



# Assuring Value for Capital Projects

Government of Alberta

**SAVE International  
Government VM Conference**

Reno, Nevada

# Where We Are and What We Do

## Alberta Infrastructure

oversees capital

programs for:

- education
- health facilities
- public buildings



**Annual capital budget: \$3 billion**

# Value Management

**Where have we been?**

# Value Management

- **Alberta Infrastructure has conducted VM since the late 1990's**
- **Benefits of VM studies:**
  - Stakeholder consensus
  - Optimum value
  - Improved functionality
  - Cost savings in project development
- **Examples of VM Studies:**
  - Calgary Courts Center (2002)
  - Cost Management Business Review (2006)

# Calgary Courts Center

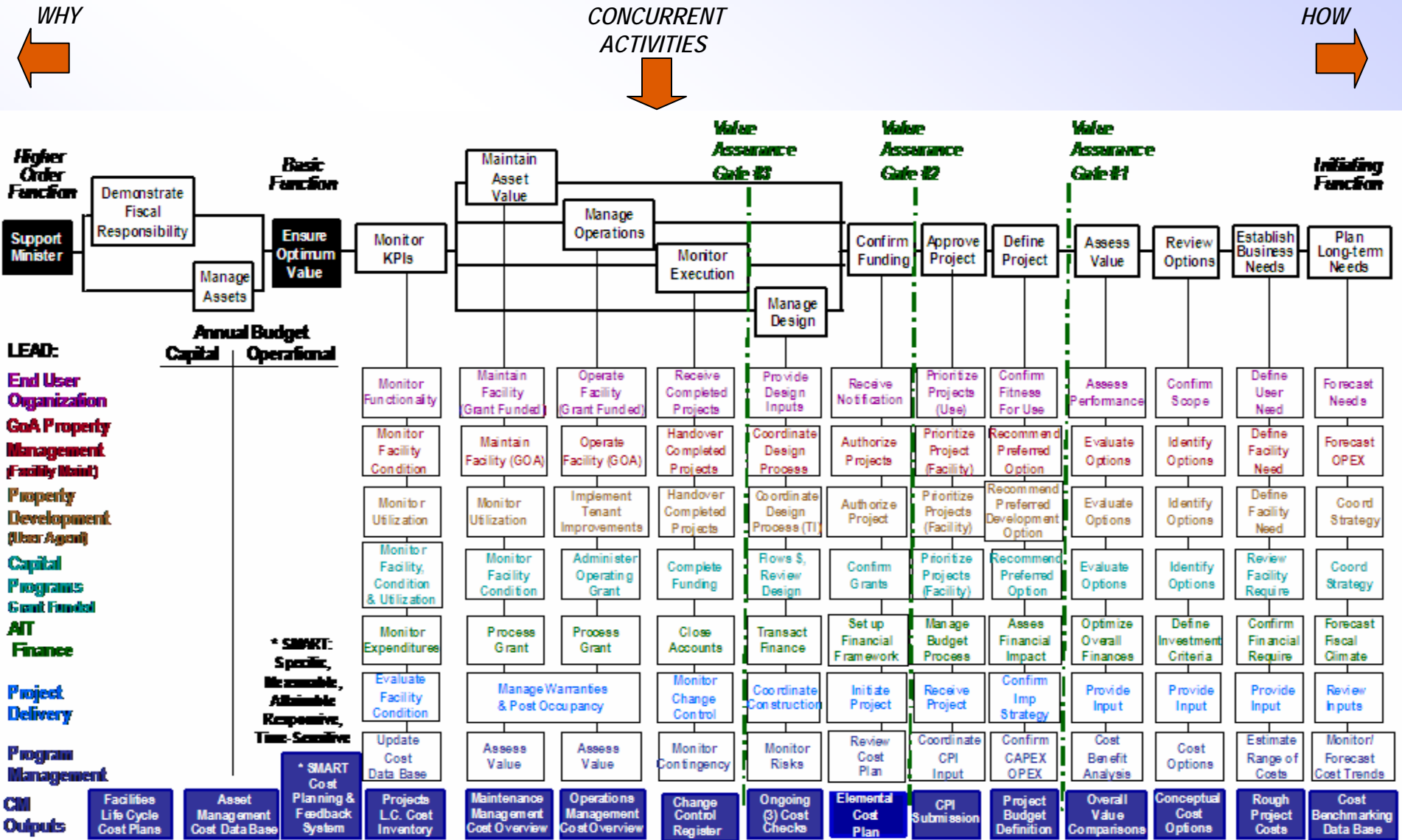


**Consolidates operations by replacing seven old courts facilities within Calgary.**

- **Developed through a P3 (Public-Private Partnership)**
- **Series of strategic sessions along with risk and value studies**
  - **quicker implementation**
  - **risk transfer**
  - **value for money on life cycle basis**
  - **world-class competitors**
  - **integrated approach**
- **Incorporates 30-year operations and cyclical renewals.**

# Cost Management Business Review

Managing the Costs of Vertical Infrastructure; who should be responsible for what?



