

Commissioning and finalisation

Standard

QH-IMP-374-6:2012

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

Compliance with the requirements in this standard is mandatory.

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

This standard can be used by Hospital and Health Services either as is, by re-branding or as a base for a Hospital and Health Service specific policy.

3. Principles

Compliance with this standard will ensure the planning and delivery of capital projects are based on sound business, planning and project management principles.

4. Requirements

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.

4.1 Operational commissioning

- 4.1.1 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.
- 4.1.2 This includes:
 - allocation of responsibility to a Commissioning Coordinator for coordination of the operational commissioning activities
 - establishment of a commissioning team commensurate with the size and complexity of the functional area/s being commissioned. The team shall include:
 - a nominated officer with expertise in building engineering and maintenance services to participate in operational and building commissioning, plus the defects rectification period
 - departmental or unit facilitators for individual affected functional areas
 - an officer allocated the responsibility for commissioning of Furniture Fittings and Equipment (FFE)
 - establishment of a Commissioning Committee as a sub-committee of the Project Steering Committee

- the completion of the Developed Design Report including a documented strategy for the management of commissioning
 - monthly reports to the Project Steering Committee on progress with operational commissioning planning and implementation
 - 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
 - approval of the Commissioning Plan by the Project Steering Committee.
- 4.1.3 The Commissioning Plan shall define key milestones and include management strategies for the following operational areas:
- 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.
 - 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.
 - Organisation and management structure strategy: the responsibilities for planning and commissioning activities. The co-ordination 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.

4.2 Building Commissioning

- 4.2.1 Prior to the practical completion (see 4.5) of the building for handover, the Project Director shall ensure the building contractor has completed the following aspects of the building commissioning process:

- the building is functioning, operational and ready for ongoing use
 - defects and any outstanding work under the contract are identified and documented in the Defect Register
 - handover and training to the business area has been completed to the satisfaction of the relevant Chief Executive, Hospital and Health Service
 - completion of the Building Performance Evaluation (BPE) Mid-project Evaluation Sheet at project hold points
 - commence planning for completion of a full BPE to be completed approximately 12 months post commissioning and ensure allocation of funding from capital budget.
- 4.2.2 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:
- participate in inspections and testings to assess the building's readiness for handover and ongoing service delivery
 - review and receive handover documentation
 - develop policies and co-ordinate training for staff in the building, maintenance and emergency systems
 - manage the defects rectification period for the business.

4.3 Handover documentation

- 4.3.1 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.
- Requirements for handover documentation are specified in the Contract Documentation. The building contractor is responsible for ensuring the requirements are met for handover documentation.
- 4.3.2 The Project Director shall ensure the format of the handover documentation:
- is accessible and unrestricted to the relevant Hospital and Health Service
 - provides asset information in a format compliant with the requirements of the Computerised Maintenance Management System.
- 4.3.3 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.

4.4 Handover training

- 4.4.1 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.

4.5 Practical completion

- 4.5.1 The Project Director shall only approve receipt of a Certificate of Practical Completion when:
- practical completion has been reached and all elements of the project have been delivered as per the contract
 - 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
- all required building documentation and handover training has been provided to the satisfaction of the relevant Chief Executive or their delegate.

4.6 Defects rectification and final project completion

- 4.6.1 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.
- 4.6.2 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.
- 4.6.3 The Project Director shall ensure a documented Defects Register is maintained that includes a list of all identified defects, actions taken and status.
- 4.6.4 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.
- 4.6.5 The Project Director shall seek approval from the Chief Health Infrastructure Officer, Health Infrastructure Branch for any extensions to the defects rectification period.
- 4.6.7 The relevant Chief Executive, or their delegate, shall notify the Executive Director, Capital Projects Unit of any identified building defects and omissions following receipt of Certificate of Final Completion. The Executive Director, Capital Projects Unit 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.

4.7 Project financial close

- 4.7.1 The Project Director shall ensure asset capitalisation information is collected and provided to the Capital Budgets and Accounting Team, Health Infrastructure Branch, following Practical Completion and Final Completion, to enable financial commissioning as outlined in the Financial commissioning of capital infrastructure and software works in progress Policy.
- 4.7.2 During the thirty business days following receipt of Certificate of Practical Completion, the Project Director shall:
- progress finalisation of expenditure, including for information technology, FFE and variations
 - obtain a forecast of the final financial position
 - where indicated, transfer the majority of any uncommitted project funds to the Emergent Works Program
 - ensure there are adequate funds in the remaining project budget for any remaining commitments and professional fees plus rectification of design faults.
- 4.7.3 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.
- 4.7.4 Within thirty business days following receipt of Certificate of Final Completion, the Project Director shall transfer where indicated, any remaining project funds to the Emergent Works Program.

4.8 Other project close

4.8.1 The Project Director shall ensure:

- project documentation (including minutes, decisions and reports) is filed in an easily understood method, and archived as required
- 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, Capital Projects Unit in an accessible format of all received or sent information in any used web based information systems information)
- final project review activities are completed, including:
 - 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 Chief Health Infrastructure Office, Health Infrastructure Branch.
 - 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.

5. Related legislation and documents

Relevant legislation and associated documentation includes, but is not limited to, the following:

Department of Health:

- Financial management practice Policy and Manual
- Governance and management of capital infrastructure program and projects Policy
- Integrated risk management Policy

Other:

- Department of Housing and Public Works 2012, Capital Works Management Framework
- Department of Infrastructure and Planning 2010, Project Assurance Framework
- Department of Queensland Treasury and Trade 2008. Value for Money Framework
- Department of Housing and Public Works 2013, Queensland Procurement Policy
- *Financial Accountability Act 2009* (Qld)
- Financial Performance Management Standard 2009 (Qld)
- *Queensland Industry Participation Policy Act 2011* (Qld)
- Queensland Government Workplace Relations Management Policy
- *Sustainable Planning Act 2009* (Qld)

6. 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 benefits outlined in the business case are enabled and realised. |
| Business | The Business is the relevant Hospital and Health Service or Division. |
| Capital Works Management Framework (CWMF) | 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. |
| Governance | The functions, responsibilities, processes and procedures that define how a program/project is set up, managed and controlled. |
| 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 | Major capital works are capital works that: <ul style="list-style-type: none"> • are structural works of a building; or • involve alterations to the building envelope; or • result in additional recurrent operational expenditure; or • result in the need for regulatory compliance certification of the building structure or with building service standards, including building and information technology standards. |
| Operational commissioning | The preparation of a facility and its staff for the commencement of operation such as equipping and familiarising staff with facility operation. |

Version Control

| Version No. | Date | Comments |
|-------------|--------------|--|
| Version 1.0 | 20 June 2012 | New Implementation Standard |
| Version 2.0 | 5 May 2015 | Policy Rationalisation Project review – this policy document does not include references to the Investment Management Framework as this framework has not been endorsed at this point in time. |