

INFRASTRUCTURE CANADA DETAILED ACTION PLAN

to the recommendations of the *Audit of the New Champlain Bridge Project* of the Spring 2018 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	<i>Indicator of Achievement</i> (For Committee Use Only)
Para 4.29	To avoid service disruptions and unnecessary expenditures, Infrastructure Canada should analyze the life cycle costs of the infrastructure in its portfolio and should plan effectively for timely replacements.	Agreed. Infrastructure Canada, in its oversight role for the Crown Corporations under the Infrastructure and Communities portfolio which includes the Jacques Cartier and Champlain Bridges Incorporated (JCCBI), will work collaboratively to review the life cycle asset management.	<p>The final outcome is a more robust asset management Strategic Plan which will allow government to work in a no surprise environment.</p> <p>This will provide a long-term plan, schedule, budget and business case based on the projected lifespan of each structure through which infrastructure-funding requirements will be forecasted based on long-term revenue and cost.</p>	Spring 2020	<p>In recent years, the tools used by JCCBI to manage its structures have evolved. In 2012-13 JCCBI started using JMAP which provides access to integrated information on its structures in a visual manner to help coordinate work and road closures. JCCBI is exploring new tools such as Bridge Management Systems or Building Information Modeling to improve long-term management and foster an integrated vision of its structures.</p> <p>Since 2014, JCCBI produces an annual Strategic Plan which includes capital projects, renewal and expansion cost forecasts. These Strategic Plans were mainly focused on improving the current state of JCCBI's assets:</p> <ul style="list-style-type: none"> • Capital projects are prioritized over a five to ten year period based on strategic objectives • Capital renewal, replacement and expansion costs are forecasted over a minimum of a ten year period <p>JCCBI will have a Master Plan in place for each of its structures that will present planned investments based on detailed analysis of their current state and targeted lifespan by spring 2020. These Master Plans will present a strategic long-term vision for each of the JCCBI structures, prioritizing requirements and presenting long term financial requirements.</p>	ADM, Program Operations Branch	
Para 4.44	<p>Before deciding which procurement model to adopt for future large infrastructure projects, Infrastructure Canada should</p> <ul style="list-style-type: none"> • analyze the key project-specific aspects when conducting a 	Agreed. Infrastructure Canada completed a business case which concluded that the appropriate procurement model for NCB was a design-build-finance-operate-maintain	A clearly defined decision-making process for the selection of future project procurement models informed by a structured lessons	Fall 2020	<p>Winter 2019 – Fall 2019 :</p> <ul style="list-style-type: none"> • Launch a lessons learned exercise • Obtain feedback from stakeholders 	ADM, Program Operations Branch	

	<p>qualitative analysis, and evaluate their costs;</p> <ul style="list-style-type: none"> • use sound assumptions and evidence-based data from relevant past projects and best practices to better evaluate the risks and assumptions used in the value-for-money analysis; and • perform a sound sensitivity analysis to inform decision makers about the variability and probability of expected costs and benefits. 	<p>contract, a form of PPP widely used in Canada and internationally for large capital projects. The conclusion was based on an analysis of risks determined by experts and the performance of sound sensitivity analysis using best industry practices.</p> <p>For future large infrastructure projects under its responsibility, Infrastructure Canada will determine :</p> <hr/> <ul style="list-style-type: none"> • Key project-specific elements • Risks and assumptions based on data from the NCB project and any other comparable Government of Canada projects • The variability and probability of expected costs and benefits according to best industry practices. <hr/>	<p>learned exercise in order to promote the recurrence of desirable outcomes and preclude the recurrence of undesirable outcomes.</p>		<p>and project participants on the challenges faced during selection of the procurement model</p> <ul style="list-style-type: none"> • Store lessons learned in a central repository along with historical project data <p>Winter 2020:</p> <p>Communicate results to departmental decision-makers to inform of the established decision-making process for the selection of procurement models for future projects.</p>		
Para 4.45	<p>After completing the construction of the new Champlain Bridge, Infrastructure Canada should create realistic benchmarks for construction costs, risk evaluation, and efficiency rates in value-for-money analyses, for use in future requests for proposals for infrastructure projects.</p>	<p>Agreed. Infrastructure Canada will examine the development of a benchmark study in collaboration with Public Services and Procurement Canada (PSPC). The benchmark study will be developed against a representative sample of traditionally procured infrastructure projects on cost and time performance indicators.</p> <hr/>	<p>A repository of data collected from the NCB project and other infrastructure projects. The data will include:</p> <ul style="list-style-type: none"> • Risks and assumptions • Costs and benefits • Efficiency rates 	2020	<p>Winter 2019 : Engage with PSPC to determine roles and responsibilities</p> <p>Fall 2019-Winter 2020 :</p> <ul style="list-style-type: none"> • Develop historical project data from the NCB project. • Obtain historical data for other infrastructure projects from PSPC. 	ADM, Program Operations Branch	
Para 4.62	<p>When evaluating proposals for public-private partnership contracts under its responsibility, Infrastructure Canada</p>	<p>Agreed: Infrastructure Canada will work with PSPC, as the federal contracting authority for major projects, in the:</p>	<p>Departmental bid evaluation process that continues to adopt PSPC policies and</p>	2020	<p>Fall 2019:</p> <ul style="list-style-type: none"> • Launch a lessons learned exercise 	ADM, Program Operations Branch	

	<p>should develop an evaluation approach that includes</p> <ul style="list-style-type: none"> specifying the appropriate weight and minimum score for assessing important technical project requirements, and requiring bidders to provide analysis or evidence that their proposals meet all critical technical requirements. 	<ul style="list-style-type: none"> Development of weighted assessment criteria for the technical project requirements for all future design-and-build projects under its direct responsibility and those of the two Crown Corporations under the Infrastructure and Communities portfolio. Determination of evidence required to ensure that bidders meet all critical technical requirements. 	<p>procedures and that maintains the confidence of the vendor community and the Canadian public in the procurement system, by conducting procurement in an accountable, ethical and transparent manner.</p>		<ul style="list-style-type: none"> Engagement with PSPC to review the NCB evaluation approach and highlight the positive and negative aspects. <p>Fall 2019 – Winter 2020: Store lessons learned in a central repository along with historical project data available to federal partners and communicate the results of the exercise to departmental decision-makers and PSPC for use in future federal P3 projects.</p>		
<p>Para 4.79</p>	<p>In future public-private partnership projects, Infrastructure Canada should minimize the number of project changes and approve them in a timely manner to reduce the risk of cost overruns and delays.</p>	<p>Agreed. The Department will continue to work with industry and other key stakeholders to minimize impacts while maximizing benefits for the community. In addition, the Department will apply lessons learned from the NCB project.</p>	<p>Adequate change process that limits cost overruns and delays while accepting certain changes that limit costly changes to newly constructed infrastructures.</p>	<p>2020</p>	<p>Fall 2019:</p> <ul style="list-style-type: none"> Launch a lessons learned exercise Consult with the Private Partner and relevant stakeholders to review the NCB change management approach and highlight the positive and negative aspects. <p>Winter 2020: Store lessons learned in a central repository along with historical project data available to federal partners and communicate the results of the exercise to departmental decision-makers and PSPC for use in future federal P3 projects.</p>	<p>ADM, Program Operations Branch</p>	