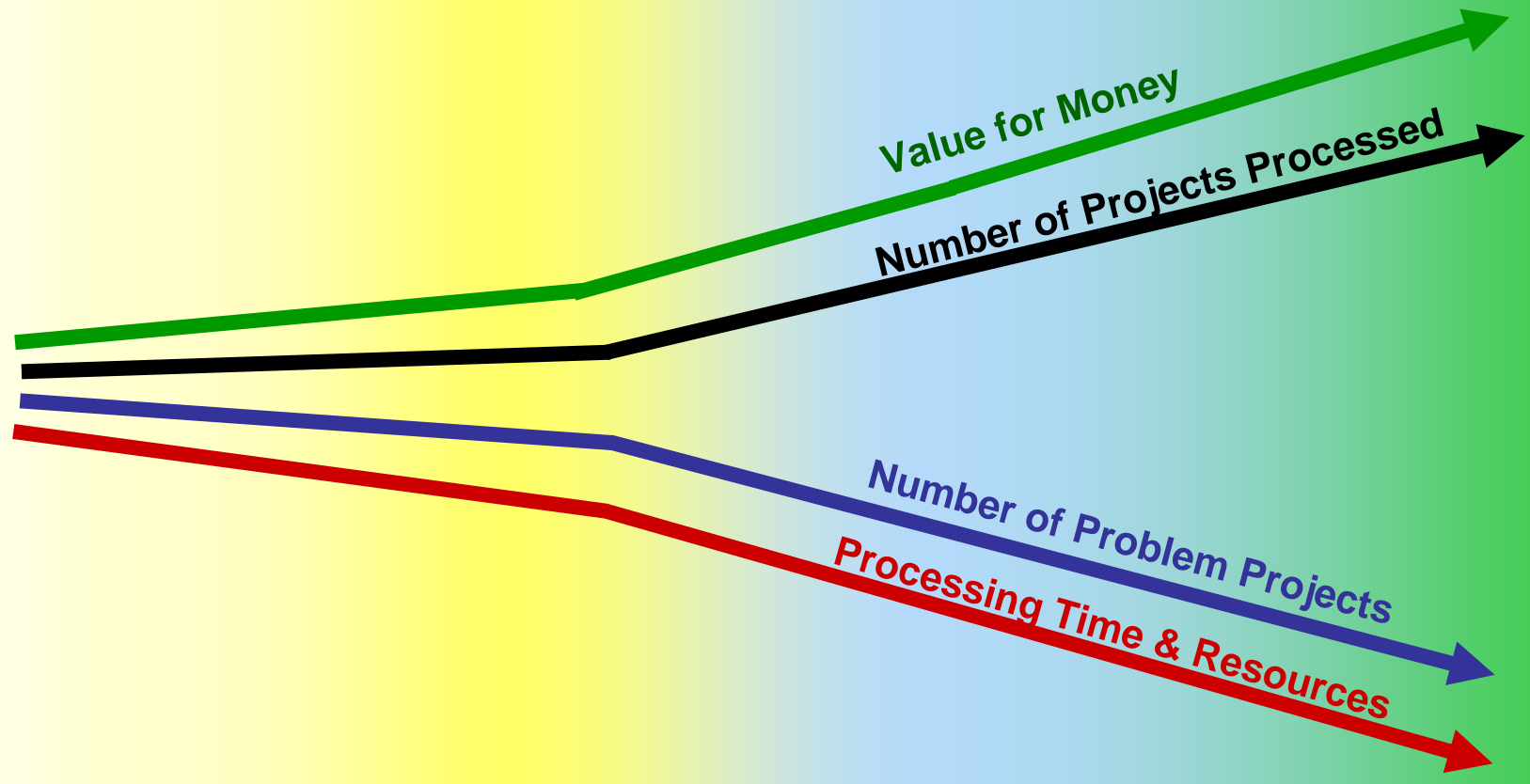
# Value Management

**Where are we going?**

# Who We Serve

- Grant Funded Projects (Arms Length)
  - 64 School Boards
  - 18 Health Authorities
  - 21 Universities and Colleges
- Government Projects (Direct Control)
  - 26 Ministries

