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1. Policy Statement

The Government of South Australia is committed to the efficient and effective delivery of essential services to the community, while maintaining budgetary discipline, to create the framework for responsible investment over the longer term.

The Department for Health and Wellbeing (DHW) is responsible for managing the delivery of capital infrastructure projects to ensure the provision of consistent, quality, fit-for-purpose and sustainable health facilities that support the delivery of health services in South Australia.

Early and effective planning, prioritisation and coordination by DHW based on clear and shared long-term strategic directions are essential. This ensures that investment is made where and when it is needed and at a cost that represents ‘value for money’ within the budget capacity, whilst providing sound management of risk.

The purpose of this Capital Works Policy Directive is to establish a consistent and cohesive infrastructure planning and delivery approach for SA Health capital works projects. The policy is mandatory and is to be applied to all capital works projects undertaken by SA Health and funded by Government.

Specific objectives of this Policy Directive include:

- Identifying the processes to be followed by SA Health when planning and delivering capital works projects;
- Providing the governance framework required by DHW for capital works projects to procure and deliver the agreed scope within approved budget and time parameters, whilst meeting the needs of end-users; and
- Outlining the working relationships involved in delivering SA Health capital works projects (including roles, obligations, responsibilities and accountabilities) between Local Health Networks (LHNs)/Business Units (BUs), DHW Infrastructure Branch (Infrastructure DHW), the Department of Planning, Transport and Infrastructure (DPTI), and the project governance committees.

This Policy Directive must be read and administered in conjunction with the following Policy Guidelines for SA Health capital works projects delivery:

- Capital Works: Planning Policy Guideline;
- Capital Works: Implementation Policy Guideline;
- Capital Works: Implementation Review Policy Guideline; and

The capital works policy framework is presented in Appendix A.

2. Roles and Responsibilities

In the context of this document:

Chief Executive, SA Health is responsible for:

- Strategic health system planning and providing approval to proceed with planning for major capital works projects.

Chief Executive Officers (CEOs) of LHNs / BUs are responsible for:

- Identifying and documenting the need for capital solutions within their scope.
- Ensuring compliance to the Capital Works Policy Directive in the development of capital solutions.
- Ensuring all submissions to Infrastructure DHW are completed using the designated templates and meet prescribed deadlines.
- Identifying key stakeholders and conducting appropriate and adequate engagement during the capital works project.
- Managing the resulting assets on an ongoing basis.

**Executive Director Infrastructure is responsible for:**

- Overall project management and delivery, including the initial planning, budgeting and approval elements of capital works projects, and has ultimate accountability for the delivery of the capital project within the framework of this policy.

This Policy Directive does not apply to:

- Information and Communication Technology (ICT) capital works projects, which are covered by ICT Governance Framework.
- Biomedical capital equipment annual program.
- Maintenance work, compliance works and minor works program, undertaken by DPTI or through the Across Government Facilities Management Arrangement (AGFMA).

### 3. Policy Requirements

#### 3.1 Overview

DHW’s capital works planning and delivery lifecycle provides effective project governance from inception to completion, including a series of critical gateway approvals. The lifecycle of capital works projects is categorised into four phases and ten stages, summarised in Figure 1 below and presented in detail in Appendix B.

![Figure 1: DHW Capital Works Project Lifecycle](image)

DHW’s capital works project development lifecycle utilises the gateways defined in DPTI’s *Construction Procurement Policy – Project Implementation Process (PIP)* as checkpoints, and aligns DHW’s deliverables with those required in the gateway approval process.

As depicted in Figure 1, there are seven approval gateways for capital works projects, although depending on the procurement model, some may be managed as combined...
approvals. Successful achievement of these gateways may require a presentation and submission to the Public Works Committee. Process guides for each phase provide further detail and requirements to meet criteria for each gateway.

3.2 All capital works proposals and projects must adhere to the following:

3.2.1 Budget Bid management:
A Capital Budget Timetable (Appendix C) outlines the timeframes for the Budget Bid cycles to ensure that all requests for capital solution are given due consideration for Budget Bids.
LHNs/BUs are accountable for ensuring all submissions meet the prescribed deadlines outlines in the Capital Budget Timetable.

