHS will be based on confirmation of the following:

- the annual approved program budget has been announced by GoA;
- the annual submission of the AHS Three-Year IMP Rolling Plan, including actual expenditures for the prior fiscal year, has been submitted by AHS to INFRA and has been reviewed and approved by INFRA and HEALTH; and
- a grant agreement, prepared by INFRA, has been signed by AHS and INFRA.

Following completion of the above and pending budget availability, grant funding of 80 per cent (80%) of AHS' annual anticipated cash flow requirement for Year One of their Three-Year IMP Rolling Plan, will be advanced to AHS by INFRA. Issuance of any further grant funding for a particular fiscal year will be subject to receipt of ongoing quarterly expenditure reports from AHS (see reporting requirements under [section 6.5.1](#)) and confirmation of the actual expenditures to December 31, together with the forecast cash flow requirements to March 31st. If expenditures are in line with projected cash flows for fiscal quarters 1 to 3, INFRA may release further funds depending on budget availability. Final release of the annual IMP funding allocation to AHS will occur once final annual expenditures have been submitted to INFRA by AHS.

6.5 Project Oversight

6.5.1 Reporting Requirements

AHS must submit a report on all IMP projects to INFRA on a fiscal year quarterly basis.

The format of the report in terms of layout will be AHS' responsibility; however, GoA requires the following content for each project:

- project title, location, facility name and AHS' project number;
- year in which the project was approved;
- for completed projects - original estimated budget, expenditures as at the end of the prior fiscal year and the final cost, as appropriate;
- for ongoing projects - current year expenditures, anticipated cash flow requirements for current year (i.e., expenditure forecast), cash flow for the next two years; and
- for emergency projects:

- confirmation that INFRA was advised of the urgent need to proceed with each of the emergency projects;
- total year-to-date project expenditures; and
- specific project information for those emergency projects undertaken with IMP funds.

Each year the quarterly reports, following approval and sign-off by AHS' executive management, are to be submitted to INFRA by AHS on or before the following dates:

- July 31st (for the period of April 1 to June 30);
- October 31st (for the period of July 1 to September 30);
- January 31st (for the period of October 1 to December 31); and
- April 30th (for the period of January 1 to March 31).

6.5.2 Auditing

AHS may be required, at INFRA's or HEALTH's request, to produce for review and audit any accounts, records and/or documents related to the work undertaken and the associated expenditures for all IMP projects.

6.5.3 Site Visits

On an ongoing basis, INFRA representatives may select and visit a number of facilities to discuss and review specific completed and in-progress IMP projects. The selection of these projects will be at the discretion of INFRA. HEALTH may also request INFRA to undertake site visits of certain projects. The main objective of these site visits will be to confirm that projects were or are being undertaken as approved. It is expected that issues on specific projects will be communicated to INFRA prior to any site visit.

AHS must be provided at least 48 hours' notice of a site visit by INFRA and will provide the required access to the site and the project under review. INFRA's access to sites and projects will be subject to AHS' approval of all entry to patient care areas, all necessary protection of patient privacy and confidentiality, and all safety considerations. In all cases, INFRA staff will be accompanied by AHS staff while in patient care areas.

6.6 Contracting Principles

AHS is required to comply with the following contracting principles when implementing IMP projects:

- all calls for proposals or tenders for projects funded under this program shall be carried out in accordance with the rules, regulations and laws governing such activities and in accordance with current best practices;
- contracting activities must comply with the Agreement on Internal Trade (AIT), and other agreements such as the New West Partnership Trade Agreement (NWPTA), and any other legislation applicable to Alberta; and
- procurement activities must be fair and conducted with openness, integrity, transparency and accountability to the public.