



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Procedure for Post Contract Progress And Cost Control

Procedure No. 012

	Print Name	Title	Date
Prepared by	J.G. MacNamara	Section Officer / T.S.O.	01/03/05
Reviewed by	Clodagh Hanratty	C.A.T.S.O.	01/03/05
Corporate Authorisation	J.G. MacNamara	T.S.O.	01/03/05

INTRODUCTION

All projects must be monitored on an on-going basis to ensure that they are being completed to the required cost, quality and time profiles. In addition, the general background for the project should also be kept under review so that account can be taken of changes in relevant circumstances.

The procedures are intended to ensure that:

- Projects are as far as possible, completed
 - ❖ to specified quality standards
 - ❖ on programme
 - ❖ within approved cost limits
- The Health Service Executive, Mid-Western Area manage projects efficiently and effectively and are regularly informed as to the state of the contract.

These procedures apply from the acceptance of tenders to the settlement of the Final Account and completion of the works, including “technical commissioning” i.e. When the works are inspected, tested and certified as Practically Complete under the terms of the Contract.

Scope

The procedures apply to Post Contract Progress and Cost Control in the Health Service Executive, Mid-Western Area.

Responsibility

It will be the responsibility of the Technical Services Officer / Chief Assistant Technical Services Officer, Technical Services Supervisor / Project Leader to ensure that the procedures are complied with.

PROCEDURE

The Health Service Executive, Mid-Western Area's policy in respect of Contract Performance is as follows:

- The Health Service Executive, Mid-Western Area and Design Teams, Internal and External, must ensure that, before tenders are invited, schemes
 - ❖ meet the requirements of the Health Service Executive, Mid-Western Area's Brief
 - ❖ are fully designed, detailed and specified
- The Health Service Executive, Mid-Western Area and their Design Teams, Internal and External, must ensure that built schemes
 - ❖ meet the specified standards of quality
 - ❖ are completed on time
 - ❖ are approved within the cost limit. The cost limit will be the "Latest Approved Sum". The "Latest Approved Sum" is the Approved Tender (adjusted for sub-tenders approved pre-contract) subsequently increased or decreased due to Health Service Executive, Mid-Western Area initiated variations and the effect of post tender changes to statutory or official policy requirements. In addition the cost limit is adjusted to allow for the effect of wage and price variations (or a fixed price premium in lieu) under the terms of the contract
- Design Teams, Internal and External, should only investigate the feasibility of Health Service Executive, Mid-Western Area's variations as a result of a request from the Health Service Executive, Mid-Western Area's Contact e.g. Project Manager or Programme Manager
- When it is considered essential, or particularly advantageous, to implement changes during the Contract the Design Team, Internal and External, should complete a Variation Application form and any other relevant data and submit it, for consideration, to the Health Service

Executive, Mid-Western Area. It is essential that the implications of the variation are comprehensive.

The Health Service Executive, Mid-Western Area will have been advised by the Health Service Executive, at tender approval stage, of the limits of the Health Service Executive, Mid-Western Area's authority to approve additional expenditure on the contract. Provided the proposed variation does not materially affect the approved Brief and the cost does not exceed the Health Service Executive, Mid-Western Area financial authority, the Health Service Executive, Mid-Western Area may process the application and inform the Design Team, Internal and External, accordingly. In all other cases, where the Health Service Executive, Mid-Western Area proposed approving the proposal, the approval of Health Service Executive Corporate must be sought before the proposed variation is approved.

Day to day variations which arise from design detailing, unforeseen circumstances etc. (but not design changes) may be managed by the Architect under the terms of the contract provided that the cost effect is contained within the Contingency Sum provided within the Contract for this purpose.

The Health Service Executive, Mid-Western Area should maintain a register of all variations approved on the contract and submit copies of all Variation Application forms, to which approval has been given, to Health Service Executive Corporate with each quarterly Contract report.

Contract reporting is mandatory on all schemes at quarterly intervals i.e. quarters ending last day of March, June, September and December, during the construction period and biannually throughout the period of Final Account settlement. In addition monthly cost reporting is mandatory (in executive or summary form if the contract is considered satisfactory or detailed if considered unsatisfactory) on all schemes when the Latest Approved Sum exceeds €1,269,738.