3.2.2 Approval authorities:
The authority for project approval to proceed to the project planning phase is granted by DHW.
The authority for project approval to proceed to the project implementation phase is based on total project cost (capital + GST) in accordance with Treasurer’s Instruction 17 (TI 17): Evaluation of and Approvals to Proceed with Public Sector Initiatives; whilst the authority to execute contracts for the engagement of professional service contractors and construction contractors is in accordance with Treasurer’s Instructions 8 (TI 8): Financial Authorisations, although authority delegate can be provided to streamline project delivery process.

3.2.3 Project planning phase:
All project planning activities must be undertaken in accordance with SA Health’s Capital Works: Project Planning Policy Guideline. Furthermore, LHNs/BUs and DHW must collaborate to:

3.2.3.1 Identify need for capital solution:
The assessment of need for a capital solution must align with SA Health’s strategic directions.
If the need was identified by a LHN/BU, alignment with the LHN/BU’s strategic asset management strategy should be documented in an Investment Proposal, and approved by the Chief Executive SA Health.
The obtained approval aligns with Gateway One.

3.2.3.2 Document and classify capital works project:
A capital works project must be defined in an Outline Business Case. A whole-of-government approach is to be applied to the development of the Outline Business Case. At a minimum it must describe:
- required service to be delivered;
- review of existing asset base to identify opportunities for redevelopment;
- preliminary costings and timeframes;
- benefit statement; and
- initial analysis of affordability, funding method and budget impact.
The classification of capital works depends on the funding source of the project, where:
- projects funded by DHW’s annual program funds are classified as minor works, and delivered through DPTI or AGFMA; and
- all other public funded projects (including those funded with a mixture of capital and annual program funds) are classified as major capital works.
While staging of a project may be required to ensure efficient provision of services and effective delivery of the project, it is not appropriate to stage or segment projects to avoid submission of the Outline Business Case for the purpose of qualifying the project segments under minor works.
3.2.3.3 Develop key capital works priorities:
Infrastructure DHW will consolidate all Outline Business Cases for endorsement by the Executive Director Infrastructure DHW. This will be followed by submission to the Chief Executive, SA Health for approval.
Approved major capital works projects will be allocated funding by DHW for further investigation and Business Case and Budget Bid development. The Business Case must include:
- evaluation of short-listed options and selection of the preferred option;
- preliminary concept design;
- benefits definition; and
- affordability and budget analysis, with triple bottom line costings undertaken.
The approval to proceed with the development of a Business Case for major capital works projects aligns with Gateway Two.

3.2.3.4 Approval of Business Case and Budget Bid:
The Budget Bid, which must include the Business Case and all other requirements set by Department Treasury and Finance (DTF), must be approved by the Chief Executive SA Health or delegate.
Once approved the Chief Executive SA Health submits the Business Case and Budget Bid, for consideration for approval on the Government’s Capital Investment Program, and this aligns with Gateway Three.

3.2.3.5 Submit Budget Bid documents:
All Budget Bids for projects to be considered by Cabinet or Minister must be accompanied by written advice from DTF on the financial and budgetary aspects of the initiative.
The funding method will be considered by the appropriate delegate and if approved, funding will be allocated and the Budget Bid will proceed to the project implementation phase (PIP).

3.2.4 Project Implementation Phase:
Inclusion of the Capital Works Project on approved Government Capital Investment Program triggers the commencement of the Project Implementation Phase (PIP).
All project implementation activities must be undertaken in accordance with SA Health’s Capital Works: Project Implementation Policy Guideline. This excludes minor works projects, which are delivered through DPTI or AGFMA.
Approval to commence concept design by Executive Director Infrastructure DHW follows allocation of project budget and aligns with Gateway Four.
Project implementation requires LHNs/BUs, DHW and DPTI to collaborate on the following:

3.2.4.1 Develop concept design:
The concept design stage includes the development of concept design options and testing of assumptions about cost, time, risk and procurement plans for all projects approved in Government’s Capital Investment Program.
The project is progressed by DPTI Infrastructure through the establishment of a project team, including representatives from LHNs/BUs, DHW, DPTI, and private sector contractors.
The project design team develops concept options on which the project approval is based to test the initial project scope, budget and timelines. Risks are reviewed, and a risk management plan is developed.
The project proceeds through the concept design stage to the point where there are sufficient details to demonstrate that the preferred concept design is viable and acceptable to DHW and LHN/BUs, the costs are within the approved budget and any critical timelines will be met.
This aligns with Gateway Five, whereby the concept design process is approved as consistent with the parameters approved by Government; and approval is given to commit expenditure to complete the design process before the project progresses further.

