The construction stage shall be managed to ensure legislative requirements are met and projects progress in alignment with government objectives.

Design and contract variations are minimised and, where necessary, are approved by the delegate, with contingency expenditure allocated as necessary.

Capital Infrastructure Project Delivery Policy

Implementation Standard for Construction Stage

1. Purpose

This implementation standard identifies the minimum requirements that evidence the implementation of the Capital Infrastructure Delivery policy for the Construction Stage. The primary purpose of this stage is to establish the standards for the management of the construction of the capital infrastructure project. It also identifies the responsibilities (and audit criteria) of individual positions in relation to these requirements.

2. Scope

This implementation standard applies to all Department of Health employees and contractors (permanent, temporary and casual) employed in the department’s corporate divisions and commercialised business units.

This implementation standard applies to all major capital works projects as outlined in the Hospital and Health Boards Regulation 2012.

3. Supporting documents

Authorising Policy and Standard/s:
- Capital Infrastructure Project Delivery Policy QH-POL-374:2012

Procedures, Guidelines and Protocols:
- Implementation Standard for Procurement Management QH-IMP-374-1:2012
- Implementation Standard for Project Initiation QH-IMP-374-2:2012
- Implementation Standard for Project Definition QH-IMP-374-3:2012
- Implementation Standard for Project Commissioning and Finalisation QH-IMP-374-6:2012
- Queensland Health Capital Infrastructure Requirements v6.0
Forms and templates:
All forms and templates are available from HIB-Program_Coordination@health.qld.gov.au.

4. Related documents
Queensland Health:
- Department of Health Governance Policy for Health Planning and Capital Infrastructure Program and Projects QH-POL-359:2012
Other:
- Building Act 1975 (Qld)
- Building Regulations 2006 (Qld)
- Building and Construction Industry Payments Act 2004 (Qld)
- Department of Housing and Public Works 2011, Capital Works Management Framework including Guidelines for Building Regulatory Requirements
- Department of Housing and Public Works 2012, Queensland Development Code
- Department of Housing and Public Works 2012, State Procurement Policy
- Department of Infrastructure and Planning 2010, Project Assurance Framework
- Financial Performance Management Standard 2009 (Qld)
- National Construction Code, Building Code of Australia
- Queensland Industry Participation Policy Act 2011 and Local Industry Policy – A Fair Go for Local Industry
- Sustainable Planning Act 2009 (Qld)
- Workplace Health and Safety Act 2011 (Qld)

5. Requirements
5.1 Construction Contract Commencement
5.1.1 All construction contracts commence the day the contract is approved by the appropriate delegate.
5.1.2 Following approval, the Project Director shall inform the successful contractor immediately in writing. A letter of approval shall be completed and signed by the appropriate delegate and forwarded to the successful contractor.

5.2 Project Management throughout the construction stage
5.2.1 The Project Director shall:
update the Capital Project Implementation Plan (CPIP) at the commencement of the construction stage (with the updated management strategy for the construction and remaining stages of the project).

seek endorsement of the updated CPIP from the Project Steering Committee and seek approval from the Chief Executive, Hospital and Health Service and the Senior Director, Capital Projects Unit.

ensure the project cost plan and program is updated with the outcomes of the tender to ensure continued alignment with the approved budget and completion timeframes for the project.

ensure for State Government funded projects with a value exceeding $5 million or in rural and regional areas with a value exceeding $2.5 million, a Local Industry Participation Plan Outcome Report shall be submitted annually (and no later than the 15 July for the preceding year) to the Chair of the Local Industry Committee, Department of State Development, Infrastructure and Planning.

monitor finalisation and implementation of the Commissioning Plan and Program – see Implementation Standard for Capital Infrastructure Project Delivery – Project Commissioning and Finalisation.

ensure processes are established to meet the requirements of the Building and Construction Industry Payments Act 2004 (Qld). This shall include that progress payments are made within legislated timeframes.