Monitoring and Communications

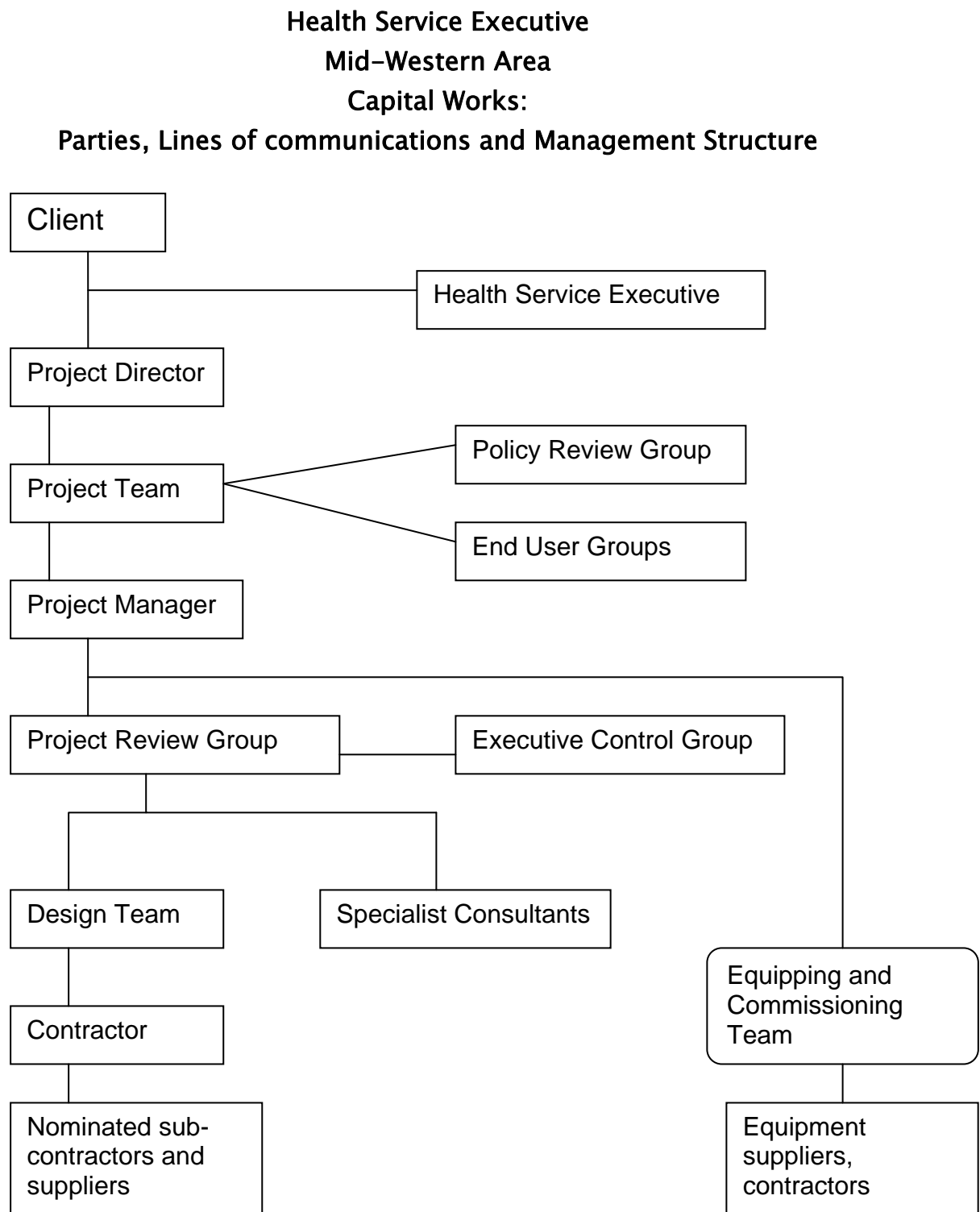
Regular management reports should be prepared by the Health Service Executive, Mid-Western Area and submitted to the Health Service Executive (if necessary) covering all significant developments relating to the project and its costs. If adverse developments occur, including unforeseen cost increases, which call into question the desirability or viability of the project, the Health Service Executive, Mid-Western Area should submit a report at the earliest possible moment to the Health Service Executive, detailing the necessary measures proposed to rectify the situation.

All communications shall be kept as clear and concise as possible. All Project team and Project Review Group members shall endeavour to keep written communications, specifications and paperwork in general to a reasonable minimum. A copy of all correspondence shall be circulated to the agreed relevant parties.

Project Management

The Parties, Lines of communication and Management structure are set out in Figure 1.

Figure 1.



Meetings

The meeting structures are illustrated on the following pages.

- Meetings of all types shall be kept to a minimum duration. Careful consideration shall be given to the necessary attendees at each meeting. All meetings should have a brief agenda and that Minutes (preferably containing action notes) should be distributed within 72 hours of the meeting.
- If team members wish to have matters added to the agenda or table documents for discussion, they should advise the chairman at least 72 hours prior to the meeting. Noted actions should have realistic time limits put against them.
- Attendees are expected to note their own actions during the meeting and action these items as soon as possible.

The meetings described in this document refer to large scale projects and should be used as a basis for deciding on appropriate meeting structures for smaller and medium sized project

Health Service Executive, Mid-Western Area Meeting

These meetings provide the Health Service Executive, Mid-Western Area with the opportunity to review the project strategy and direct the Project Team and Consultants on the Health Service Executive, Mid-Western Area's objectives through the Project Director.

Frequency: Monthly

Attendees: Health Service Executive, Mid Western Area including Project Director.
Project Managers at Health Service Executive, Mid-Western Area's direction.

