



POLICY FOR CAPITAL BUILDING AND RENOVATION PROJECTS

A. BACKGROUND AND PURPOSE

1. This policy and related procedures that will be established for each capital building and renovation project (“Capital Project”) provides a governance structure for the management of Capital Projects at Mount Saint Vincent University which will ensure:
 - (a) Appropriate Board of Governors’ oversight of projects in the context of the strategic plan of the University;
 - (b) Defined accountability in project delivery administrative structures; and
 - (c) Appropriate approval of Capital Project expenditures beginning at project inception and throughout the design and implementation phases until a fully commissioned facility or system is complete.

B. ADMINISTRATIVE STRUCTURE

1. At the start of all major 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.
2. It is the responsibility of the Board of Governors to approve the budget and funding for Capital Projects in excess of \$500K.
3. Regardless of the amount, any capital project, which is being funded through a funding source which requires Board of Governors approval in accordance with Board policy (such as debt financing), will require Board approval via the Finance Committee.
4. 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 in accordance with its Terms of Reference and to assume the responsibilities set out below in this policy for Capital Building and Renovation Projects.
5. It is the responsibility of the Finance Committee of the Board to review the reports of the Campus Planning Committee which have financial implications and to make recommendations on those implications to the Board in accordance with its Terms of Reference and to assume the responsibilities set out below in this policy for Capital Building and Renovation Projects.
6. 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.
7. The technical aspects of execution of construction and renovation of Capital Projects as well as project budget development and cost containment will be the responsibility of the

Director, Facilities Management.

8. The Vice-President (Administration) will have overall responsibility and ongoing oversight of all aspects of Capital Projects.

C. FOR MAJOR CAPITAL PROJECTS (WITH A CAPITAL COST OF \$1M OR MORE):

1. The scope of the project should be clearly identified at the outset.
2. A project planning document should be prepared for the Finance and Campus Planning Committees and the Board of Governors, as part of the approval process prior to the start of each Capital Project. As part of the planning document:
 - (a) The scope of the project should be clearly identified;
 - (b) The project delivery method/construction methodology should be established;
 - (c) A realistic budget identifying the total costs associated with the project by major category;
 - (d) A plan for funding of the costs of the project;
 - (e) A timeline/schedule for the project implementation;
 - (f) A risk assessment for the project implementation.
3. The Campus Planning and Finance Committees will meet, often in a joint meeting, to review each project proposal. It will be the Finance Committee's responsibility to recommend such capital projects to the Board for final approval only after they are satisfied that the project has been properly designed, aligned with the Campus Master Plan, and costed with appropriate funding in place.
4. Any significant change in the overall scope of the project requires the approval in advance of the Campus Planning and Finance Committees.
5. Appropriate modifications should be made to the project oversight procedures so that they are adequate for and relevant to the construction methodology and the scope and complexity of the project.
6. To ensure that the budgeted cost for a proposed capital project has been properly determined at the outset, a detailed budget should be prepared under the direction of the Director, Finance and Administration, the Director, Facilities Management, and the Vice-President (Administration).
7. The budget must contain a realistic and sufficient contingency amount to absorb any unforeseen expenses. Sufficient controls will be established for each project to ensure proper vetting of expenditures from the contingency with oversight of the Director, Facilities Management, Director, Finance and Administration and the Vice-President (Administration). Campus Planning and Finance Committees should be updated on the status of the contingency at each Committee meeting during the active term of a project.
8. A funding plan will be developed for each project which may include a combination of grant funding, fund-raising, revenue generation, debt financing or other funding sources. Proposals for use of debt financing must be handled in accordance with the Financing Policy of the Board of Governors.
9. A timeline/schedule will be established for each capital project as part of the project plan and monitored throughout the implementation of the project.
10. As part of the initial risk assessment for Capital Projects, consideration should be given to

the level and types of insurance required to minimize the risk on the project.

11. At each Campus Planning and Finance Committee Meeting, detailed project reports will be presented on Capital Projects in progress, including financial status of the project, activity that has taken place since the last report, status of the contingency, a summary of any issues and concerns including any risks identified, and an update on the project schedule.
 - Depending on the size and complexity of a project, a Sub-Committee of the Finance and Campus Planning Committees may be constituted to review project reports on a more frequent basis.
12. 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.

D. FOR CAPITAL PROJECTS WITH A CAPITAL COST OF LESS THAN \$1M but more than \$500K:

1. Project proposals with a total cost of less than \$1M but more than \$500K will be brought to the Campus Planning and Finance Committees for recommendation to the Board of Governors, which will be responsible for approving the project to proceed including any funding proposals. The project proposal may be less detailed than noted above for larger projects but will still include a budget estimate and funding proposal. Updates will be provided at regular Campus Planning and Finance Committee meetings as to progress on the project during implementation.

E. FOR CAPITAL PROJECTS WITH A CAPITAL COST OF \$500K OR LESS:

1. Projects will not require Board approval except as noted under section B.3 but may be brought forward to Campus Planning and Finance Committee for information and updates during implementation.

Approved by the Campus Planning Committee: September 12, 2017

Approved by the Finance Committee: November 14, 2017

Approved by the Board of Governors: November 23, 2017