3.2.4.2 Design development and documentation:
The design and document stage includes development of the concept design to a high level of design detail through schematic design and design development. The design professionals contribute their expertise to ensure the design considers aspects associated with the provision of service delivery to vulnerable consumers, meets functional and legislative requirements, as well as standards outlined in the Australasian Health Facilities Guidelines.

This stage also involves using the developed design as the basis to prepare detailed drawings and the specification, which in turn form the basis of the construction contract documentation. Review is undertaken to ensure that the documents are coordinated and complete, the market is provided with a robust basis for tendering and DHW is confident that costs during construction will be contained within approved budgets. This stage aligns with Gateway Six.

Once DHW is satisfied that the project has been sufficiently developed with reasonable certainty that it is within the parameters approved by Government, Executive Director Infrastructure DHW grants approval for DPTI Infrastructure to commit to the market and conduct a construction tender call.

3.2.4.3 Call tender and manage construction:
The tender and construction stage includes the calling for construction tenders and the subsequent management of on-site and off-site construction activities.

DPTI Infrastructure is responsible for establishing tender fields, calling tenders, evaluating tenders received, and making recommendations for acceptance of tenders in consultation with Infrastructure DHW and project-specific governance structure established (integrated management team and executive leadership team). At the end of the tender process, DPTI Infrastructure will provide a recommendation for approval to the Executive Director Infrastructure DHW to allow the project to proceed to construction. Approval to proceed to construction by committing the balance of the project expenditure and awarding construction contracts aligns with Gateway seven.

Once construction commences, there needs to be regular reviews by the project team (which includes members from Infrastructure DHW, DPTI Infrastructure, and design and construction contractors) to monitor progress and to agree on the appropriate response to issues. LHNs/BUs must be informed of the progress, and should be consulted when issues arise.

There are specific requirements to be met in the construction and commissioning of a construction project, and Infrastructure DHW and relevant LHN/BU must be consulted before DPTI Infrastructure issues a Certificate of Practical Completion.

Handover of the project will be managed by DPTI Infrastructure, and includes provision of operating instructions and maintenance plans for the asset and for any specific items of equipment as required. Infrastructure DHW must be provided with 'as built' plans and financial information.

If the need for benefits monitoring was identified, LHN/BU is responsible for monitoring the built asset based on the benefits realisation plan developed for a period of 12 months after the issue of a Certificate of Practical Completion.

3.2.5 Implementation review phase:
All implementation review activities must be undertaken in accordance with SA Health’s Capital Works: Implementation Review Policy Guideline. Post-construction review and post-occupancy review must be undertaken for all major capital works projects. Specifically, LHNs/BUs and DHW and DPTI must collaborate to conduct the following reviews:

3.2.5.1 Post-construction review:
The post-construction review identifies and documents any lessons learned, opportunities and risks for application to the delivery of future capital works projects. It also includes an opportunity to identify any steps that need to be clarified to improve project approval and implementation processes or to amend documented standards. DPTI Infrastructure, Infrastructure DHW and LHNs/BUs must participate in this review.

The review must be undertaken from both a whole-of-government project delivery and health-specific project delivery perspective.

### 3.2.5.2 Post-occupancy evaluation:

The post-occupancy evaluation occurs 6 – 12 months after the issue of the Certificate of Practical Completion and serves as a careful and systematic evaluation of the performance of an occupied facility, measured in terms of user satisfaction, fitness for purpose, technical performance and value for money.

The review must be undertaken from both a whole-of-government perspective and health-specific perspective. Information from the post-occupancy evaluation will extend the body of knowledge for DPTI Infrastructure and will be used by Infrastructure DHW to update briefing information and to review standards and benchmarks.

### 3.2.5.3 Management review:

A management review may be undertaken to assess the project management process to address specific opportunities for improvement relating to governance, project planning, management and procurement processes.

### 3.2.6 Benefits evaluation phase:

Benefits evaluation applies to all major capital works projects undertaken by SA Health that have been designated by the Executive Director, Infrastructure DHW as requiring a benefits evaluation. All benefits evaluation activities must be undertaken in accordance with SA Health’s *Capital Works: Benefits Evaluation Policy Guideline*.

