

Alberta Use of Value Management Process in Schools

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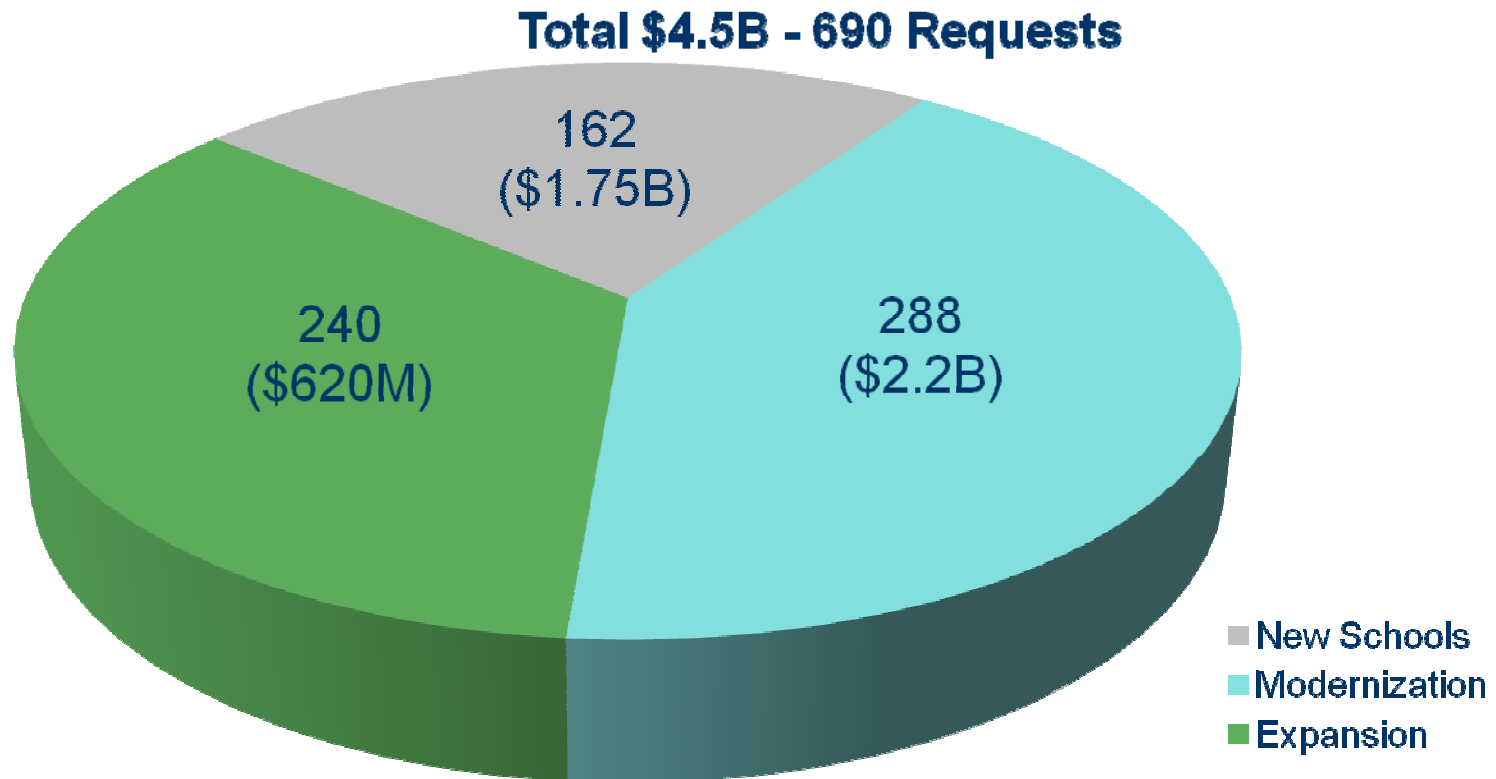
Why Use Value Management?

- Ensure taxpayers receive value for public investment.
- Project follows approved scope (avoid “Scope Creeps”).
- Gain insight into projects to ease prioritization.
- Achieve “buy in” from stakeholders.