5.3 Design and Contract Variations – Design and contract variation management strategy

5.3.1 Prior to a project commencing construction, the Project Director shall document an updated design and contract variation management strategy in the CPIP. The contract variation management strategy shall include strategies to minimise variations and demonstrate the following requirements have been met:

- all design and contract variation management processes shall be agreed, understood and documented by the project team and key stakeholders
- alternative options for each design and contract variation shall be investigated, analysed and documented prior to their approval
- a Variation Register shall be established to record all requests, actions and status. The Variation Register shall be monitored and endorsed at monthly Project Steering Committee meetings
- any variations approved shall not impact negatively upon the projects approved scope, budget and completion date
- contingency expenditure shall be ratified by the Senior Director, Capital Projects Unit.
all variations shall be approved by a delegate with required level of financial delegations

5.3.2 Where a variation will put the project at risk of not delivering the approved scope within the allocated budget and approved timeframe, the Project Director shall seek approval as a minimum from the Senior Director, Capital Projects Unit. This includes approval to:

• alter the approved scope and/or extend completion date to a time after the approved delivery date
• expend additional project funding above the approved project budget.

6. Review
This Standard is due for review on: 20 June 2015
Date of Last Review: Not applicable – New standard
Supersedes: Not applicable – New standard

7. Business Area Contact
Senior Director, Capital Projects Unit, Health Infrastructure Branch,
System Support Services Division, Department of Health

8. Responsibilities

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibility</th>
<th>Audit criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Director-General, System Support Services</td>
<td>● Consider and approve this policy and supporting documents.</td>
<td>● Policy documents approved.</td>
</tr>
<tr>
<td></td>
<td>● Undertake the role of Senior Responsible Owner for capital delivery programs and projects.</td>
<td>● Role undertaken for capital delivery program and projects as per Governance Policy for Health Service Planning and Capital Program and Projects.</td>
</tr>
<tr>
<td></td>
<td>● Consider and endorse/approve project variations outside approved project scope, program or budget.</td>
<td>● Approval and/or endorsement of project variations outside approved project scope, program or budget.</td>
</tr>
</tbody>
</table>

| Business Change Owner (generally the relevant Chief Executive, Hospital and Health Service) | ● Undertake the role of Business Change Owner for capital delivery programs and projects. | ● Role implemented as per Standard and within delegations plus as per Governance Policy for Health Service |
|                                                                                       | ● Approve updated Capital Project Implementation Plan (CPIP).                  |                                                                                              |

Version No.: 1.1; Effective From: 20 June 2012 Page 4 of 8
### Director, Health Infrastructure Branch, System Support Services
- Act as Policy Custodian and manages the review of the Implementation Standard as required.
- Accountable for the development and review of the Implementation Standard as required.
- Approve updated Capital Project Implementation Plan (CPIP).
- Ratify contingency expenditure.
- CPIP approved.
- Ratification of contingency expenditure.
- Construction stage processes completed as per Implementation Standard.
- Project aligned with approved budget, scope and program.
- Reviewed and approved CPIP.
- Contingency use ratified and remains within allocated cost plan component.
- Direct and monitor construction stage processes as per Implementation Standard.
- Ensure project progresses are aligned with approved budget, scope and program.
- Update the CPIP and includes design and contract variation management process for during construction.
- Implement strategies to minimise variations and manage the use of contingency expenditure.
- Construction stage processes completed as per Implementation Standard.
- Project aligned with approved budget, scope and program.
- Reviewed and approved CPIP.
- Contingency use ratified and remains within allocated cost plan component.

### 9. Definitions of terms used in the policy and supporting documents

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition / Explanation / Details</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Construction Industry Payments Act 2004 (Qld)</td>
<td>An Act to imply terms in construction contract, to provide adjudication of payments disputes under construction contracts, and for other purposes.</td>
<td>Building and Construction Industry Payments Act 2004 (Qld)</td>
</tr>
<tr>
<td>Business Area</td>
<td>The business area is the relevant Hospital and Health Service or Division.</td>
<td>HIB</td>
</tr>
<tr>
<td>Business Change Owner (generally the relevant Chief Executive, Hospital and Health Service)</td>
<td>The Business Change Owner is accountable for the business change by providing strategic leadership to ensure the product is capable and the organisation is ready to enable the operationalisation of the business change.</td>
<td>Governance Policy for Health Service Planning and Capital Infrastructure Program and Projects</td>
</tr>
<tr>
<td>Capital Project Implementation Plan (CPIP)</td>
<td>The CPIP outlines the strategy and associated processes to manage the delivery of the project.</td>
<td>HIB</td>
</tr>
<tr>
<td>Capital Works Management Framework (CWMF)</td>
<td>The CWMF is the Queensland government’s key policy for managing risks in the planning and delivery of government building projects. It identifies the major risk areas and sets out the steps that must be taken to manage those risks. The CWMF gives effect to the whole-of-Government Prequalification (PQC) System for building industry consultants and contractors seeking to undertake government building projects.</td>
<td>Capital Works Management Framework</td>
</tr>
<tr>
<td>Governance</td>
<td>The functions, responsibilities, processes and procedures that define how a program/project is set</td>
<td>MSP</td>
</tr>
</tbody>
</table>
### Governance Policy for Health Service Planning and Capital Infrastructure Program and Projects

