

DIRECTIVE

SUR LA GESTION DES
PROJETS MAJEURS
D'INFRASTRUCTURE PUBLIQUE



This publication was produced by the *Direction générale de la gouvernance des projets d'infrastructure* in collaboration with the *Direction des communications*.

An accessible version is available on the website of the *Secrétariat du Conseil du trésor*.

For more information, you may contact the *Direction des communications* or visit the *Secrétariat du Conseil du trésor* website: www.tresor.gouv.qc.ca.

*Direction des communications
du ministère du Conseil exécutif
et du Secrétariat du Conseil du trésor
2^e étage, secteur 800
875, Grande Allée Est
Québec (Québec) G1R 5R8*

Telephone: 418 643-1529
Toll-free: 1 866 552-5158
Fax: 418 643-9226
Email: communication@sct.gouv.qc.ca
Website: www.tresor.gouv.qc.ca

Legal deposit – February 2019
Bibliothèque et Archives nationales du Québec

ISBN: 978-2-550-83300-0 (2nd edition, 2019, english) (PDF)
ISBN: 978-2-550-76766-4 (2^e édition, 2016) (PDF)
ISBN: 978-2-550-67546-4 (1^{ère} édition, 2014) (PDF)

All rights reserved for all countries.
© Gouvernement du Québec – 2019

PUBLIC INFRASTRUCTURE ACT
(CHAPTER I-8.3, S. 18).

DIRECTIVE
SUR LA GESTION DES
PROJETS MAJEURS
D'INFRASTRUCTURE PUBLIQUE

Table of Contents

Objective	7
Scope Of Application	7
Instructions Concerning The Application Of The Directive	7
Phases Of A Major Project In Public Infrastructure	8
Preliminary Project	8
Project Management	8
Specific Authorization From The <i>Conseil Des Ministres</i>	13
Transitional And Final Provisions	13
Appendix A	
Instructions Concerning The Application Of The <i>Directive sur la gestion des projets majeurs d'infrastructure publique</i>	14
Appendix B	
Required Authorizations And Phases For Major Public Infrastructure Projects (\$50 Million Or More).	19

OBJECTIVE

1. The *Directive sur la gestion des projets majeurs d'infrastructure publique* (Directive) defines the measures required to ensure rigorous management of major public infrastructure projects. It promotes the best project management practices to ensure the right investment choices are made for building high-quality infrastructures within the established investment limits.

It also gives the *Conseil des ministres* the information required to determine the suitability of a major project and to ensure that every required action of a major project, from inception to completion, has been planned and carried out.

SCOPE OF APPLICATION

2. The *Directive sur la gestion des projets majeurs d'infrastructure publique* applies to the public bodies referred to in section 3 of the Public Infrastructure Act (chapter I 8.3) in regard to their public infrastructure projects that are considered to be major projects according to the criteria established by the *Conseil du trésor* by virtue of the second paragraph of section 16 of that Act and in regard to projects for which the *Conseil du trésor* has made the measures in this Directive applicable by virtue of the second paragraph of section 15 of that Act, to the extent required by the *Conseil du trésor*.

INSTRUCTIONS CONCERNING THE APPLICATION OF THE DIRECTIVE

3. The *Instructions concerning the application of the Directive sur la gestion des projets majeurs d'infrastructure publique*, attached as Appendix A, are an integral part of the Directive.
4. Furthermore, the provisions of the Directive granting rights or imposing duties on the *Société québécoise des infrastructures* (SQI) do not apply when it is not the project manager and is not associated with the public project proponent.
 - 4.1. For the purposes of the application of sections 26 to 32 of this Directive, reference to the business case may be a reference to the final business case or the adapted business case developed under the *Politique-cadre sur la gouvernance des grands projets d'infrastructure publique* (in effect on March 17, 2010), or, alternatively, a reference to any other equivalent document.
5. Subject to compliance with the purpose of the types of public investment set forth in the Québec Infrastructure Plan (QIP) established under Division I of Chapter II of the Public Infrastructure Act, authorization granted by the *Conseil des ministres* under the Directive may allow for the reallocation of sums provided by the current QIP.