Capital Planning Process

- Submission of Capital Plans.
- Review of submission
 - New construction
 - Major upgrading
- Submission of provincial priority list for approval by Treasury Board.
- May 2011 - \$550 Million
 - 22 new Schools (P3 = 11 schools)
 - 13 major modernization (majority VM)

Alberta Demand for School Capital Projects 2011



Criteria being Considered in Project Prioritization

- Health and Safety.
- Program Delivery (functionality).
- Access to Services.
- Legal Compliance.
- Project Impact (environmental, social, economic).
- Space Utilization.
- Physical Conditions.

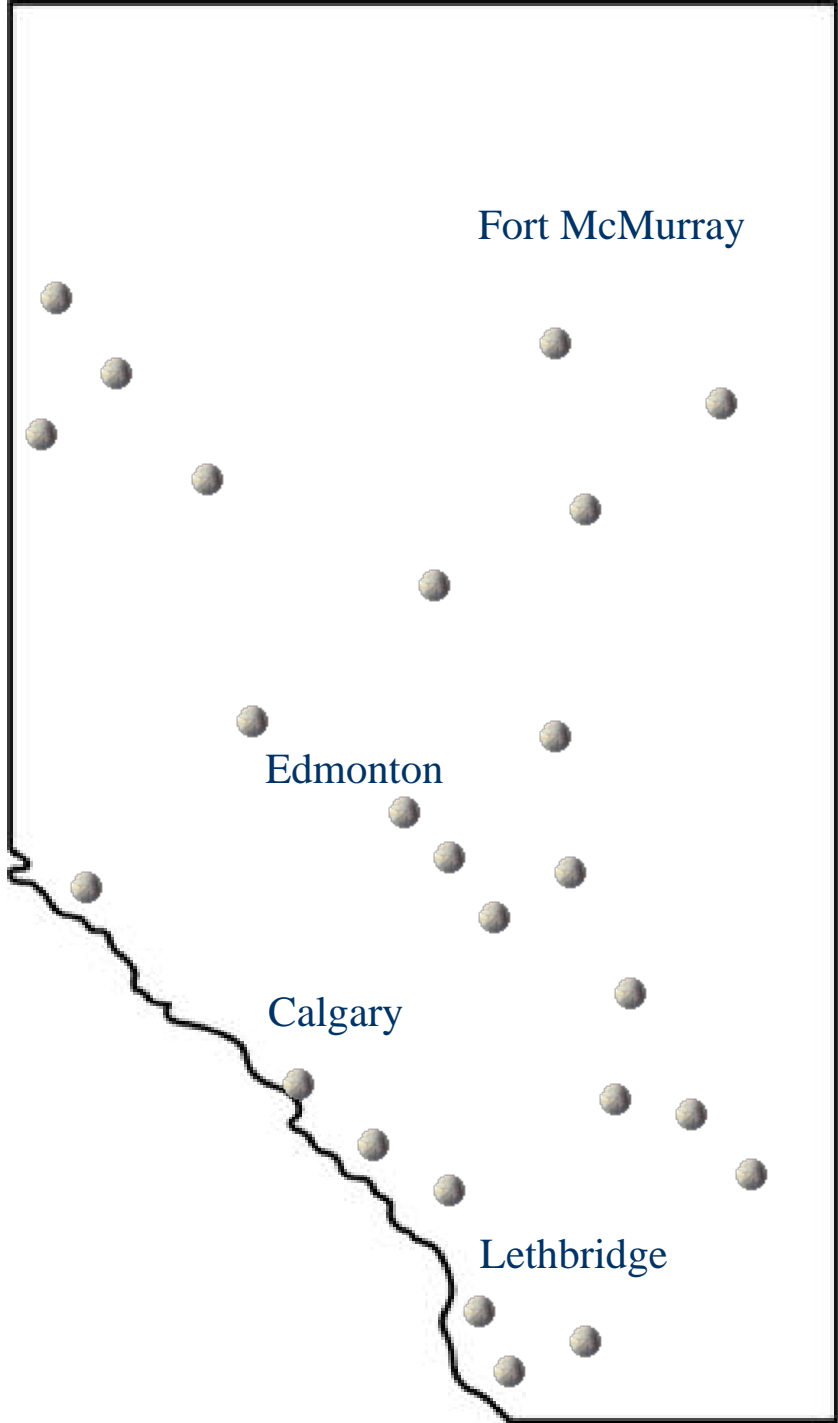
Selection of VM Projects

- Top priority for the Jurisdiction.
- Complex issue.
- Ability to examine a broad perspective (e.g. Public – Catholic solutions).

