

POLICY 2.15 - Approval of Capital Projects

Policy Category:	Financial
Subject:	Capital projects and authorities for construction and maintenance projects
Approving Authority:	Board of Governors
Responsible Officer(s):	Vice-President (Operations & Finance) Provost & Vice-President (Academic)
Responsible Office(s):	Vice-President (Operations & Finance) Provost & Vice-President (Academic)
Related Procedures:	Approval of Capital Projects – Procedures
Related University Policies:	MAPP 2.8 Procurement of Materials & Services Terms of Reference of P&F
Effective Date:	November 24, 2016
Supersedes:	September 27, 2016; June 29, 2004; April 23, 2002; September 28, 2000; March 27, 1997; May 25, 1995; June 27, 1991; January 27, 1983; November 27, 1981; October 16, 1970

I. PURPOSE & SCOPE

This policy and its accompanying procedures describe the processes by which all capital projects at the university are approved and carried out. It provides the approval authorities for all construction and maintenance projects based on the dollar cost of those projects and sets out principles for the issuing of tenders, the appointment of architects and consultants and the award of construction contracts.

II. POLICY

- 1.0 The Capital Plan, approved by the Board of Governors as part of the annual operating and capital budgets, provides guidance with respect to the priority of major capital, construction and maintenance projects.
- 2.0 Notwithstanding the financial authorities outlined in this policy, the administration has the discretion to forward a proposal that is within its expenditure limits to the Property & Finance Committee for advice.

POLICY 2.15 – Approval of Capital Projects

- 3.0 Any change of land use, including the siting of new buildings, requires approval by the Property & Finance Committee and the Board of Governors.
- 4.0 The Division of Facilities Management has sole responsibility for the development and implementation of approved construction and maintenance projects.
 - 4.1 Individual Departments/Units may not approve or undertake construction and maintenance projects without the approval of the authorities noted in this policy and its accompanying procedures.
 - 4.2 All requests for proposal for architectural or engineering or other design consultants must be initiated through the Division of Facilities Management and contracts with such consultants shall be administered and controlled by that division.
- 5.0 Except as may be authorized in specific instances by the Board of Governors, or by the Property & Finance Committee of the Board for projects within its authority for approval, contracts or agreements to which the University is a party, which involve construction projects (new buildings, additions, major alterations and renovations) and are expected to exceed \$100,000, shall be awarded on the basis of sealed tenders received from contractors in accordance with the Procedures for the Calling of Tenders for Construction and Maintenance Projects.
 - 5.1 The design and budget of a project must be approved by the appropriate authority in 6.0 below before tenders may be called by the Associate Vice-President (Finance & Facilities) or Executive Director (Facilities Development & Engineering).
 - 5.2 In appraising tenders or bids, the factors of quality, suitability, reliability and services shall be taken into account and the low tender on any bid may not necessarily be accepted.
 - 5.3 Unless otherwise authorized by the Board, tenders shall be opened in open session. All information concerning the tenders other than the quoted price figures shall remain confidential.
 - 5.4 Upon opening, tenders shall be recorded and given immediately into the custody of the Executive Director (Facilities Development & Engineering) for appraisal.
 - 5.5 The meeting which considers a recommendation for the award of a contract shall be held in closed session.
 - 5.6 Following the award of contract, the successful bid, with the statement that it was the low compliant bid, shall be announced publicly.

POLICY 2.15 – Approval of Capital Projects

6.0 Specific approval authorities

Type of Approval	Cost	Approval Authority
<i>Individual Project Approval</i>	Up to \$500,000	Executive Director (Facilities Development & Engineering)
	\$500,000 to \$1 million	Associate Vice-President (Finance & Facilities)
	\$1 million to \$2.5 million	Vice-President (Operations & Finance) or Provost & Vice-President (Academic)
	\$2.5 million to \$7.5 million	Property & Finance Committee
	Above \$7.5 million	Board of Governors
<i>Appointment of Architects & Consultants</i>	Up to \$250,000	Executive Director (Facilities Development & Engineering)
	Up to \$1 million	President or Vice-President (Operations & Finance) or Associate Vice-President (Finance & Facilities)
	Over \$1 million	Property & Finance Committee
<i>Award of Construction Contract</i>	Up to \$500,000	Executive Director (Facilities Development & Engineering)
	Up to \$1 million	Associate Vice-President (Finance & Facilities)
	\$1 million to \$5 million	President or Vice-President (Operations & Finance)
	Above \$5 million	Property & Finance Committee
<i>Costs in excess of approved total project budget</i>	Up to \$100,000	Associate Vice-President (Finance & Facilities)
	\$100,000 to \$1 million (projects up to \$25 million) to \$1.5 million (projects over \$25 million)	Vice-President (Operations & Finance)
	Above \$1 million for projects up to \$25 million Above \$1.5 million for projects over \$25 million	Property & Finance Committee

- 6.1 The Property & Finance Committee may delegate its authority for approval of the appointment of architects and consultants or the award of construction contracts to a sub-committee consisting of the President, the Vice-President (Operations & Finance) or the Associate Vice-President (Finance & Facilities), and the Chair of the Property & Finance Committee when a meeting of the Property & Finance Committee is not imminent and approval is required in order to meet project deadlines, provided that the cost of the proposed appointment or construction contract is within the approved budget for the project.

POLICY 2.15 – Approval of Capital Projects

7.0 Reporting

The following regular reports related to capital projects and the capital plan shall be submitted:

Report	Timing	Receiving Body
Capital expenditures over \$2.5 million (completed projects)	Annual	Property & Finance Committee Board of Governors
Update on capital projects	Each P&F meeting	Property & Finance Committee
Award of contracts over \$100,000 issued through MAPP 2.15	Each P&F meeting	Property & Finance Committee
Report on Capital Debt	Quarterly	Property & Finance Committee Board of Governors