PHASES OF A MAJOR PROJECT IN PUBLIC INFRASTRUCTURE

6. The progress of a major project in public infrastructure, schematically depicted in Appendix B, is divided into the following two phases:
 - a. Preliminary project phase, during which a preliminary project data sheet is developed;
 - b. Project management phase, which involves the following steps:
 - i. Start up, during which an opportunity case is prepared;
 - ii. Planning, during which the business case is developed;
 - iii. Execution, during which summary progress reports for the project are produced; any significant change to the project must be authorized by the *Conseil des ministres*;
 - iv. Closing, during which a closing report is produced after the formal acceptance of the public infrastructure.

PRELIMINARY PROJECT

7. On the basis of the distinct investment envelopes set by the *Secrétariat du Conseil du trésor* (SCT) according to the established investment limits, each minister determines, for all the public bodies under their jurisdiction, the major projects that will be put forward for inclusion in the next QIP, in the “Projects under Study” category.
8. The minister in charge of the selected public project proponent presents a request for the project to be considered. The request is accompanied by a preliminary project data sheet that contains the following components:
 - a. A summary description of the need the project would fulfill;
 - b. A summary demonstration that only a public infrastructure solution could meet the need;
 - c. A preliminary estimate of the total project cost and the planned financing strategy;
 - d. An estimate of the total cost to produce each component of the opportunity case.
9. On the authorization of the *Conseil des ministres*, the project is registered in the next QIP in the “Projects under Study” category. The amount registered for the project corresponds to the government investment required to carry out the opportunity case required in the project management phase.

PROJECT MANAGEMENT

10. Once the preliminary project phase is completed, the project manager designated under section 31 or 36 of the Public Infrastructure Act carries out the project management and control activities.

11. The project manager must oversee the performance of the project and deliver a high-quality public infrastructure that meets the expressed need and complies with the agreed budget, scope and work schedule.

To achieve this, the project manager must take charge of all project deliverables associated with the start up, planning, execution and closing stages, including the opportunity case and business case, the plans and specifications, applications for permits, summary progress reports, documents supporting any requests for significant changes, the construction of the public infrastructure and the closing report.

The project manager also launches any calls for tender and concludes any contracts arising from the management of the project, including for blueprint design, specifications, and execution of the construction work.

12. When the SQI is the project manager, the public project proponent must take part in the project management.

Under the second paragraph of section 31 or 36 of the Public Infrastructure Act, when the public project proponent has the responsibility and control of the project, it must work with the SQI on the execution of the project management activities, unless it is exempted from the obligation of working with the SQI under section 4 of that Act. Depending on the competencies of the public body in question, the SQI may be asked to provide strategic, financial or other advice and to offer its expert project management services.

13. The public project proponent must transmit to the SQI, or otherwise make available to it, any document or information the SQI deems necessary for the management of the project, whether or not it is the project manager, and vice versa.

Whether the SQI is the project manager or a project partner, it is responsible for assessing any issue, risk or other sensitive aspect of the project that may affect the cost, scope or completion schedule. It is also responsible for immediately informing the SCT of any such matters.

When a public project proponent is exempted from the obligation of working with the SQI, it is responsible for assessing any issue, risk or other sensitive aspect of the project that may affect the cost, scope or completion schedule. It is also responsible for immediately informing the SCT of any such matters.

The SCT will then decide whether this issue, risk or other sensitive aspect should be brought to the attention of the strategic public infrastructure governance committee, which is chaired by the SCT public infrastructure associate secretary and is comprised of the permanent members of the SCT and the SQI, as well as respondents from the departments in question.