# Overall Objectives



**Task Focus**

*Individual  
Perspective*

**Project Focus**

*Group  
Perspective*

**Program Focus**

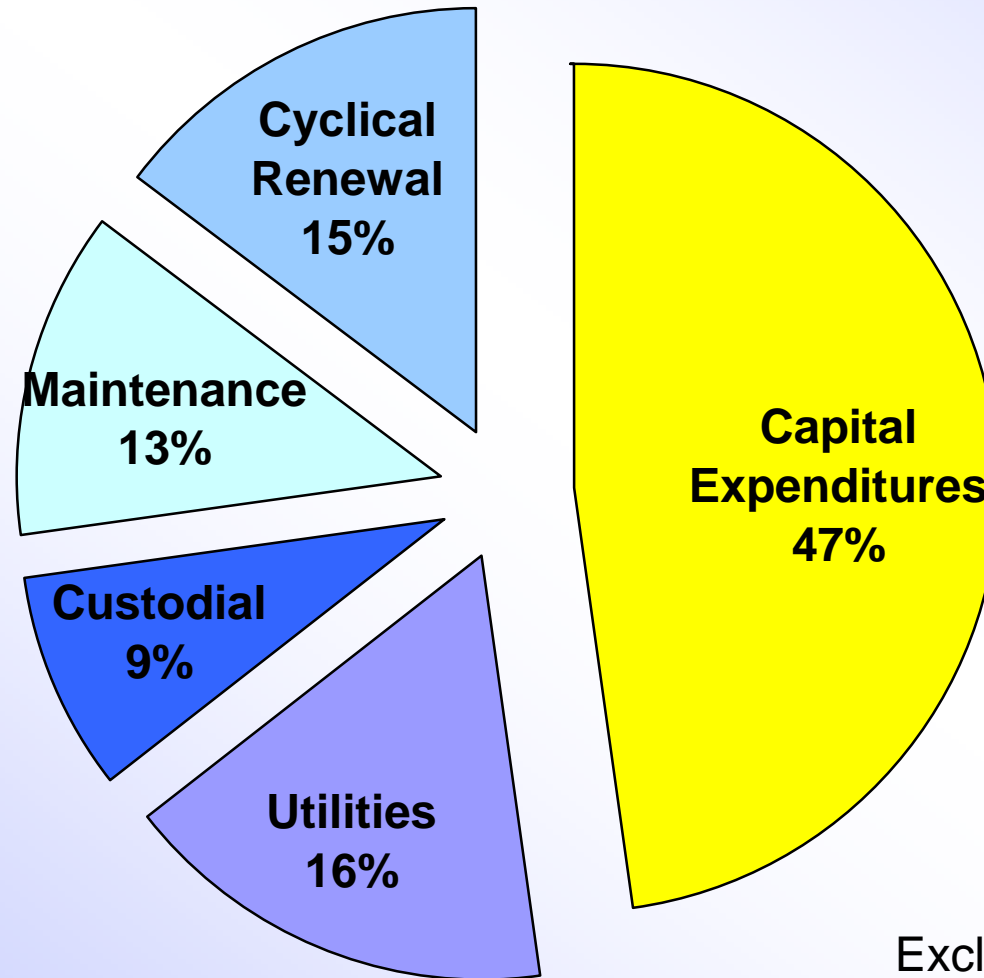
*Divisional  
Perspective*

**Integrated Focus**

*Cross Govt.  
Value Assurance  
Program*

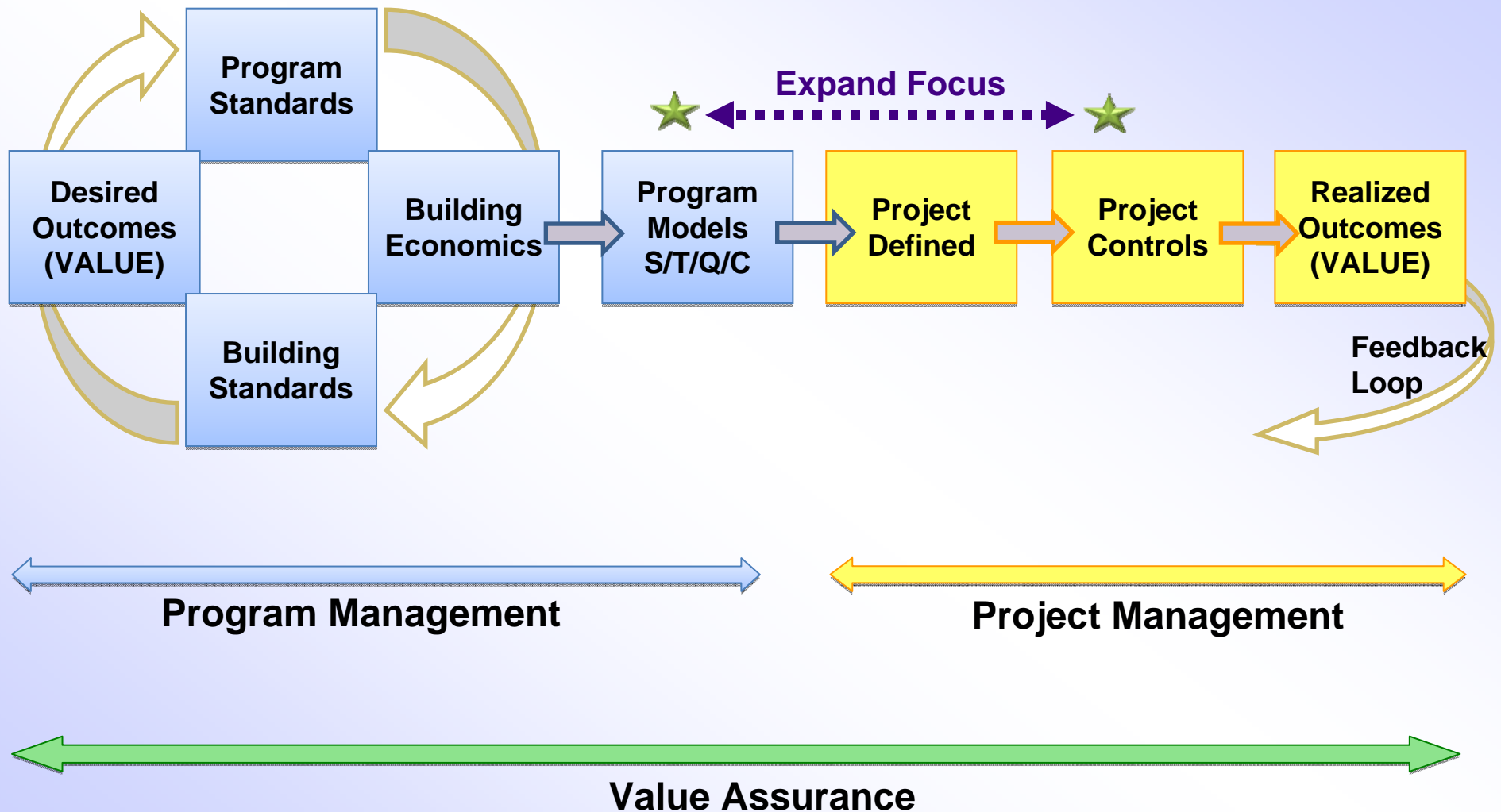
# Managed Outcomes

## Total Life Cycle Costs



Elementary School  
Excludes Program Costs

# Managed Outcomes

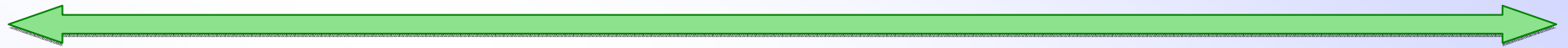


***Key: placing Value Management Program in a Value Assurance context***

# VM / VA

- VM is a tool that can be applied to:
  - Program Management Process
  - Project Management Process
  - Business Processes that support both
- VM supports Value Assurance

# Value Management Program Application



Value Assurance

**V1: Strategic Value Planning**

Determine clear business strategies or formal project scope

**V2: Value Analysis**

Optimize function & cost; confirm realistic outcomes

**V3: Value Engineering**

'Tighten' project or program proposals to achieve outcomes

**V4: Process Value Improvement**

Optimize ongoing service or facility operation

# Concept

- Develop a framework for clients to use
  - Build awareness
  - Establish business processes
  - Establish practices
  - Establish practitioner standards
  - Provide resources
  - Share experiences to improve

# Value Management

**Where are we now?**

# Value Management Program

- **Pilots** *(complete)*
  - Four pilot VM scoping exercises
- **Development** *(current)*
  - RFP for consultant to develop program
- **Implementation** *(next year)*
  - Implementation of VM program

# Challenges

- **Awareness**

- What is VM?
  - What can it do?
  - Where and when can it be used?

- **Design**

- Easily accessible
  - Scalable
  - Provide resources, help and guidance

- **Implementation**

- Broad target audience
  - Limited resources
  - Delivery vehicle

- **Maintenance**

- Capture lesson learned
  - Share and apply

# Questions and Discussion