

Commissioning and finalisation

Department of Health Standard

QH-IMP-374-6:2023

1. Statement

The management of a capital infrastructure project undertaken on behalf of the Department of Health requires the establishment of a project environment to facilitate the effective transition of an infrastructure project from the design and construction stage to service delivery to ensure each stage of a project is in accordance with legislation, whole-of-government policy, and the principles of business, planning and project management.

2. Scope

This standard applies to all employees, contractors and consultants within the Department of Health divisions and business units.

This standard may be adopted, re-branded, for use by Hospital and Health Services or statutory bodies.

3. Requirements

Compliance with the requirements in this standard is mandatory.

Commissioning activities as outlined in this standard shall occur following the completion of any component of the project which is being handed over from the building contractor to the business.

3.1. Operating commissioning

3.1.1. The relevant Chief Executive, Hospital and Health Service or their delegate is responsible for the implementation of operational commissioning for all capital infrastructure projects to prepare new or refurbished facilities for occupation and to prepare staff to deliver a service in the new environment.

3.1.2. This includes:

3.1.2.1. allocation of responsibility to a Commissioning Coordinator for coordination of the operational commissioning activities

3.1.2.2. establishment of a commissioning team commensurate with the size and complexity of the functional area/s being commissioned. The team shall include:

3.1.2.2.1. a nominated officer with expertise in building engineering and maintenance services to participate in operational and building commissioning, plus the defects rectification period

- 3.1.2.2.2. departmental or unit facilitators for individual affected functional areas
- 3.1.2.2.3. an officer allocated the responsibility for commissioning of Furniture, Fittings and Equipment (FFE)
- 3.1.2.3. establishment of a Commissioning Committee as a sub-committee of the Project Steering Committee
- 3.1.2.4. the completion of the Developed Design Report including a documented strategy for the management of commissioning
- 3.1.2.5. monthly reports to the Project Steering Committee on progress with operational commissioning planning and implementation
- 3.1.2.6. the development by the Commissioning Committee of a documented Commissioning Plan and Program outlining the management strategy, governance arrangements, allocated budget and resource requirements to support commissioning and handover
- 3.1.2.7. approval of the Commissioning Plan by the Project Steering Committee.
- 3.1.3. The Commissioning Plan shall define key milestones and include management strategies for the following operational areas:
 - 3.1.3.1. **Physical activities program strategy:** the identification, sequence and duration of all activities required to bring the new services into operation. This program is closely linked to the building program.
 - 3.1.3.2. **FFE purchase and management strategy:** the FFE purchase program (Group 1A, 2 & 3 Items), manage the storage and relocation/transfer of FFE, and implement the existing furniture and equipment review and recommendation plan.
 - 3.1.3.3. **Organisation and management structure strategy:** the responsibilities for planning and commissioning activities. The coordination of activities is determined and established including timeline, milestones, and critical paths for operational commissioning. A risk management plan will define potential variable events and the need for contingency funds and resources.
 - 3.1.3.4. **Operational Delivery Models:** all departments shall develop detailed local procedures and work instructions to guide all operations at the date of occupation. New procedures shall be assessed for consistency and aligned with 'whole of facility' procedures.
 - 3.1.3.5. **Human Resource strategies:** staff required to deliver the new or expanded services shall be estimated, appointed and/or transferred utilising established recruitment and training policies and procedures. This training shall include OH&S, Infection Control, induction, and orientation relative to the new environment.
 - 3.1.3.6. **Communication strategies incorporated into an updated Community Engagement Plan:** the strategy shall include provision information and

receipt of comment from key internal and external stakeholders throughout the commissioning and handover period.

- 3.1.3.7. **Occupation activities:** processes for occupation by staff and patients, including cleaning, testing, clinical and non-clinical consumable stocking, decanting, moving and commencement of operations. A decanting plan may be required.
- 3.1.3.8. **Budget allocation strategy:** funds shall be allocated within the project budget and the allocation should reflect the size and complexity of the commissioning stage of the project and shall enable dedicated resources to be appointed to the commissioning team to prepare the building for occupation and service delivery.
- 3.1.3.9. **Risk management strategy:** this includes updating the Project Risk Register to include identification of major risks, mitigation strategies and contingencies to minimise disruption to service delivery and patient care during transition and occupation of new areas.
- 3.1.3.10. **Decommissioning strategy:** how to address vacated areas in existing facilities to be locked down, with handover of keys, rubbish removal and isolation of engineering and support services as required.

3.2. Building Commissioning

3.2.1. Prior to the practical completion (see 3.5) of the building for handover, the Project Director shall ensure the building contractor has completed the following aspects of the building commissioning process:

- 3.2.1.1. the building is functioning, operational and ready for ongoing use
- 3.2.1.2. defects and any outstanding work under the contract are identified and documented in the Defect Register
- 3.2.1.3. handover and training to the business area has been completed to the satisfaction of the relevant Chief Executive, Hospital and Health Service
- 3.2.1.4. completion of the Building Performance Evaluation (BPE) Mid-project Evaluation Sheet at project hold points
- 3.2.1.5. commence planning for completion of a full BPE to be completed approximately 12 months post commissioning and ensure allocation of funding from capital budget.