Project start-up

14. After the *Conseil des ministres* authorizes the project to be studied, the project manager must prepare an opportunity case.
15. The opportunity case must enable the assessment of the project's relevance and recommend the best long-term option among those assessed, within the investment envelopes fixed by the SCT based on the established investment limit. To this end, the opportunity case must include the following:
 - a. Needs assessment, including a demonstration that only a public infrastructure solution can meet the need;
 - b. Definition of the project requirements;
These two components are the responsibility of the public project proponent, in cooperation with the minister to whom it is responsible; and they must be produced before work on the components below commences.
 - c. Identification and evaluation of the options for meeting the expressed need over the long term;
 - d. Annual breakdown of investments required to implement the recommended option;
 - e. Presentation of the main economic and financial variables;
 - f. Estimation component costs needed to develop the business case for the recommended option;
 - g. If the intended mode of execution is a public-private partnership, the qualitative and quantitative arguments supporting this choice;
 - h. If applicable, presentation of the objective of the architectural and engineering design competition, its advantages and disadvantages, a cost estimate and its terms of application.
16. When the total cost estimate of the project is below \$200 million, the SQI, whether it is the project manager or not, can determine which components to include in the opportunity case from among those listed in paragraphs c) to i) of section 15. The SQI must justify the omission of components not included in the assessment.

When the total cost estimate for the project is \$200 million or more, all the components listed in section 15 must be included in the opportunity case.
17. The project manager may include in the opportunity case any other component it deems relevant.
18. The content of the opportunity case must be certified in writing by the SQI, the public project proponent and the minister to whom it is responsible and then submitted to the SCT for advice and counsel.
19. After obtaining the advice of the SCT, the minister responsible for the public project proponent must obtain approval for the opportunity case and authorization to develop a business case from the *Conseil des ministres*.

Once this authorization is received, the project will be registered in the "Projects in the Planning Stage" category of the next QIP. The amount registered for the project corresponds to the Government's investment for the total estimated cost of the selected option after the approval of the opportunity case.

Project planning

20. After the *Conseil des ministres* authorizes its development, the project manager must develop the business case.
21. The business case presents in detail the best long-term option approved by the *Conseil des ministres*, as well as the project management plan that sets out the actions required to complete the project within the investment envelopes fixed by the SCT based on the established investment limits. It must include the following components:
 - a. A description of the project context, with a description of the need, the project requirements and the chosen option. The validity of the components approved in the opportunity case, including the main economic and financial variables, must be confirmed;
 - b. The scope of the project, including the work breakdown structure, an analysis of the functional and technical requirements and the proposed change management process;
 - c. An estimate of the total cost of the project, its projected marginal budgetary implications, and the financing strategy;
 - d. The project work schedule;
 - e. The human resources, including a presentation of the project execution team, along with the roles and responsibilities of each team member;
 - f. The governance structure for the project itself and for the general project context, if applicable;
 - g. An analysis of the project stakeholders;
 - h. An analysis of the project risks, including, for each risk, its probability of occurrence, its potential financial impact and the planned mitigation measures;
 - i. The communications plan;
 - j. The procurement strategies, based on the intended mode of execution;
 - k. The project management plan;
 - l. If applicable, a presentation of the results of the architecture and/or engineering design competition.
22. When the total cost estimate for the project is below \$200 million, the SQI, whether it is the project manager or not, can determine which components to include in the business case from among those listed in section 21. The SQI must justify the omission of components not included in the case.

When the total cost estimate for the project is \$200 million or more, all the components listed in section 21 must be included in the business case.
23. The project manager can include in the business case any other component it deems relevant.
24. The content of the business case must be certified in writing by the SQI, the public project proponent and the minister to whom it is responsible and then submitted to the SCT for an advice and counsel.
25. After obtaining the advice of the SCT, the minister responsible for the public project proponent must obtain approval for the business case and authorization to carry out the project from the *Conseil des ministres*.

After this authorization is received, the project will be registered in the “Projects in Progress” category of the next QIP. The amount registered for the project corresponds to the maximum government investment for the completion of the project, as presented in the business case, within the established investment limits.

Any increase in the total approved project cost presented in the business case constitutes a cost overrun, whether or not it generates an increase in the Government’s investment.

Project execution

26. After the *Conseil des ministres* authorizes the execution of the project, the project manager proceeds with its execution, including producing summary progress reports and the documents supporting any request for authorization to make a significant change while ensuring that the public infrastructure is completed based on the parameters approved in the business case.

