

## 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. Functional 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

The Infrastructure Maintenance Program Sub-Committee Accountability Matrix (RASCI) attached delineates the organizational responsibilities for the management of the Infrastructure Maintenance Program and approved IMP projects as well as the following governance structure.

#### 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 implementation, processes, resourcing, etc.; and

- recommends updates of the IMP Guidelines to the Health Capital Joint Steering Committee.

### **6.1.3 Health Capital IMP Sub-Committee**

- prepares updates on the status of the Three-Year IMP Rolling Plan;
- proposes resolution for issues related to implementation, processes, resourcing, etc.; and
- coordinates the annual review of the IMP Guidelines and recommends updates to Health Capital Joint Operations Committee.

### **6.1.4 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 and functional projects and submits to government;
- annually maintains and updates the Three-Year IMP Rolling Plan;
- supports the facility evaluation program undertaken by INFRA to monitor the condition of all health facilities; and
- performs routine maintenance and routine preventative maintenance within the operating budget to avoid situations that result in deterioration or state of disrepair/unsafe conditions.

### **6.1.5 Alberta Health**

- reviews AHS' Three-Year IMP Rolling Plan and advises INFRA of projects supported and those of which that do not align with HEALTH's Business Plan, GoA's Capital Plan or AHS' Business Plan; and

### **6.1.6 Infrastructure**

- manages health capital funding programs including the IMP funding and is accountable to ensure documented value for investment;
- reviews and supports the Three-Year IMP Rolling Plans submitted annually by AHS, confirming that the items meet the IMP criteria. The review incorporates input from HEALTH;

- receives, reviews, and supports 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;
- may implement IMP projects if requested by AHS; and
- monitors the condition of health facilities and reports condition information to Albertans.

## 6.2 Eligibility Criteria

### 6.2.1 General Program Eligibility Criteria

An IMP project shall be categorized as “Preservation” or “Functional” depending upon the conditions that the project is to address. Functional projects may incorporate preservation components and Preservation projects may include functional components. Projects will be categorized by their primary purpose (either preservation or functional) but not a combination of both.

- **Preservation Projects:** Projects that are intended to address deterioration, obsolescence or enhancement of building components or systems by improving the physical condition and protecting the integrity of facilities through planned repair, replacement and maintenance.
- **Functional Projects:** Projects whose primary purpose is driven by clinical or operational needs, which may include accessibility, operational efficiencies or an expansion or change of physical space.

The primary purpose of the IMP is to undertake Preservation projects, however when priority Functional projects arise up to 20% of the expenditures, measured over successive 3-year periods, may be used for Functional projects. This information will be reported to INFRA as part of the 3-Year IMP Plan submissions.

The following are also eligible for funding under the IMP:

- engineering studies that investigate maintenance-related engineering issues and target cost efficiencies (e.g., studies on roofing requirements);
- projects in AHS leased sites that support the program delivery requirements and are not included as part of the facility landlord agreement deliverables.
- engineering and costing studies that are essential to inform the scope and cost of IMP projects;

- emergency projects requiring the immediate repair or replacement of the failed facility components needed to keep the facility safely in operation and/or 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 value of a project must be greater than the minimum costs stated below:

- campus size is less than or equal to 40,000m<sup>2</sup> – minimum cost is \$5,000;
- campus size is between 40,000m<sup>2</sup> and 100,000m<sup>2</sup> – minimum cost is \$10,000; and
- campus is larger than or equal to 100,000m<sup>2</sup> – minimum cost is \$50,000.
- where campus is defined as the sum of the gross floor areas of the IMP-eligible facilities at a particular location or site, including the main building on the site and all other related buildings as determined on an individual case basis in consultation with the parties; and

### **6.2.2 Ineligible Projects**

The following projects and initiatives are not eligible for funding under the IMP, unless supported by the Health Capital Joint Operations Committee and approved by the Health Capital Joint Steering Committee. 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 programs;
- projects which are debt-financed by AHS such as parkades;
- projects intended for third party retail or third party tenant within the demising walls of the leased space;
- projects that are routine preventative or operational maintenance;
- individual projects over \$5 million unless approved by Health Capital Joint Operations Committee;
- improvements that are part of, triggered by, or supplement a Major Capital Project's approved functional program or scope of work;
- new additions or buildings for new program space;
- IT hardware and software equipment maintenance, upgrading or replacement; and/or
- the repair, upgrade or replacement of existing infrastructure where the provision of program delivery equipment or furniture is the primary objective of the project.