Infrastructure DHW is responsible for conducting benefits evaluations and producing a benefits realisation report.

The benefits realisation report illustrates achievement against the set targets. The report must include an analysis of benefits achievement against baseline and targets; corrective actions required for unmet benefits; and lessons learned.

The process to be followed when developing and communicating the benefits realisation report includes:

- **Review of existing information and documentation available:** This will include the benefits statement (Investment Proposal), the benefits definition (Outline Business Case), post construction review and post occupancy evaluation.

- **Identification and collection of new information:** Based on the existing information collected, an evaluation is conducted to determine what new data regarding tangible or intangible benefits may be needed based on gaps identified. To capture benefits to the health system as a whole, tangible data models with a balanced set of measures are to be considered. To capture intangible data, techniques include questionnaires/surveys; interviews; observation of the asset; operational user experience data from LHNs/BUs; focus groups and workshops.
- **Produce benefits realisation report**: Infrastructure DHW is responsible for reviewing new information collated and analysing all information collated as part of benefits evaluation. The result is then presented in a report and communicated to the stakeholders involved in planning and evaluating the project, as well as those involved in the management or operation of the built asset.

- **Handover of benefits realisation plan to LHN/BU**: After initial reporting, the focus is then shifted to transition and change management activities, for the LHN/BU to make any necessary operational adjustments to enable full benefits to be realised.

### 3.3 Six key principles that must be applied to every capital works proposal and project:

**Principle 1: Alignment with SA Health’s Strategic Plan and service needs**

**Objective**: Ensure all capital works developments are consistent with SA Health’s Strategic Plan and visions.

In practice this means:

- ✔ Consider short and long-term demands for service needs.
- ✔ Consider future impacts of capital works development in the context of SA Health’s objectives and strategies.
- ✔ Engage with stakeholders, including consultation with end-users and consumers, to ensure the considered proposals meet the requirements of communities.
- ✔ Test capital works development proposals against SA Health’s plans for improved service delivery.

**Principle 2: Alignment with South Australian strategic planning**

**Objective**: Ensure all capital works developments are consistent with the State’s Strategic Planning.

In practice this means:

- ✔ Test capital works development proposals to ensure alignment against current South Australian plans including, State Strategic Infrastructure Plans, DHW Strategic Plan 2017-2020, LHN Strategic Directions, urban and regional strategies.
- ✔ Undertake own research and make use of research conducted by DPTI Infrastructure to inform strategic asset management planning.
- ✔ Engage stakeholders early in the planning process to develop an integrated approach to capital works planning.
Principle 3: Value-for-money in the expenditure of public money

Objective: Ensure all capital works developments address value-for-money considerations. Expenditure is a key driver in the cost-effective realisation of South Australian Government economic, social, environmental and cultural objectives.

In practice this means:

- Adopt a value and risk approach to guide activities throughout the project lifecycle.
- Explore all options to address a service need before making an informed decision.
- Assess all tender responses based on fair and objective criteria and analysis.
- Ensure personnel required to undertake activities across lifecycle stages have the competencies commensurate with their accountabilities/responsibilities.

Principle 4: Probity, transparency and accountability in operations

Objective: Instil confidence in business, industry and the public as to the probity, accountability and efficacy of South Australian Government.

In practice this means:

- Maintain probity throughout all SA Health capital works project delivery activities.
- Implement and follow appropriate delegation and decision-making frameworks.
- Consult with stakeholders openly, regularly and effectively.
- Communicate to business and industry clearly and consistently on decisions, performance and complaint processes.
- Promote and ensure adherence to safe working standards and conditions.

Principle 5: Enhancing capabilities of South Australia’s enterprises and industries

Objective: Utilise capital works developments to support the growth, development and sustainability of South Australian enterprises and industries.

In practice this means:

- Explore options that develop capability, capacity and sustainability of South Australian enterprises and industries.
- Implement strategies to improve Aboriginal participation.
- Collaborate with South Australian enterprises and industries to provide upskilling opportunities to improve performance and competitiveness where possible.
- Ensure business and government are connected across regions.
- Adopt procurement practices that support and promote innovation in South Australia.
Principle 6: Environmental protection

Objective: Ensure that capital works policy promotes the protection of the environment through harm minimisation and sustainable practices.