Summary progress reports

27. As of the date the project execution is authorized, the project manager must produce a summary progress report for the project on March 31 and September 30 of each year.

Notwithstanding the first paragraph, a report is not required when less than three months have elapsed since the project received authorization.

The content of each report must be certified in writing by the SQI, the public project proponent and the minister to whom it is responsible. Each certified report must be transmitted to the SCT no more than 45 days after March 31 or September 30 each year, as the case may be.

Significant changes to the project

28. Any significant change to the project must be authorized by the *Conseil des ministres*.

A change of any nature is considered significant when it changes one or more of the following business case parameters:

- a. Total project cost;
- b. Project financing strategy;
- c. Scope of the project, such that it can no longer be used as a baseline;
- d. Project work schedule, such that it can no longer be used as a baseline.

29. The minister in charge of the public project proponent must obtain authorization from the *Conseil des ministres* to make any significant change to the project. To this end, the project manager must provide all the documents to support the request for authorization.

If applicable, a change will be made in the next QIP.

Project closing

30. When the public project proponent's formal reception of the public infrastructure is certified in writing, the minister in charge of the public project proponent must confirm the reception date in writing to the SCT and the project manager must produce the project closing report.
31. The content of this report must be certified in writing by the SQI, the public project proponent and the minister to whom it is responsible and then transmitted immediately to the SCT.

SPECIFIC AUTHORIZATION FROM THE *CONSEIL DES MINISTRES*

32. For measures other than those stipulated in the Directive to apply, the minister in charge of the public project proponent must obtain authorization from the *Conseil des ministres*. In this case, the *Conseil des ministres* will establish these measures.

TRANSITIONAL AND FINAL PROVISIONS

33. The management of a major project underway by a public body on the date this Directive comes into effect will proceed in compliance with sections 26 to 32 if the final or adapted business case has already been approved by the *Conseil des ministres* under the *Politique-cadre sur la gouvernance des grands projets d'infrastructure publique* adopted on March 17, 2010 (Politique-cadre) or if the execution of the project has already been authorized by the *Conseil des ministres* under the Politique-cadre.
34. The management of a major project underway by a public body on the date this Directive comes into effect, other than a project described in section 33, will proceed in compliance with sections 20 to 32 if the development of a final business case or the development of an ad hoc, enhanced or adapted business case has been authorized by the *Conseil des ministres* before that date.
35. A major project by a public body for which the strategic presentation case has been approved by the minister in charge on the date this Directive comes into effect, but about which there has not yet been a decision from the *Conseil des ministres* under the Politique-cadre, will benefit from a transition period ending June 30, 2014, to receive approval of its initial business case from the *Conseil des ministres* under the Politique-cadre. Where appropriate, the management of this project will proceed in compliance with sections 20 to 32.
36. The management of a major project by a public body entered in the most recent multi-year investment budget tabled in the National Assembly under section 6 of the Act to promote the maintenance and renewal of public infrastructure (chapter M 1.2), other than a project described in sections 33, 34 or 35, which has not yet been subject to a decision by the *Conseil des ministres* under the Politique-cadre on the date this Directive comes into effect will proceed in compliance with sections 14 to 32.
37. A major project by a public body which is not entered in the most recent multi-year investment budget tabled in the National Assembly under section 6 of the Act to promote the maintenance and renewal of public infrastructure (chapter M 1.2), but which has been subject to a decision by the *Conseil des ministres* concerning the entry of the project in the next QIP before the date this Directive comes into effect, is deemed to have received the authorization described in sections 8 and 9.
38. The *Directive sur la gestion des projets majeurs d'infrastructure publique* comes into effect on February 12, 2014, and, subject to the provisions of section 35, replaces the *Politique cadre sur la gouvernance des grands projets d'infrastructure publique*.