Process Overview

Three day workshop follow sequential steps:

- Information
- Functional analysis
- Creative Ideas
- Analysis
- Development
- Implementation



VM Process: Initial Steps

- Collect information
 - Review the “bigger picture”
 - Enrolment trends
 - Facility condition assessment
 - Alternative courses of action
- Contract Consultants
 - Facilitator – Certified Value Specialist
 - Architectural Services
 - Cost Consultant

VM Process: Participants

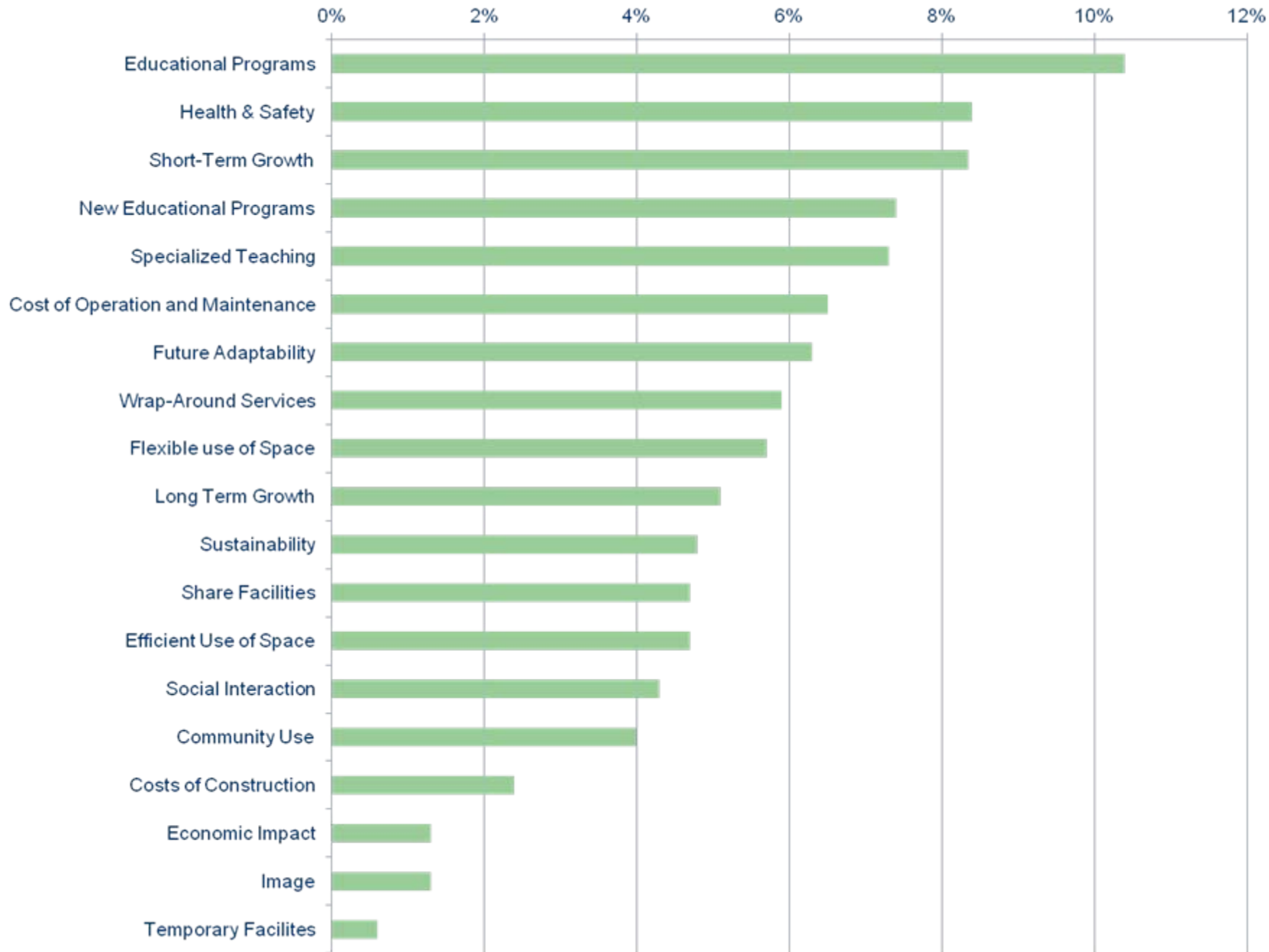
- VM consultant team.
- Alberta Education and Infrastructure.
- School board trustees.
- School board senior administration.
- School administration and staff.
- Parent representatives.
- Municipal and Community representatives.