In practice this means:

- Ensure all considered proposals comply with environmental policies, strategies, legislation designed to protect the environment.
- Collaborate with stakeholders to develop and implement environmentally sustainable approaches.
- Consider and mitigate potential environmental impacts arising from capital works.
- Promote the development and acceptance of products and processes that have low environmental impact.

4. Implementation & Monitoring

With reference to the seven gateways, the project outcomes / deliverables and the approval authority delegate is outlined in the table below. Relevant delegate must be consulted to ensure appropriate approval processes.

<table>
<thead>
<tr>
<th>Gateway</th>
<th>Documents required</th>
<th>Approval Delegate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gateway One</td>
<td>Strategic infrastructure priorities approved in an Investment Proposal.</td>
<td>Chief Executive SA Health</td>
</tr>
<tr>
<td>Gateway Two</td>
<td>Outline Business Case approved for further investigation and Business Case development.</td>
<td>Chief Executive SA Health</td>
</tr>
<tr>
<td>Gateway Three</td>
<td>Business Case and Budget Bid approved by CE SA Health and submitted for consideration on the Government’s Capital Investment Program.</td>
<td>Chief Executive SA Health</td>
</tr>
<tr>
<td>Gateway Four</td>
<td>Project funding model agreed. Project included on approved Government’s Capital Investment Program. Approval to commence concept design.</td>
<td>Executive Director Infrastructure DHW</td>
</tr>
<tr>
<td>Gateway Five</td>
<td>Approval that the concept design process is consistent with the parameters approved by Government. Approval to commit expenditure required to complete the design process.</td>
<td>Executive Director Infrastructure DHW</td>
</tr>
<tr>
<td>Gateway Six</td>
<td>Approval that the design, development and documentation process is consistent with the parameters approved by Government. Approval to call construction tenders.</td>
<td>Executive Director Infrastructure DHW</td>
</tr>
<tr>
<td>Gateway Seven</td>
<td>Approval to proceed to construction by committing the balance of the project expenditure and awarding construction contracts.</td>
<td>Executive Director Infrastructure DHW</td>
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## Gateway

<table>
<thead>
<tr>
<th>Documents required</th>
<th>Approval Delegate</th>
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</thead>
<tbody>
<tr>
<td><strong>Post project implementation</strong></td>
<td></td>
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<tr>
<td>Recognition of built asset (recognised by various levels of</td>
<td>1. DPTI grants Practical Completion and recognise the built asset by recording the</td>
</tr>
<tr>
<td>Government).</td>
<td>built asset in Strategic Asset Information System (SAMIS) and Facilities Management</td>
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<tr>
<td></td>
<td>Information Systems (FAMIS)</td>
</tr>
<tr>
<td></td>
<td>Minister for Transport, Infrastructure, Local Government and Planning (or delegate)</td>
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<tr>
<td></td>
<td>2. Recognise the built asset by completing a Fixed Asset Addition Form and sending to</td>
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<td></td>
<td>the DHW Fixed Asset Team.</td>
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<tr>
<td></td>
<td>Executive Director Infrastructure DHW</td>
</tr>
<tr>
<td></td>
<td>3. Recognise the built asset as part of the LHN / BU asset portfolio.</td>
</tr>
<tr>
<td></td>
<td>CEO LHN / BU</td>
</tr>
<tr>
<td>Post-construction review</td>
<td>PCR Report and PCR Survey Results</td>
</tr>
<tr>
<td>Post-occupancy evaluation</td>
<td>Executive Director Infrastructure DHW</td>
</tr>
<tr>
<td>Management review</td>
<td>Management Review Report (if undertaken)</td>
</tr>
<tr>
<td>Project close-out</td>
<td>Reconciliation and closure of project finance systems</td>
</tr>
<tr>
<td>Benefits evaluation</td>
<td>Benefits Realisation Report</td>
</tr>
<tr>
<td></td>
<td>Executive Director Infrastructure DHW</td>
</tr>
</tbody>
</table>

5. **National Safety and Quality Health Service Standards**

N/A

6. **Definitions**

In the context of this document:

- **AGFMA** means Across Government Facilities Management Arrangements.
- **Business Units (BU)** means the Statewide Service unit within SA Health for which the major capital works project is being delivered. This includes SA Ambulance Service (SAAS).
- **Capital works projects** means any capital works project as defined in the Premier and Cabinet Circular PC028. This Policy Directive refers to any building work / construction project funded through the major capital program.
- **Central agencies** means South Australian Government departments other than SA Health in the executive branch that deliver services, determine policy and regulations under various areas of portfolio responsibility.
- **Clinical Lead** means clinicians within the LHN/BU who will be responsible for the development, implementation, ongoing monitoring and review throughout the capital works project lifecycle.
• DHW means the Department for Health and Wellbeing accountable for strategic health system planning.