APPENDIX A

INSTRUCTIONS CONCERNING THE APPLICATION

OF THE *DIRECTIVE SUR LA GESTION DES PROJETS MAJEURS D'INFRASTRUCTURE PUBLIQUE*

These instructions are designed to clarify certain requirements of the Directive and to allow the project manager to meet those requirements.

PRELIMINARY PROJECT DATA SHEET

Summary description of the expressed need – s. 8.a)

- A. The current situation and the related need must be supported by measured and verifiable factual data.
- B. The need expressed by the public project proponent must be clearly stated and framed in the context of government priorities, its management framework and its own strategic objectives.
- C. The public project proponent, in cooperation with the minister to whom it is responsible, must demonstrate in summary that all the solutions, of every type, have been assessed and that only a public infrastructure solution can meet the expressed need.

Preliminary estimate of total project cost – s. 8.c)

- D. The preliminary project cost is presented as an estimate and must include all amounts related to project start up, planning, execution and closing, as specified by the *Conseil du trésor* in the criteria defined in section 16 of the Public Infrastructure Act (chapter I-8.3) to qualify a public infrastructure project as a major project.
- E. In the preliminary project phase, the planned financing strategy must present only the sources of financing identified to cover the entire preliminary estimate of the total project cost.

Estimate of the total cost to produce each component of the opportunity case – s. 8.d)

- F. The components used to develop the opportunity case are those listed in section 15 of the Directive and any other components to be included as per section 17. The total cost estimate for the development of the opportunity case includes the costs to be borne respectively by the public project proponent and the minister to whom it is responsible, and it must be broken down by component. The annual breakdown of the estimated total cost of developing the opportunity case and the projected date of its presentation to the *Conseil des ministres* must also be provided.

OPPORTUNITY CASE

- G. The terms of the working relationship required under sections 31, 33 or 36 of the Public Infrastructure Act are determined by the agreement among the parties. A copy of this agreement must be submitted to the SCT without delay.

Needs assessment – s. 15.a)

- H. The needs assessment must:
- i. Describe the current situation and the desired situation;
 - ii. Clearly state the need expressed by the public project proponent and frame it in the context government priorities, its own strategic objectives and its management framework;
 - iii. Outline the factors that contribute to the need;
 - iv. Evaluate the consequences the status quo;
 - v. Clearly and accurately present all the non-asset solutions evaluated and demonstrate that only a public infrastructure solution can meet the need.

Determination of project requirements – s. 15.b)

- I. The public project proponent must clearly define all the functional, operational and technical requirements and constraints, as well as the level of quality expected, in measurable data.

Determination and evaluation of options – s. 15.c)

- J. The project manager must determine and evaluate the various options that could meet the need. The assumptions used in the determination and evaluation of these options must be provided.

The evaluation of each option must address the following issues:

- i. Response to the need;
- ii. Technical and technological feasibility;
- iii. Socio-economic context;
- iv. Cost-benefit analysis;
- v. Human, organizational and environmental impacts;
- vi. Stakeholders and their potential influence;
- vii. Risks and their potential impacts;
- viii. Preliminary schedule;
- ix. An estimate of the total cost, its projected marginal budgetary implications and the planned financing strategy;
- x. Similar completed projects.

The options must all be evaluated over the same timeframe. As the life cycle of each option is different, the project manager must compare the options using a timeframe that corresponds to the option with the longest life cycle.

- K. All the stakeholders that may be positively or negatively affected by the recommended option, including the public project proponent, the minister in charge, the SQL, the Government, the direct clientele, the employees, the main individuals and social groups and public bodies, must be identified, along with their respective interests in the project. A summary analysis of the issues, along with the risks and the possibilities they represent for the project must also be provided.
- L. The estimate of the total cost of each option evaluated must include all amounts related to project start up, planning, execution and closing, as described by the *Conseil du trésor* in the criteria indicated in section 16 of the Public Infrastructure Act for a public infrastructure project to qualify as a major project.

The projected marginal budgetary implications include the increase in operating expenses and asset maintenance investments for the public infrastructure over the long term. The current operating expenses and current asset maintenance investments must also be provided.

