

## TITLE

**CAPITAL MANAGEMENT DESIGN AND CONSTRUCTION CONTRACTS CHANGE MANAGEMENT**

## SCOPE

Provincial

## DOCUMENT #

1152-07

## APPROVAL AUTHORITY

Enterprise Risk Management Executive Committee

## INITIAL EFFECTIVE DATE

June 2, 2022

## SPONSOR

Capital Management

## REVISION EFFECTIVE DATE

Not applicable

## PARENT DOCUMENT TITLE, TYPE, AND NUMBER

Corporate Contracts Policy (#1152)

## SCHEDULED REVIEW DATE

June 2, 2025

**NOTE:** The first appearance of terms in bold in the body of this document (except titles) are defined terms – please refer to the Definitions section.

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This Procedure is to be used in conjunction with the AHS *Corporate Contracts* Policy. This Procedure only applies to **corporate contracts**. This Procedure only applies to corporate contracts overseen by Capital Management for design and construction related **change management**.

**OBJECTIVES**

- To set out the requirements for managing changes to Capital Management design and construction **contracts**.

**APPLICABILITY**

Compliance with this document is required by all Alberta Health Services employees, members of the medical and midwifery staffs, students, volunteers, and other persons acting on behalf of Alberta Health Services (including contracted service providers as necessary).

**ELEMENTS****1. Renewals and Extensions to Contracts**

- 1.1 Renewals** - Capital Management design and construction contracts are not written to be renewed or transferred. See the AHS *Real Estate and Leasing* Procedure for renewal and **extension** conditions.
- 1.2 Extensions** - Capital Management design and construction contracts do not have a set end date. Contracts are in place until the services and/or deliverables have been met and final payment has been made. Therefore, extensions consist of timeline changes that are mutually agreed to by both parties that revise the service and/or deliverable dates.

- 1.3 **Amendments** – Capital Management design and construction contracts have provisions within the terms and conditions of each Agreement associated to the amendments and the documents used to execute those amendments.

## 2. Contract Modifications

- 2.1 Where scope and/or dates of services and/or deliverables need to be revised, an amendment shall be required using the Change Order (Construction) or Design Change Order (Design) associated with the Agreement to be modified. Approvals to sign the Change Order or Design Change Order are based on the cumulative value of the contract and all changes associated to the contract. As the value increases, the approver may change as per the *Contract Signing Matrix*.
- 2.2 Where scope of services and/or deliverables introduce scope that extends or incorporates new area beyond the area of work defined in the Agreement, the relevant Capital Management Zone Lead's support for the scope changes shall be documented in writing before the change is fully executed.
- 2.3 Where the scope of services and/or deliverables are anticipated to extend beyond an existing **approved procurement exception (APE)** or **sole source**, a revised APE or sole source is to be approved as per the *AHS Capital Management Design and Construction Non-Competitive Procurement Procedure* before the Notice of Change or Change Order process proceeds to a quote status.
- 2.4 If the scope of work is urgent, emergent, or difficult to define, a Change Directive can be issued to address the urgent/emergent work or to request work to commence using time and material to a set maximum dollar value, typically \$10,000. All Change Directives shall be followed up with a Change Order or Design Change Order to reflect the actual cost of the work and is signed by the appropriate signing level as outlined in the *Contract Signing Matrix*.
- 2.5 All Changes are to be entered into the Capital Management e-Facilities Projects Module before the Change Order or Design Change Order is fully executed to confirm there are sufficient funds to address the change.

## DEFINITIONS

**Amendment** means any change to the terms, conditions, scope, and/or value of a contract.

**Approved procurement exception (APE)** means the acquisition of goods/services, including construction reflected in a corporate contract, which is created or arises by means of a non-competitive process. See the *Capital Management Non-Competitive Procurement Procedure* (#1152-08) for details on allowable non-competitive procurements.

**Contract** means a legally enforceable agreement made between AHS and one or more parties. For the purposes of this Procedure, a contract shall include, but not be limited to, agreements such as a binding memorandum of understanding, letter of intent, early start letter, information

sharing/management/data sharing agreement, confidentiality/non-disclosure agreement, and purchase orders used to effect a procurement.

**Change management** means the management of the amendments or extensions of Capital Management design and construction corporate contract, to modify the terms and conditions including scope, time and/or cost outlined in the Agreement.

**Corporate contracts** means all contracts except:

- Human Resources contracts (contracts relating to human resources functions which govern AHS employees, students and volunteers, and which do not pertain to goods, services or equipment);
- Research contracts (contracts relating to research ethics board approved research, including agreements relating to clinical trials, and observational/retrospective research, including but not limited to clinical trial agreements and research-related confidential disclosure, biological material transfer, and data transfer agreements); and
- Self-Managed Care contracts (contracts with AHS clients/patients to provide them with funds to pay for their own home care services with a 3<sup>rd</sup> party provider).

**Extension** means a prolongation of the previous term of the contract without interruption.

**Renewal** means keeping an existing arrangement in force for an additional period of time, by exercising an existing option or right contained in the corporate contract.

**Sole source** means the acquisition of goods/services, including construction reflected in a corporate contract which is created or arises by means of a non-competitive process. See the *Capital Management Non-Competitive Procurement Procedure* (#1152-08) for details on allowable non-competitive procurements.

## REFERENCES

- Alberta Health Services Governance Documents:
  - *Capital Management Design and Construction Non-Competitive Procurement Procedure* (#1152-08)
  - *Capital Management Design and Construction Procedure* (#1152-06)
  - *Capital Management Real Estate and Leasing Procedure* (#TBD)
  - *Code of Conduct*
  - *Conflict of Interest Bylaw*
  - *Corporate Contracts Policy* (#1152)
  - *Delegation of Approval Authority Policy* (#1168)
  - *Electronic Signatures Policy* (#1190)
- Non-Alberta Health Services Documents:
  - Canadian Free Trade Agreement
  - New West Partnership Trade Agreement
  - Trade, Investment, and Labour Mobility Agreement

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