Venue:

- Chair:** Chairman Health Service Executive, Mid–Western Area
- Agenda:** Project Director
- Minutes:** Administrative Assistant
- Distribution:** Health Service Executive, Mid–Western Area Board Members, Project Director
- Purpose:** To deal with Health Service Executive, Mid–Western Area matters and presentation of report by Project Director.
- Sample Agenda:** The Health Service Executive, Mid–Western Area agenda to include statements on:
Functional Requirements / Brief
Overall Budget / Cost Limits
Overall Programme
Equipping and Commissioning
Area of Risk

Project Team Meetings

- Frequency:** Monthly
- Attendees:** Health Service Executive, Mid Western Area including Project Director.
Project Managers at Health Service Executive, Mid–Western Area’s direction.
- Venue:**
- Chair:** Project Director
- Agenda:** Project Director

Minutes: Project Manager

Distribution: All members and ad hoc attendees

Purpose: To decide Health Service Executive, Mid-Western Area's instructions (within its authority)
To be informed of the Project's status
Project Managers report
Information required
Queries arising from Project Review Group meeting

Sample Agenda: Functional Requirements / Brief
Departmental relationships
Operational Policies
Equipment
Phasing and Decanting
Progress:

- Master Planning
- Design Programme
- Construction Programme
- Equipping and Commissioning Programme

Budget / Cost Limit:
Overall –

- Construction
- Fees
- Equipping and Commissioning
- Other Costs

Timing: Prior to Health Service Executive, Mid-Western Area Meeting

Project Review Group Meetings

This Group should generally be orientated to reviewing and implementing the project strategy. They shall meet monthly with interim meetings where this is considered necessary. These meetings will be held prior to the Project Team meetings.

Specialist issues may on occasions arise from the Project review Group meetings requiring more specialist consideration. Project Groups shall be established by the Project Manager in agreement with the Project Director who will nominate a chairman.

Frequency: Monthly

Attendees: Health Service Executive, Mid Western Area including Project Director.
Project Managers at Health Service Executive, Mid-Western Area's direction.

Venue:

Chair: Project Manager

Agenda: Project Manager

Minutes: Project Manager

Distribution: All members and ad hoc attendees

Purpose: To review and implement Project strategy

Sample Agenda: Design Team leader's report covering:

Progress:

- Master Planning

- Design Programme
- Construction Programme
- Equipping and Commissioning Programme
- Contractors Performance
- Equipping and Commissioning Review
- Change Control
- Health and Safety

Cost Control:

- Design
- Construction

Quality

Information required

Problems

Timing: Prior to Project Team Meeting.

User Sub-Group Meetings

The User Sub-Group shall deal with the hospitals end use and specific issues arising out of the Project Teams considerations. Attendance of these meetings will vary and be at the Projects Director's invitation. These meetings will be held prior to the Project Team meeting.

Frequency: As required
(typically monthly during design stages and as appropriate thereafter)

Attendees: See previous

Attendance as required: Project Sponsor
Clinicians
Nursing Officers

Equipment Specialists
Information Services Officer
Personnel Officer
Technical Services Manager
Design Team

Venue:

Chair: User Group Chairman / Project Director

Agenda: Project Director

Minutes: Administrative Assistant

Distribution: All members and ad hoc attendees

Purpose: To define user requirements, develop detailed briefs, and schedule and specify equipment.

Sample Agenda: To include:

- Functional Requirements / Brief Review
- Departmental relationships
- Operational Policies
- Detailed equipment and commissioning
- Phasing and Decanting
- Man power Planning
- Training
- Information Services Planning

Timing: Prior to Project Team Meeting

Executive Control Group Meetings

These are the senior forum for discussion, formation of recommendation for Project Team and Health Service Executive, Mid–Western Area consideration and outline the proposed strategy. They normally take place prior to the Project Team Meeting and will be structured to ensure a comprehensive report is presented to the Project Team and Health Service Executive, Mid–Western Area.

Following on this meeting, the monthly report will be submitted to the Health Service Executive, Mid–Western Area. These meetings will concentrate on points of strategic importance to the Development.

Frequency: Monthly

Attendees: Health Service Executive, Mid Western Area including Project Director.
Project Managers at Health Service Executive, Mid–Western Area’s direction.

Venue:

Chair: Project Director

Agenda: Project Manager

Minutes: Project Manager

Distribution: All members and ad hoc attendees

Purpose: To review and set Project strategy

Sample Agenda: To include:

- Functional Requirements / Brief Summary
- Equipping and Commissioning Summary

- Performance Issues
- Analysis of Risk

Progress Summary:

- Master Programme
- Design Programme
- Construction Programme
- Equipping and Commissioning

Cost Control:

- Overall Budget
 - Construction Budget
 - Equipping and Commissioning Budget
 - Professional Fees Budget
 - Other Costs Budget

Quality

Timing: Prior to Health Service Executive, Mid-Western Area and Project Team Meeting.

References:

- Department of Finance, 1994. *Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector*
- Department of Health and Children, 1999. *Health Facilities Procurement: Capital Works (Construction) 3C*
- Department of Health and Children, 1999. *Health Facilities Procurement: Capital Works (Construction) Post Contract Progress and Cost Control Procedures 10C*