3.2.2. The relevant Chief Executive, or their delegate, shall nominate an officer (with expertise in building, engineering and maintenance services) to represent their interests in the building commissioning activities, including providing assurance that the building is ready for handover at Practical Completion. As a minimum, the nominated officer shall:

- 3.2.2.1. participate in inspections and testings to assess the building's readiness for handover and ongoing service delivery

- 3.2.2.2. review and receive handover documentation
 - 3.2.2.3. develop policies and co-ordinate training for staff in the building, maintenance and emergency systems
 - 3.2.2.4. manage the defects rectification period for the business.
- 3.2.3. The Project Director shall ensure the relevant Chief Executive, or their delegate, has endorsed the adequacy of the handover documentation prior to receipt of Certificate of Practical Completion.

3.3. Handover Documentation

- 3.3.1. The Project Director shall ensure handover documentation includes operation and maintenance manuals, as-built drawings, and all official documentation such as warranty and test certificates.
- 3.3.2. Requirements for handover documentation are specified in the Contract Documentation. The building contractor is responsible for ensuring the requirements are met for handover documentation.
- 3.3.3. The Project Director shall ensure the format of the handover documentation:
- 3.3.3.1. is accessible and unrestricted to the relevant Hospital and Health Service
 - 3.3.3.2. provides asset information in a format compliant with the requirements of the Asset Management module in S/4HANA.
- 3.3.4. The Project Director shall ensure the relevant Chief Executive, or their delegate has endorsed the adequacy of the handover documentation prior to receipt of Certificate of Practical Completion.

3.4. Handover training

- 3.4.1. The relevant Chief Executive, through their nominated officer, should ensure training is monitored and delivered to their satisfaction, to ensure staff have the required knowledge to successfully manage/operate the building and its fixtures, fit-outs, equipment, services and systems.

3.5. Practical Completion

- 3.5.1. The Project Director shall only approve receipt of a Certificate of Practical Completion (PC) when:
- 3.5.1.1. practical completion has been reached and all elements of the project have been delivered as per the contract
 - 3.5.1.2. building commissioning has been undertaken and all building elements are fully functioning and ready for use at the time of handover; identified defects have been rectified that either impair the service delivery of the building, impact on service delivery if repaired while in use, or have potential risk to the building users

- 3.5.1.3. all required building documentation and handover training has been provided to the satisfaction of the relevant Chief Executive or their delegate.

3.6. Financial Commissioning

- 3.6.1. Project directors and/or responsible officers shall provide Capital Budgets and Financial Services (CBFS), within five business days of the date of issue and always within the same financial year, a PC Certificate or, where a PC Certificate is not issued a Capitalisation Advice Template (CAT) for new building, refurbishment, or upgrade of an existing building.
- 3.6.2. Project directors and/or responsible officers shall provide (CBFS) a detailed cost breakdown for individual assets within 30 days of date of issue of the PC Certificate or CAT Form and shall include:
 - 3.6.2.1. individual building costs
 - 3.6.2.2. land works costs
 - 3.6.2.3. list of group 1 assets
 - 3.6.2.4. list of artworks
 - 3.6.2.5. details of software

3.7. Defects rectification and final project completion

- 3.7.1. The Project Director shall ensure there is a documented process in place that allocates responsibility for the management of the identification, reporting and rectification of defects and omissions during the defects rectification period.
- 3.7.2. The role of the nominated officer (with expertise in building, engineering and maintenance services) shall include liaison with the building contractor and identification and reporting of any shortcomings, failures and/or defects, plus liaison for defect rectification and warranty issues.
- 3.7.3. The Project Director shall ensure a documented Defects Register is maintained that includes a list of all identified defects, actions taken and status.
- 3.7.4. The Project Director shall not approve receipt of the Certificate of Final Completion until satisfied that all requirements of the building contract have been met by the building contractor and the relevant Chief Executive, or their delegate, is satisfied with the rectification of all outstanding defects.
- 3.7.5. The Project Director shall seek approval from the Deputy Director-General, Health Capital Division for any extensions to the defects rectification period.
- 3.7.6. The relevant Chief Executive, or their delegate, shall notify the Executive Director, Infrastructure Planning and Delivery of any identified building defects and omissions following receipt of Certificate of Final Completion. The Executive Director, Infrastructure Planning and Delivery will assess and determine actions

prior to any contact with the building contractor and any rectification works. Earlier action and/or notification may be required for safety reasons.