• DHW Infrastructure Branch (Infrastructure DHW) means the Infrastructure Branch in the Finance and Corporate Services Division of the Department for Health and Wellbeing.

• DPTI means the Department of Planning Transport and Infrastructure.

• DPTI Infrastructure means the Infrastructure Branch of the Department of Planning Transport and Infrastructure, responsible for providing project, risk, and procurement management to all construction projects to ensure that all relevant policies and guidelines for construction procurements are followed.

• DTF means the Department of Treasury and Finance, responsible for providing advice on the budgetary and financial aspects of proposals, including project financial evaluation and Business Case preparation as outlined in Treasurer’s Instruction 17: Evaluation of and Approvals to Proceed with Public Sector Initiatives. In accordance with this instruction all initiatives which require the approval of Cabinet to proceed need to be accompanied by written advice from DTF on the financial and budgetary aspects of the initiative.

• ELT means the executive leadership team formed to provide executive governance for the project.

• Facility Management Information System (FAMIS) means the computerised information system used for processing work orders on breakdown, routines maintenance, minor works, and small construction works.

• FFE means Furniture, Fittings and Equipment.

• IMT means the integrated management team formed to provide the day-to-day management of the project.

• Local Health Network (LHN) means the Local Health Network for which the major capital works project is being delivered. Primarily responsible for identifying needs for capital solutions, ensuring appropriate consultation occurs during the project and responsible for ongoing management and operation of the asset that results.

• Major Capital Works means all capital works projects delivered through an approved Government Capital Investment Program.

• Maintenance and Construction System (MACS) means the database used to record work request, facilities management and agency details.

• Minister means the Minister for Health and Wellbeing or the Minister for Transport, Infrastructure, Local Government and Planning depending on the purpose.

• Minor Works means the capital works projects delivered through SA Health’s annual programs or recurrent funds.

• Professional Service Contractors means the architect, engineers, cost managers and other professional service providers that are engaged to assist with the design, documentation and construction of the major capital works project.

• SA BME means SA Biomedical Engineering.

• SA Health means the health portfolio of services and agencies responsible to the Minister for Health and Wellbeing.

• Strategic Asset Management Information System (SAMIS) means the computerised information system that supports asset management decision making by providing a repository of data that identifies and physically describes assets.

• Strategic Value Management means a structured, systematic and analytical process undertaken to quantify and verify the key functional requirements.
7. Associated Policy Directives / Policy Guidelines and Resources

This policy directive takes into consideration the following related documents:

- **Strategic Asset Management Framework: A Guide for Managing South Australian Government Buildings** which provides guidance on the appropriate management of South Australian Government buildings and building asset portfolios.

- **The Government’s 5-step Infrastructure Planning and Delivery Framework** which outlines the steps to be followed and Gateways to be achieved when developing and delivering a SA Government infrastructure project.

- **Construction Procurement Policy: Project Implementation Process** which details the fifth step, “Project Delivery Process”, of the 5-step Infrastructure Planning and Delivery Framework.

- **The Department of the Premier and Cabinet PC028 - Construction Procurement Policy: Project Implementation Process**, which outlines responsibilities related to the Construction Procurement Policy for construction of projects over $150,000.

- **The Department of the Premier and Cabinet Circular PC015 - Procedures for Submissions Seeking Review of Public Works by the Public Works Committee** which outlines the requirements for SA Health major capital works projects over $4 million to be presented and reported to the Public Works Committee.

- **Premier and Cabinet PC028 - Construction Procurement Policy Project Implementation Process** which advises on the responsibility for construction policy in South Australia.

- **The Department of Premier and Cabinet - Cabinet and Executive Council Guides** for detailed information on the structure, business and processes of Cabinet and Executive Council.

- **Australasian Health Facility Guidelines** which provide information to assist health services and design teams to plan and design health facilities.

