



POLICIES AND PROCEDURES FOR CAPITAL BUILDING AND RENOVATION PROJECTS

PREAMBLE

At the start of all building and renovation capital projects, the terms of reference of the Campus Planning Committee and the Finance Committee should be reviewed to confirm the role of both committees in advising the Board of Governors.

It is the responsibility of the Board of Governors to approve the budget and funding for capital building and renovation projects.

It is the responsibility of the Campus Planning Committee to review proposals, cost estimates and plans for capital building and renovation projects and advise the Board of Governors according to the terms of reference and the Policies and Procedures set out below for Capital Building and Renovation Projects. The Campus Planning Committee should meet regularly when a capital building or renovation project is in process.

It is the responsibility of the Finance Committee of the Board to review the reports of the Campus Planning Committee which have financial implications, to make recommendations on those implications to the Board and to assume the responsibilities set out below in the Policies and Procedures for Capital Building and Renovation Projects exceeding \$1M in scope. The Finance Committee meets regularly but may be required to meet more often while a capital building and renovation project is underway. All reports made to the Campus Planning Committee with respect to capital building and renovation projects should be copied to members of the Finance Committee to keep them fully informed.

POLICIES AND PROCEDURES FOR CAPITAL BUILDING AND RENOVATION PROJECTS

1. The responsibility for financial management, budget control and financial reporting for all capital projects should be assumed by Financial Services under the direction of the Director, Finance and Administration.
2. Decisions with respect to funding for projects is a responsibility of the Board of Governors.
3. The Director, Finance and Administration is responsible to ensure that there are proper financial controls in place to monitor and track project funding and project expenditures.
4. The scope of the project should be clearly identified at the outset.
5. Any significant change in the overall scope of the project requires the approval in advance of the Campus Planning and Finance Committees.

Policies and Procedures for Capital Building and Renovation Projects (Continued)

6. Before a project is approved, the type of project management desired should be identified. Construction methodology should be identified and appropriate modifications made to the proposed policies and procedures so that they are adequate for and relevant to the construction methodology and the scope and complexity of the project.

Reviewed by the Campus Planning and Finance Committees, these policies and procedures should be attached to the project plan and budget.
7. Adequate errors and omissions insurance must be available for capital projects, regardless of which construction methodology or delivery system is selected.
8. To ensure that the budgeted cost for a proposed capital project has been properly determined at the outset, the Campus Planning Committee and Finance Committee should bring proposals for capital projects to the Board for final approval only after they are satisfied that the project has been properly designed and costed. Tenders should be called by Procurement Services and costs verified in consultation with Facilities Management and Financial Services.
9. A realistic assessment of the kinds of project assistance and additional human resources required should be made by Facilities Management and recommended in the proposed project budget, along with job descriptions.
10. Budgets, no matter who may have initially prepared them, should be discussed and reviewed in detail with the Director, Finance and Administration before they are submitted to the Board. Budgets must be sufficiently detailed to track the cost of various elements of the work.
11. The budget must contain a realistic and sufficient contingency amount to absorb any unforeseen expenses. Spending of any contingency amounts in the budget for a capital project requires the approval, in advance, of the Director, Facilities Management, Director, Finance and Administration and the Vice-President Administration. Campus Planning and Finance Committee should be updated at regular milestones - 50%, 75% and 100% of contingency spending.
12. Change Orders are to be developed in consultation with the Project Manager, the Director of Facilities Management and the Contractor. These Change Orders are required to be approved by the Contractor, Architect, Director of Facilities Management, Director, Finance and Administration and Vice-President (Administration). When approval is given to spend a contingency amount, the appropriate line item on the project budget should be charged and the contingency reduced.
13. Detailed financial reports should be made to the Chair of the Campus Planning Committee and the Chair of the Finance Committee on capital projects underway, at each Committee meeting, as follows:
 - Facilities Management shall provide a summary of issues and concerns on what activity has taken place in the appropriate month, what tenders circulated and awarded, what changes occurred or may take place in the scope of the project.

Policies and Procedures for Capital Building and Renovation Projects (Continued)

- Financial Services will prepare a detailed financial variance report to accompany the descriptive report prepared by Facilities Management.
14. Reporting and monitoring of capital projects should include all actual expenditures to date compared to budget as well as the cost to complete the project (projections) compared to total budget.
 15. All work should be tendered with sufficient lead time to clarify details and adjust the scope of the work to comply with the budget.
 16. A clear procedure for documentation of all change orders must be provided in project management as well as clear documentation procedures and authorities for any change in the scope of the project.
 17. Contracts awarded should be assigned a purchase order number so that it can be tracked in the commitment system of the University, similar to other expenditures. Encumbrances should be made as soon as they are known.
 18. All contracts on capital projects should be signed by the Vice-President, Administration, in consultation with the Director, Facilities Management and the Director, Finance and Administration.
 19. Appropriate documentation for all work must take place before that work proceeds, including clear instructions on tenders.
 20. All invoices and progress claims should be reviewed in detail and approved by the appropriate persons (Architect, Engineer, Project Manager, Director, Facilities Management, Director, Finance and Administration) and immediately forwarded to Financial Services for processing of payment.
 21. The Director, Facilities Management and the Director, Finance and Administration should meet monthly to review in detail the budget, projections and completion dates with the Vice-President, Administration. Such meetings should be held more or less frequently depending on the size, complexity, and construction stage of the project.

Approved by the Board of Governors: February 24, 2011

Reviewed by the Campus Planning Committee: January 15, 2014 (no changes)