3.8. Project financial close

3.8.1. The Project Director shall provide a breakdown of any further costs incurred after the initial financial commissioning of the asset which are directly attributable costs, shall be capitalised and added to the asset shell on the finalisation of the project or treated accordingly where a valuation has been undertaken and transferred at fair value. During the thirty business days following receipt of Certificate of Practical Completion, the Project Director shall:

3.8.1.1. progress finalisation of expenditure, including for information technology, FFE and variations

3.8.1.2. obtain a forecast of the final financial position.

3.8.2. ensure there are adequate funds in the remaining project budget for any remaining commitments and professional fees plus rectification of design faults. Upon receipt of the Certificate of Final Completion, the Project Director shall organise for the project to be financially closed. This includes advising consultancies in writing the project is being financially closed and the forwarding of any remaining invoices for payment.

3.8.3. Within thirty business days following receipt of Certificate of Final Completion, the Project Director shall transfer where indicated, any remaining project funds to the Sustaining Capital Program.

3.9. Other project close

3.9.1. The Project Director shall ensure:

3.9.1.1. project documentation (including minutes, decisions and reports) is filed in an easily understood method, and archived as required

3.9.1.2. all project documentation is in a format that is accessible and unrestricted to staff, including as required to the relevant Hospital and Health Service (this includes the receipt by the Executive Director, Infrastructure Delivery in an accessible format of all received or sent information in any used web-based information systems information)

3.9.1.3. final project review activities are completed, including:

3.9.1.3.1. within three months following receipt of the Certificate of Practical Completion, the Project Director shall document a review of the Capital Project Implementation Plan including a list of variations and rationale. The Capital Project Implementation Plan Review Report shall be reviewed and approved by the relevant Chief Executive and the Deputy Director-General, Health Capital Division.

3.9.1.3.2. performance report/s are completed for external consultancies and contractors as required by the Queensland Government Prequalification System (PQC), and that these include feedback from the relevant Hospital and Health Service.

4. Human rights

Human rights are not engaged by this standard.

5. Legislation

- *Financial Accountability act 2009*
- Financial and Performance Management Standard 2019

6. Supporting documents

- FMPM 7.3 Approvals of projects and expenditure policy
- Capital infrastructure programs and projects policy
- Capital infrastructure project delivery policy
- FMPM 8.10 Capitalisation of major computer software policy
- FMPM 8.9 Capital works in progress policy
- Construction stage standard
- Design and documentation stage standard
- FMPM 7.2.1 Exercising expenditure delegations standard
- Expenditure delegations
- FMPM 7.2 Expenditure delegations of authority policy
- Financial commissioning of capital infrastructure and software works in progress standard
- Procurement management standard
- Project definition plan stage standard
- Project initiation standard
- Queensland Government Prequalification System
- FMPM 7.3.1 Requirement to obtain legal advice standard

7. Definitions

Term	Definition
Building commissioning	The completion for occupation by the contractor from a physical point of view such as the successful running of all plants and equipment.
Building performance evaluation	BPE supports benefits management and realisation for capital projects. This methodology facilitates comprehensive evaluation of design and performance outcomes throughout the process of planning and delivery of capital infrastructure to ensure relevant benefits outlined in the business case are enabled and realised.
Queensland Government Building Policy Framework	The QGBPF 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 QGBPF gives effect to the whole-of-government prequalification system for building industry consultants and contractors seeking to undertake government building projects.
Governance	<p>Governance comprises the hard and soft measures established to provide project direction and assurance for all strategic, core and control activities involved in all stages of a project.</p> <p>The hard measures include the structure and configuration of the project organisation. The soft measures include the set of policies, standards, information, roles and responsibilities, and decision making, reporting and performance monitoring process and procedures established to ensure the investment objectives are achieved and benefits are realised through clear accountabilities, effective management of risks and responsible use of resources.</p>
Governance and management of capital infrastructure program and projects policy	The intent of the policy is to establish a consistent statewide approach to all health service planning and capital infrastructure program/projects.
Major capital works	<p>Major capital works are capital works that:</p> <ul style="list-style-type: none"> • are structural works of a building • involve alterations to the building envelope • result in additional recurrent operational expenditure • result in the need for regulatory compliance certification of the building structure or with building service standards, including building and information technology standards.

Term	Definition
Operational commissioning	The preparation of a facility and its staff for the commencement of operation such as equipping and familiarising staff with facility operation.

8. Approval and implementation

Policy Custodian	Policy Contact Details	Approval Date	Approver
Executive Director, Operations, Health Capital Division	HCDDDG@health.qld.gov.au	10 July 2023	Priscilla Radice, Deputy Director-General, Health Capital Division

Version control

Version	Date	Comments
1.0	20 June 2012	New implementation standard
2.0	5 May 2015	Policy Rationalisation Project review
3.0	10 July 2023	Reviewed and updated following QAO's Performance Audit Report 17 May 2022 – 'Contract management for new infrastructure' Report 16: 2021-22 (Recommendation 11).