VM Process: Building Consensus

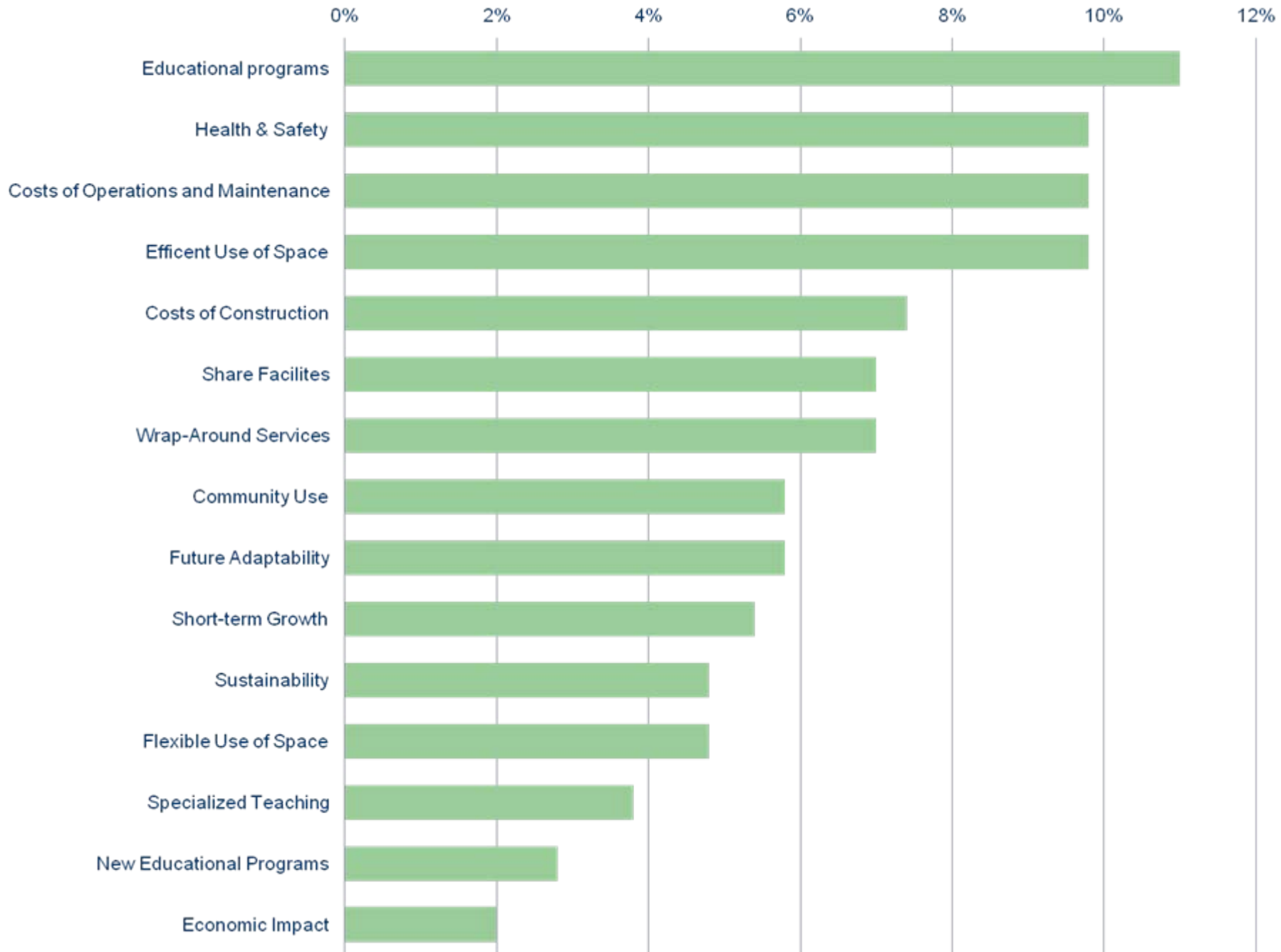
Rules of engagement:

- Introduction – individuals, organizations, expectations.
- Talk freely, be respectful, listen.
- Flush out options in small groups.
- Generate ideas, work towards mutual benefit (win-win).
- Review options and cost estimates.

