

 <b>DALHOUSIE UNIVERSITY</b> <i>Inspiring Minds</i>  <b>CAPITAL PROJECTS GOVERNANCE POLICY</b>	<i>Policy Sponsor:</i> Board of Governors	<i>Approval Date:</i> Board: June 24, 2014
	<i>Responsible Unit:</i> Office of VP Finance & Administration	<i>Revisions:</i>

**A. Background & Purpose**

1. This policy and the related procedures provide a governance structure for the management of Capital Projects at Dalhousie which will ensure:
  - a. Appropriate Board of Governors’ oversight of projects in the context of an institutional capital expenditure plan which is aligned with the strategic goals of Dalhousie;
  - b. Defined accountability in project management 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. Application**

This Policy applies to all Capital Projects which fall under the jurisdiction of the Capital Projects and Facilities Committee.

**C. Definitions**

1. In this Policy:
  - a. “Capital Project” means those projects which fall under the jurisdiction of the Capital Projects and Facilities Committee as set out in that Committee’s terms of reference.
  - b. “Committee” means the Capital Projects and Facilities Committee.
  - c. “Multi-Year Capital Plan” means the plan referred to in Section F.2.
  - d. “Protocols” means the written operational directives, intended to support the implementation of this Policy.

#### **D. Policy**

1. All Capital Projects must be approved by the Board of Governors.
2. All Capital Projects must be developed and implemented in accordance with this Policy.
3. The Committee will report to the Board on the progress of Capital Projects.

#### **E. Administrative Structure**

1. Authority: This Policy falls under the authority of the Vice President Finance and Administration.
2. Reporting to the Board: Following each meeting of the Committee, the Chair of the Committee will deliver a report to the Board which will include:
  - a. A list of all Capital Projects on the Multi-Year Capital Plan;
  - b. A summary of progress with respect to each Capital Project on the Multi-Year Capital Plan.
  - c. A summary of any Capital Projects which are in Phase 1 of the procedures listed below.
  - d. Any other such reporting as the Board deems necessary.

#### **F. Procedures**

1. **Project Phases** - The implementation of all Capital Projects will include the completion of the following phases:
  - a. **Inception Phase**
    - i. To commence the planning of Capital Projects individuals are to contact the Assistant Vice-President, Facilities Management.
    - ii. The University will use predominately internal resources to establish the justification for the Capital Project in the context of the Multi-Year Capital Plan, a preliminary cost estimate for both capital and operating costs, sources of funding, impact on debt capacity, a timeline for implementation and conceptual design including site location and a communications/engagement plan.
    - iii. If the Vice-President, Finance and Administration deems it appropriate, following consultation with the senior administration, they will present a recommendation to the Committee that the Capital Project move to the Pre-Planning Phase.
  - b. **Pre-Planning Phase**
    - i. The Committee will approve commencement of the Pre-Planning Phase. Such approval will include authorization to engage external resources during the Pre-Planning Phase and any other conditions the Committee determines are appropriate. The spending authorization for this phase will not normally exceed \$250,000.

- ii. Refined reports on the issues set out in F.1.a will be prepared using broader client and internal technical staff input, and external consultants where deemed necessary.
- iii. If the Committee believes the project should advance to the Design Phase, it will provide such a recommendation to the Board. The recommendation will include information as required by the Board from time to time and will include the conceptual design, preliminary project budget and timeline, preliminary funding plan and the rationale for the Capital Project.
- iv. The Board of Governors will approve commencement of the Design Phase. **This will be known as ‘Board 1’ approval.**

**c. Design Phase**

- i. The Design Phase will commence upon “Board 1” approval described above. Such approval will include authorization to spend a specified amount of funds during the Design Phase and any other conditions the Board determines are appropriate. Such approval will also result in the Capital Project being added to the Multi-Year Capital Plan.
- ii. The University will engage a prime design consultant and other external resources as required.
- iii. If the Committee believes the project should advance to the Implementation Phase, the Committee will provide such a recommendation to the Board. The recommendation will include information as required by the Board from time to time, and will include a detailed summary of the completed schematic or other design report, and Class C capital cost estimate or other appropriate project budget, a funding plan including proposed funding sources and impact of any required borrowing on debt capacity and a proposed method for construction or implementation.
- iv. The Board of Governors will approve commencement of the Implementation Phase. **This will be known as ‘Board 2’ approval.**

**d. Implementation Phase**

- i. The Implementation Phase will commence upon “Board 2” approval as described above. Such approval by the Board will include the scope of the Capital Project, the method of construction or implementation, the project budget and any other conditions the Board determines are appropriate.
- ii. Contract documents will be drafted in sufficient detail to procure implementation service providers for the completion of the Capital Project. Detailed cost estimates will be refined by the design details.
- iii. Implementation services providers will be engaged to complete the Capital Project.

**e. Post-Implementation Phase**

- i. The Capital Project will be commissioned.
- ii. The Committee will provide a report to the Board which confirms the compliance of the Capital Project to the design documents and original stated

objectives of the Capital Project, the completion date and the final accounting of costs associated with the Capital Project.

2. **Change in Scope, Budget, Etc.** - If during any of the phases set out above there is a substantial change to the scope, budget or financial considerations of a Capital Project, the Committee shall, inform the Board of the change and request approval to proceed with the Capital Project, with any conditions the Board considers appropriate.
3. **Multi Year Capital Plan** – Management shall establish and maintain a Multi-Year Capital Plan. The Multi-Year Capital Plan shall identify and prioritize the expected Capital Projects based on Dalhousie’s strategic plans. It will also identify the preliminary project budget and timeline and preliminary funding plan for the Capital Project.
4. **Protocols** – The Committee may adopt any operational Protocols which it considers necessary for the implementation of this Policy and Procedures.