

## Capital Projects Approval Procedure

<b>Classification</b> Governance	<b>Table of Contents</b>  <a href="#">1 Purpose</a> ..... 1 <a href="#">2 Scope</a> ..... 1 <a href="#">3 Definitions</a> ..... 1 <a href="#">4 Procedures</a> ..... 2 <a href="#">5 Instructions/Forms</a> ..... 4 <a href="#">6 History</a> ..... 4
<b>Approval Authority</b> Board of Governors	
<b>Implementation Authority</b> Vice President (Finance) and Chief Financial Officer	
<b>Effective Date</b> June 23, 2017	
<b>Latest Revision</b>	

- 1 Purpose**                   The purpose of this procedure is to outline the approval process for University Capital Projects.
- 2 Scope**                     This procedure applies to all Capital Projects.
- 3 Definitions**
- In this procedure:
- “Capital Project” means all infrastructure, information technology, learning resources, and furniture, fixtures and equipment capital projects, excluding budgeted maintenance projects.
- “Project Sponsor” means the member of the Executive Leadership Team that is bringing the Capital Project forward for approval.
- “Executive Leadership Team” means the President, all Vice Presidents and the General Counsel of the University.
- “Finance and Property Committee” means the Finance and Property standing committee of the Board of Governors.

## 4 Procedures

### Capital Projects Approval

#### General

- 4.1 All Capital Projects require both scope and budget approval and may have two approval stages; planning/design and implementation. Where appropriate, approval for both stages may be sought simultaneously, in which instance, the Final Approval Authority will be determined based on the combined budgeted cost of both stages.
- 4.2 Capital Projects may be approved in principle in advance of funding being secured.
- 4.3 Planning, review and implementation of all Capital Projects will be carried out by, and under the authority of, University administration in accordance with established operational processes and internal controls.
- 4.4 Annually, the Board of Governors approves the aggregate capital budget as part of the University's Comprehensive Institutional Plan.

#### Supporting Documentation

- 4.5 All Capital Projects must be presented for approval using the Capital Projects Proposal Template.
- 4.6 A Capital Project submitted for approval must include confirmation that the Capital Project has been reviewed in accordance with established operational procedures.

#### Approval Authority

- 4.7 Approval Authority for Capital Projects is as follows:

<b>Budgeted Cost of the Capital Project or stage of the Capital Project for which approval is being sought</b>	<b>Final Approval Authority</b>
\$0 to \$1.5 million	The President, a Vice President or General Counsel <sup>1</sup>
>\$1.5 million to \$3 million	The Executive Leadership Team Operations Group <sup>2</sup>
> \$3 million to \$6 million	The Finance and Property Committee
> \$6 million	The Board of Governors <sup>3</sup>

<sup>1</sup> In accordance with the following approval classification:

Infrastructure	Vice President (Facilities)
Learning Resources	Provost and Vice President (Academic)
Information Technologies	Vice President (Finance and Services)
Furniture and Fixtures	The President, all Vice Presidents and the General Counsel within their areas of oversight

<sup>2</sup> The Executive Leadership Team Operations Group is comprised of all of the Vice Presidents and the General Counsel.

<sup>3</sup> When time permits, Capital Projects for which the Board of Governors is the Final Approval Authority will be taken to the Finance and Property Committee for review and recommendation prior to being submitted to the Board of Governors for approval.

### **Cost Overruns and Scope Changes**

**4.8** Costs additional to an approved budgeted cost and any associated scope changes will be approved as follows:

- a) Additional costs of up to \$750,000 and any associated scope changes will be approved by the Project Sponsor except where the additional costs plus the approved budgeted cost exceeds the approval limit of the original Final Approval Authority, in which case the Final Approval Authority within whose authority limits the new cost amount falls will approve the additional costs and any associated scope changes; and
- b) Additional costs in excess of \$750,000:
  - i. If the additional costs plus the approved budgeted cost remain within the approval limits of the original Final Approval Authority, then the original Final Approval Authority will approve the additional costs and any associated scope changes; and
  - ii. If the additional costs plus the approved budgeted cost exceeds the approval limit of the original Final Approval Authority, then the Final Approval Authority within whose authority limits the new cost amount falls will approve the additional costs and any associated scope changes.

**4.9** In respect of scope changes that do not result in additional costs:

- a) Scope changes that constitute a significant change to the originally approved scope of the Capital Project will be submitted to the original Final Approval Authority for approval; and
- b) Scope changes that do not constitute a significant change to the originally approved scope of the Capital Project will be approved by the Project Sponsor.

### **Reporting**

**4.10** Capital Projects and maintenance projects costing \$3 million or more will be reported to the Board of Governors in accordance with established reporting procedures.

**5 Instructions/Forms** Capital Project Proposal Template.

**6 History** June 23, 2017 Approved.

June 23, 2017 Effective.