Collective VM Workshop Representatives Criteria Prioritization



Alberta Provincial Representatives Criteria Prioritization



Risk Analysis

- The VM Workshop included a session focused on identifying potential risk factors. Participants made collective decisions relative to the probability and impact of those factors that were identified by assigning values ranging from Low, Medium and High. The following table represents these risk factors in order of potential magnitude.

Risk Analysis

Risk Factors	Probability	Impact
Funding Approval	M	H
Public Approval	L-M	H
Economy	M	M
Board Approvals	L	H
Program Operations during Construction	L	H
Staff Approval	L	H
Cost	L	H
Functionality of Infrastructure & Systems	L	H
Safety during Construction	L	H
Municipal Approval (e.g., site access & support)	M-H	L
Validity of Assumptions (e.g., program demographics, etc.) at time of funding	L	M
Partnerships (e.g., municipal, college)	M	L
Constructability	L-M	L
Long-Term Solutions (e.g., 2,500 Students)	L-M	L

VM Process : Reports

- Draft within six (6) weeks.
- Input from Stakeholders.
- Final report within 12 weeks.
- Consideration of project –
Subsequent Capital Plans.

Final Report

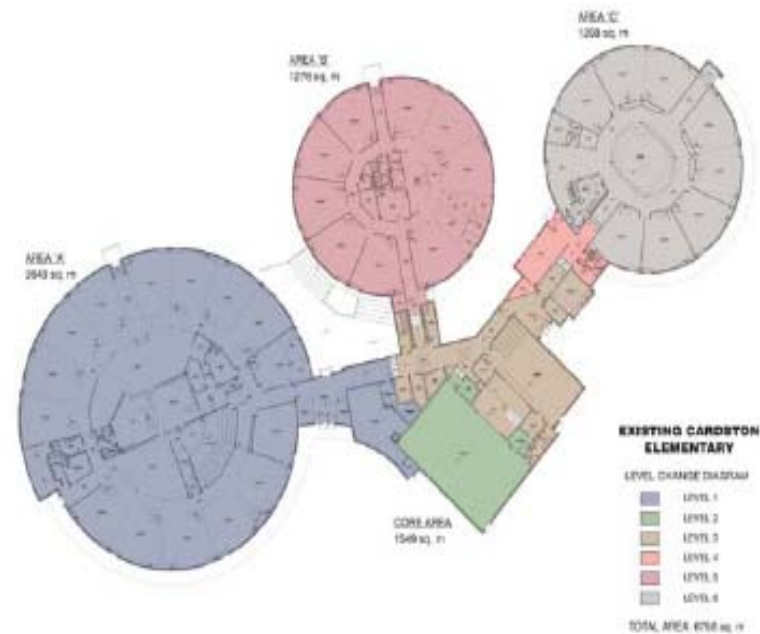
- Summary of Workshop
 - Ideas generated
 - Function analysis
 - Alternatives identified
 - Recommended option
- Conceptual drawings
- Cost estimate
- Risk registry
- Proposed schedule
- Proposed partnerships (larger gym, library etc.)



Success Stories

Cardston Schools

- Improved utilization of space – net reduction of 1,100m².
- Net savings of \$1m in capital cost - \$4m in life cycle cost NPV.



Success Stories

Cardston Schools

- Grade reconfiguration:
9-12 HS, 6-8 JR and K-5 Elementary.
- Demolition of space at elementary school and addition of new gym.
- Reduced PO&M costs.
- Hybrid solution came at last day by the shop teacher.

Success Stories

Ponoka Schools

- Grade Reconfiguration (K-7 & 8-12)
- Improved utilization of space –
4 schools down to 2 schools
- Net reduction of 1,700m²
16,300m² to 14,600m²
- We were able to maintain CTS
programs and reduce PO&M costs.
- Net savings of \$4m in capital cost
and \$8m in life cycle cost NPV.

Innisfail Schools Preferred Options



Lessons Learned

- ✓ Early involvement of stakeholders & experts results in more creative solutions.
- ✓ Open process and consensus building results in “buy in” from stakeholders.
- ✓ Focus on ‘need’ and ‘function’ rather than starting with available resources.
- ✓ Value management enables planners to be proactive.