- **Treasurer's Instruction TI 2 - Financial Management** which outlines the financial management expected to be applied to SA Government projects.

- **Treasurer's Instruction TI 8 - Financial Authorisations** which outlines the financial authorisations required for delivering a SA Government project.

- **Treasurer's Instruction TI 17 - Evaluation of and Approvals to Proceed with Public Sector Initiatives** which outlines the evaluation process and approvals required for public sector projects.

- **AS/NZS 31000:2018 Risk management – guidelines**: provides principles and general guidelines to be considered when developing risk management frameworks and programs.

- **South Australian Industry Participation Policy (IPP)** outlines government procurement processes aimed at delivering greater economic contribution to South Australia.

- **Workforce Participation in Government Construction Procurement Policy** aims at increasing employment and skill development by employing Aboriginal people, trainees and apprentices, local people with barriers to employment on government building and civil construction works in South Australia.
This Policy Directive must be read and administered in conjunction with the following Policy Guidelines for SA Health capital works projects delivery:

- Capital Works: Planning Policy Guideline;
- Capital Works: Implementation Policy Guideline;
- Capital Works: Implementation Review Policy Guideline; and

The following documents should be referred to throughout the lifecycle of SA Health capital works projects.

- Across Government Facilities Management Arrangement;
- A User’s Guide for the Public Works Committee;
- Capital Projects Accounting Framework Policy Directive;
- Classification of Costs for New and Major Projects Guidance;
- Construction Procurement Policy: Project Implementation Process;
- DPTI Tender Pre-qualification system;
- eHealth Systems policies; and
- Fixed Asset Addition Form and Fixed Asset Factsheet.

8. Document Ownership & History

Document developed by: Infrastructure
File / Objective No.: 2017/05231 | A795296
Next review due: 31/08/2023
Policy history:

Is this a new policy (V1)? Y
Does this policy amend or update an existing policy version? N
If so, which version?
Does this policy replace another policy with a different title? N

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<td>04/09/2019</td>
<td>V1.0</td>
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<td>Original SA Health Policy Committee approved version.</td>
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Appendix A: Capital Works Policy Framework

SA Health Capital Works Policy Directive

Planning Guide
- Process maps
- Gateway checklist
  - Investment proposal template
  - Outline business case template
  - Business case template

Implementation Guide
- Process maps
- Gateway checklist
  - Benefits statement template
  - Benefits definition template

Implementation Review Guide
- Process maps
- Gateway checklist
  - Post-construction review report template
  - Post-occupancy evaluation report and survey template

Benefits Evaluation Guide
- Process maps
- Gateway checklist
  - Project benefit evaluation report template

Legend
- Policy Directive
- Guides
- Tools and templates
Appendix B: Capital Works Project Lifecycle and Process Maps

SA Health Capital Works Project Delivery Lifecycle

- **Government Policy and Initiatives**
- **SA Health Strategic Priorities**

**Process Exit Points**

1. **Strategic Assessment of Service Provision Stage**
   - Gate 1: Strategic infrastructure priorities approved in an Investment Proposal
2. **Case for Change & Project Scoping Stage**
   - Gate 2: Outline Business Case approved for further investigation and Business Case development
3. **Project Planning & Project Funding Stage**
   - Gate 3: Business Case and Budget Bid approved by CE SA Health and submitted for consideration on the Government’s Capital Investment Program
4. **Concept Design Stage**
   - Gate 4: Project funding model agreed. Project included on approved Government’s Capital Investment Program. Approval to commence concept design
5. **Design & Documentation Stage**
   - Gate 5: Approval that the concept design process is consistent with the parameters approved by Government. Approval to commit expenditure required to complete the design process
6. **Tender & Construction Stage**
   - Gate 6: Approval that the design, development and documentation process is consistent with the parameters approved by Government. Approval to call construction tenders
7. **Implementation Review Stage**
   - Gate 7: Approval to proceed to construction by committing the balance of the project expenditure and awarding construction contracts
8. **Benefits Evaluation Stage**