All estimates, all expenses and all investments must be presented as specified by the *Conseil du trésor* in the criteria indicated in section 16 of the Public Infrastructure Act (chapter I-8.3) for a public infrastructure project to qualify as a major project. Their net present value (NPV) must also be presented for option comparison purposes.

- M. The planned financing strategy must show:
- the Government’s investment to be registered in the next QIP, including the self-financed investments of the public bodies;
 - the confirmed and probable investments from other bodies (federal, municipal, foundation, not-for-profit organization, private sector, etc.) to finance the total cost of the project and the processes undertaken in this regard;
 - the planned financing method (loan, cash, etc.) to finance the Government’s investment and the impact on the Government’s debt.

Choice and justification of the best long-term option – s. 15.d)

- N. The best long-term option for meeting the need must be recommended in the opportunity assessment, specifying:
- i. Its scope, including the agreed level of quality in measurable data;
 - ii. Estimates of its total cost, its projected marginal budgetary implications and the long-term financing strategy;
 - iii. Its work schedule, including the identification of authorizations required by the Directive, synchronized with the planned financing strategy.

Annual allocation of required investments – s. 15.e)

- O. The annual allocation of the Government’s investment must show that the amounts in question are available in the QIP in effect or explain the strategy planned to make them available. The annual allocation of the confirmed and probable investments from other bodies (federal, municipal, foundation, not-for-profit organization, private sector, etc.) must also be presented.

Presentation of main economic and financial variables – s. 15.f)

- P. If the execution method requires long-term private financing, the economic and financial variables must be approved by the *Ministère des Finances et de l'Économie*.

A copy of the data approved by the *Ministère des Finances et de l'Économie* must be included in the opportunity case.

Estimate of the cost of the components required for the development of the business case – s. 15.g)

- Q. The estimate of the total cost of the components required to develop the business case must be presented in the opportunity case. The components used to develop the business case are those listed in section 21 of the Directive and any other component to be included as per section 23. The level of accuracy of each component to be included in the business case must also be stated. The estimate of the total cost to develop the business case includes the costs that are the responsibility of the public project proponent and the minister to whom it is responsible, if applicable, and it must be broken down by component. The opportunity case must state which components of the business case will be carried out internally by the project manager and which will be outsourced. All professional fees must be considered.

The availability of budget resources to develop the business case must be demonstrated, and the timeline for completing the business case must be separated from the preliminary project schedule and presented separately.

BUSINESS CASE

Project scope – s. 21.b)

- R. The analysis of the operational and technical requirements must allow the extent of the functional and technical needs of the project to be clearly defined and expressed.

Project work schedule – s. 21.d)

- S. The project work schedule and the estimate of its total cost must reflect the work breakdown structure described in the business case.

Project management plan – s. 21.k)

- T. The project management plan is a reference document that presents all the information related to the planning, execution, oversight, control and closing of the project. It documents all the actions required for the successful completion of the project.

SUMMARY PROGRESS REPORTS

Summary progress report – s. 27

- U. Each summary progress report for the project must include the following chapters:
- i. Summary description of the progress of the project;
 - ii. Earned value;¹
 - iii. Dashboard:
 1. Performance indicator for the total cost;
 2. Performance indicator for the work schedule;
 3. Registry of significant changes;
 4. Registry of the use of risk reserves.
 - iv. Main concerns of the SQI, the public project proponent and the minister in charge concerning the progress of the project and suggested solutions;
 - v. Conclusion.

PROJECT CLOSING REPORT

Project closing – s. 30

- V. The project closing report must include the following chapters:
- i. Description of the project;
 - ii. Evaluation of the project performance (scope, cost, schedule);
 - iii. Registry of significant changes;
 - iv. Lessons learned;
 - v. Conclusion.

¹ The earned value is the value of the work done, expressed in terms of the approved budget allocated to this work for an activity or a component of the project's work breakdown structure. It is the authorized work that was accomplished, plus the authorized budget for the finished work. (Source: Guide de corpus des connaissances en management de projet (Guide PMBOK), 4th edition.)