The intent of the policy is to establish a consistent statewide approach to all health service planning and capital infrastructure program/projects.

### Higher Authority

The Higher Authority has the authority to make final approval on project change requests within delegations, and provide decision-making for high risk areas for the program or project. This position is appointed by the Senior Responsible Owner (SRO) and may be the same as the Executive (e.g. Chief Health Infrastructure Officer, Health Infrastructure Branch).

### Local Industry Policy – A Fair Go for all Local Industry and Queensland Industry Participation Policy Act 2011 (Qld)

Is to ensure capable, competitive local industry is provided with full, fair and reasonable opportunity to tender for major infrastructure and resource based projects.

### Major Capital Project

Major capital works are activities which are:
- Structural works
- Involve alterations to the building envelope
- Result in additional recurrent operational expenditure
- Result in the need for regulatory compliance of the building and information technology standards

### Department of Health Financial Delegations for Expenditure, Losses and Special Payments.

The financial delegations set maximum limits (inclusive of GST) as determined by the Accountable Officer for Queensland Health’s expenditure (recurrent and non-recurrent), write off losses and special payments for delegated positions within the Department.

### Queensland Health Procurement Delegations

Procurement Delegations have been introduced by the Director General as an internal control measure and apply specifically to the acquisition of goods and services. In meeting responsibilities prescribed in the State Procurement Policy and the Financial Administration and Audit Act 1997, the Director-General has delegated procurement authorities to selected positions – see Procurement Delegations Database.

### Project

A project is a temporary organisation that is created for the purpose of delivering one or more products according to an agreed business case.

### Project Assurance Framework (PAF)

The PAF is the foundation framework for ensuring that project management is undertaken effectively across the Queensland Public Sector and delivers Value for money to the government. It is a whole-of-Government project assurance process that establishes a common approach to assessing projects at critical stages of their lifecycle.

### Project Board (Project Steering Committee)

The Project Board (Steering Committee) is accountable to the Sponsoring Group for the...
success of the approved commitments, and has authority to direct the program or project according to the approved mandate. This group meets regularly as determined by the program or project; however, must meet to provide advice for decisions outside regular meetings.

The Project Board (Steering Committee) consists of:
- A Project Executive as appointed by the Senior Responsible Owner
- Business Change Owner or delegate
- Senior User(s) as appointed by the Business Change Owner
- Senior Supplier(s) or representative.

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Director</td>
<td>The Project Director has the authority to run the project on a day-to-day basis on behalf of the Project Board (Steering Committee). The Project Director brings together and manages all aspects of the program or project to deliver within budget, time and scope. This role reports directly to the Senior Director, Capital Projects Unit, Health Infrastructure Branch.</td>
<td>Adapted from Governance Policy for Health Service Planning and Capital Infrastructure Program and Projects</td>
</tr>
<tr>
<td>Senior Responsible Owner (SRO)</td>
<td>The Senior Responsible Owner has overall accountability for programs and projects to realise approved commitments within time, scope and budget. This position has the necessary authority to provide strategic leadership and is accountable for the successful delivery of the programs and projects.</td>
<td>Governance Policy for Health Service Planning and Capital Infrastructure Program and Projects</td>
</tr>
</tbody>
</table>

10. **Approval and Implementation**

**Policy Custodian:**
Chief Health Infrastructure Officer, Health Infrastructure Branch, System Support Services, Department of Health

**Responsible Executive Team Member:**
Deputy Director-General, System Support Service, Department of Health

**Approving Officer:**
Deputy Director-General, System Support Service, Department of Health

**Approval date:** 20 June 2012

**Effective from:** 20 June 2012
Attachment 1: Dependant Relationships between Policies and Standards