**Gateways**

- **Gate 1:** Strategic infrastructure priorities approved in an Investment Proposal
- **Gate 2:** Outline Business Case approved for further investigation and Business Case development
- **Gate 3:** Business Case and Budget Bid approved by CE SA Health and submitted for consideration on the Government’s Capital Investment Program
- **Gate 4:** Project funding model agreed. Project included on approved Government’s Capital Investment Program. Approval to commence concept design
- **Gate 5:** Approval that the concept design process is consistent with the parameters approved by Government. Approval to commit expenditure required to complete the design process
- **Gate 6:** Approval that the design, development and documentation process is consistent with the parameters approved by Government. Approval to call construction tenders
- **Gate 7:** Approval to proceed to construction by committing the balance of the project expenditure and awarding construction contracts

**Documents Required**

- Investment Proposal
- Outline Business Case
- Business Case/Budget Bid
- Executed DPTI’s recommendation to approve Gateway 4.
- Executed DPTI’s recommendation to approve Gateway 5.
- Executed DPTI’s recommendation to approve Gateway 6.
- Executed DPTI’s recommendation to approve Gateway 7.

**Process Exit Points**

- **Implement operational solutions**
- **Minor capital works projects delivered through DPTI or AGFMA**

**Benefits Evaluation Stage**

- Implement operational solutions

**EVALUATIONS PHASE**

**IMPLEMENTATION REVIEW PHASE**

**IMPLEMENTATION PHASE**

**PLANNING PHASE**

**SA Health Capital Works Project Delivery Lifecycle**

- **Government Policy and Initiatives**
- **SA Health Strategic Priorities**

**Process Exit Points**

1. **Strategic Assessment of Service Provision Stage**
2. **Case for Change & Project Scoping Stage**
3. **Project Planning & Project Funding Stage**
4. **Concept Design Stage**
5. **Design & Documentation Stage**
6. **Tender & Construction Stage**
7. **Implementation Review Stage**
8. **Benefits Evaluation Stage**

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**EVALUATIONS PHASE**

**IMPLEMENTATION REVIEW PHASE**

**IMPLEMENTATION PHASE**

**PLANNING PHASE**
## Appendix C: Infrastructure Capital Budget Timetable

<table>
<thead>
<tr>
<th>Considerations required</th>
<th>Documented evidence for considerations required</th>
<th>Responsibility</th>
<th>Due date</th>
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</thead>
<tbody>
<tr>
<td>Identify potential infrastructure solutions</td>
<td>Description of preferred service model</td>
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<tr>
<td>Service gaps in clinical service plan</td>
<td>Description of condition of current assets for the preferred service model</td>
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<tr>
<td>Assessment of local asset portfolio</td>
<td>Evaluation of current asset’s capabilities to meet service needs</td>
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<tr>
<td>Definition of objectives and need for infrastructure solution</td>
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<td>xx September 20xx</td>
</tr>
</tbody>
</table>

**Output: Investment Proposal**

### Consolidate and prioritise capital projects

<table>
<thead>
<tr>
<th>Considerations required</th>
<th>Documented evidence for considerations required</th>
<th>Responsibility</th>
<th>Due date</th>
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<tbody>
<tr>
<td>Scope of new projects</td>
<td>Situational analysis of service need based on clinical service demand forecasting</td>
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<tr>
<td>Option development</td>
<td>Solution specifications Initial considerations for benefits realisation</td>
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<td></td>
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<tr>
<td>Preliminary cost and timeframes analysis</td>
<td>Preliminary financial and social economic evaluations Preliminary implementation management plan</td>
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<td></td>
</tr>
<tr>
<td>Initial affordability / budget impact assessment</td>
<td>Considerations for ongoing operational budget impact and FTE impacts</td>
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**Output: Outline Business Case**

### Submit Budget Bid

<table>
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<th>Documented evidence for considerations required</th>
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<th>Due date</th>
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</thead>
<tbody>
<tr>
<td>Design development</td>
<td>Description of preferred solution Concept designs</td>
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<tr>
<td>Whole-of-life costing</td>
<td>Triple bottom line costings of capital and operational budget requirements Sensitivity analysis of preferred option</td>
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<tr>
<td>Implementation plan development</td>
<td>Final Implementation management plan Procurement plan Benefits realisation definition</td>
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<tr>
<td>Affordability and budget impact</td>
<td>Ongoing operational budget impacts and FTE impacts table</td>
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<td></td>
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</tbody>
</table>

**Output: Business Case**

### Infrastructure DHW consolidates projects bids and prepare capital budget

|x | xx March 20xx |

### Budget confirmation

| xx June 20xx |