### **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 contract to AHS providing services under the *Hospitals Act*;
- 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 developed under an infrastructure partnership arrangement between AHS and the private or voluntary organization and 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 the agreement between AHS and the partner organization;
- health facility infrastructure used for addiction services and emergency medical services which are either operated by AHS or operated by a third-party under contract by AHS, unless there is an agreement in place making it the responsibility of the third party; or
- 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;
  - 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 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 supported by INFRA.

### 6.3 Prioritization of Projects

AHS utilizes its allocation of IMP funding to implement its highest priority projects. For all proposed projects, excluding functional projects, AHS will rank these projects utilizing the risk assessment methodology identified below:

- **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 projects are needed to support program delivery needs. In this case, consideration will be given to functional projects on a case-by-case basis if the following criteria are met:

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

Allocation of contingency funds is the responsibility of AHS and is considered to be included in the IMP funding allocation or may be provided from other funding sources as determined by AHS.

## **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 incorporating both preservation and functional projects to INFRA. The plan will be updated annually and will include information on active and proposed projects.

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 by AHS and underway in previous years that continue into the current fiscal year; and
- projects planned for the current fiscal year;

### **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;

### **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 and/or reference numbers, description of the project, including justification for the project, the impacts of not implementing the project, the scope and proposed Total Project Budget;
- updated/current budget amounts for projects carried forward from previous year(s); anticipated annual cash flow requirements; 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 support, 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 support no later than October 31st for the subsequent fiscal year.

#### **6.4.5 INFRA Review**

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

##### ***Year One (1) of the Plan:***

- analyze expenditures on approved projects that are underway;
- seek clarification from AHS when needed;
- resolve issues to ensure there is agreement on the status, scope, cost, delivery schedules, etc.; and
- review other areas of the plan, as required.

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

- analyze each of the projects to ensure they adhere to the intent and eligibility criteria of the program and these guidelines; and
- request HEALTH to review the projects 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 Grant Funding Approval, Plan Support and Payment of Grant Funds**

##### ***Grant Funding Approval:***

Once the provincial budget has been approved the Minister of Infrastructure and the Minister of Health (or their designate) will jointly provide written notification to AHS indicating the total amount of approved IMP funds budgeted for the upcoming year(s).



Subsequent to the Joint Minister's letter to AHS, INFRA will write to AHS advising of AHS' allowable commitment of future IMP funding.

#### ***Plan Support:***

Following INFRA's review of AHS' Three-Year IMP Rolling Plan, written notification will be sent to AHS advising of the support for the plan and that it will be implemented within the funding approved by GoA.

Support 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 through the quarterly reports.

If any new projects are identified for consideration outside of the annual planning submission, the following shall apply:

- Preservation projects \$1 million or more, excluding emergency type projects, AHS must submit a request to INFRA for review and support prior to commencement of the project;
- Preservation projects under \$1 million do not require INFRA support prior to commencement, they are reported to INFRA in the quarterly reports;
- Emergency projects do not require INFRA support prior to commencement, they are reported to INFRA in the quarterly reports; and
- All IMP Functional projects are to be submitted to INFRA for review and support prior to the commencement of the project, regardless of the dollar value of the project. INFRA will review all functional requests with HEALTH prior to responding to AHS.

All communications about the IMP funding are the responsibility of INFRA. Communications directly related to a specific project 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 supported by INFRA and HEALTH; and
- a master agreement, prepared by INFRA, has been signed by AHS and INFRA.

Following completion of the above and pending budget availability, one hundred percent (100%) of verified expenditure already incurred, will be transferred from INFRA to the AHS operating account based on the invoices submitted and approved by the Minister of Infrastructure (or designate),

## 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 by AHS;
- current Total Project Budget and Earned Value to date and Future Cash Flow Forecast per fiscal year, as appropriate;
- variance between the originally supported IMP portion of the Total Project Budget and the updated current IMP budget amounts; and
- project phase.

Each year, the quarterly reports, following approval and sign-off by AHS' Senior Program Officer, Capital Operations & Government Integration 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).

AHS is to submit performance metrics to INFRA and HEALTH that outline yearly IMP performance objectives and targets by the end of the first quarter. On a monthly basis, AHS is to submit report indicating AHS's performance and activity associated with these metrics.

### **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.

## **6.6 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.