
Response to the independent report on the management of Québec Infrastructure Plan**The government reveals its action plan
A Better Way to Manage our Infrastructure**

Québec, November 20, 2012 – The Minister responsible for Government Administration, Chair of the Conseil du trésor and Government House Leader Stéphane Bédard addressed the recommendations made by SECOR-KPMG and presented his action plan A Better Way to Manage our Infrastructure in order to make the planning and management process for the Québec government's infrastructure projects stricter.

Major deficiencies were found in the planning and management of infrastructure projects. The annual level of investment has more than tripled since 2007, which places very significant pressure on program spending. In addition, an unconscionable percentage of cost overruns—78% on average—was observed for 20 or so major projects.

“SECOR-KPMG's report, made public last week, illustrates the previous government's absence of vision and coherence in managing public infrastructure projects. We must restore order to the management of projects and correct the errors of the past as soon as possible. We must prioritize good projects that comply with our collective capacity to pay. With this action plan, the government is giving itself a long-term vision centred on the priorities of Quebecers”, Minister Bédard added.

Tabling of a ten-year investment plan

The portfolio of infrastructure projects and investments to maintain assets are currently planned for five years. The planning and implementation of projects often cover a much longer period. Consequently, the government will table a ten-year investment plan that will make it possible to conduct prospective analyses of needs, carefully gauge the leeway available and make good choices, on the basis of the government's priorities for action.

Presentation of annual investment management plans (PAGI) by departments and bodies

In order to promote accountability with MNAs, the *Public Administration Act* provides for the tabling before the National Assembly of an annual expenditure management plan (PAGD) for each portfolio for which a Minister is responsible. From the same standpoint of transparency and accountability, each Minister will have to prepare an annual investment management plan for the department and bodies under his or her responsibility. The plan will be submitted with the PAGD.

Approval of projects by the Cabinet before they begin

From now on, no new major project will be announced without the prior approval of the Cabinet and without being given adequate funding. The project's memorandum of authorization and the accompanying analysis file will have to contain an analysis of a socioeconomic and financial nature that makes it possible to compare the economic and social profitability of the project and facilitate decision making.

Merger of the Société immobilière du Québec (SIQ) and Infrastructure Québec (IQ)

The role of IQ has to be reviewed so that IQ provides better support for departments and bodies. IQ manages a \$30-billion project portfolio and lacks resources and expertise in project management. The merger of IQ and the SIQ, which has great expertise in project execution, will ensure perfect complementarity in the management of public infrastructure projects and will allow better synergy between their planning and their execution.

Adoption of a management framework for projects between \$5 million and \$40 million

The management framework for major projects must be strengthened. However, it was not normal that no special requirement applied to smaller projects. The government will make public next winter a management framework for projects whose projected costs are between \$5 million and \$40 million. Departments and bodies will also be responsible for constituting a project portfolio bureau and for reporting annually on the progress of their projects.

“I must mention that all projects under way will be completed, but delivered in an optimal manner. The budgetary context compels us, more than ever, to make the right choices. And to make the right choices, we need the right prices. That is why we recently tabled an unprecedented bill to restore integrity in awarding government contracts. The action plan is perfectly in step with this approach to improving public finances. That is how we will be able to restore public trust and make the right choices for our collective future”, Minister Bédard concluded.

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