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Name:	Fiscal Control of Major Capital Construction Projects
Policy Number:	3-5007
Origin:	Facilities Management
Approved:	July 2005
Issuing Authority:	Vice President, Finance & Administration
Responsibility:	Senior Director, Facilities Management
Revision Date(s):	Sept. 2006; Feb. 8, 2012; Sept. 5, 2013, June 1, 2015
Effective Date:	June 1, 2015

Policy:

The Policy and Procedures for major capital construction projects outlined below will apply to all major projects where the estimated value of the project is \$2,000,000 or more and/or as determined or directed by the Vice President Finance & Administration.

Budget Approval:

The budget for all major capital projects shall be approved by the Board of Governors. Any required funding for the project shall be approved by the Board of Governors. Expenditures shall not be authorized that exceed the budget provisions for the project.

Fiscal Oversight Procedures:

1. The responsibility for the financial management, budget control, financial reporting and funding for all capital projects shall be assumed by the VP Finance & Administration, Senior Director, Financial Services and Senior Director, Facilities Management.
2. The Senior Director, Financial Services and Senior Director, Facilities Management shall be responsible to ensure that there are proper financial controls in place to monitor and track project expenditures.
3. After approval by the Board, a Project Steering Committee chaired by the VP Finance & Administration shall assume responsibility for the project. A Budget Sub Committee chaired by the Senior Director, Financial Services shall be constituted and this sub-committee shall assume overall Fiscal responsibility for the Project.
4. Spending of any contingency amount in a budget for a capital project shall require the approval of the VP Finance & Administration and the Senior Director,

Financial Services. The Senior Director, Facilities Management and the Project Facilitator shall provide a letter of recommendation to spend the contingency.

5. Monthly financial reports shall be made by the Senior Director, Financial Services to the Steering Committee. Reporting and monitoring of capital projects shall include actual expenditures to date, compared to budget, as well as the cost to complete, compared to total budget. The process, as well as monitoring, shall factor in not only the amounts to be expended, but also the expected timing of expenditures.
6. University Procurement Policies and Practises shall be followed to ensure best price/value.
7. All contracts on capital projects over \$25,000.00 shall be signed by both, the VP Finance & Administration, and Senior Director, Financial Services. Contracts under \$25,000 may be signed by one of the VP Finance & Administration or Senior Director, Financial Services. The Senior Director, Facilities Management and the Project Facilitator shall provide a letter of recommendation to sign the contract.
8. Purchase orders shall be issued for all contracts awarded so that they can be tracked in the commitment system of the University, similar to other expenditures. The Senior Director, Facilities Management and the Project Facilitator shall sign and submit the Purchase Requisition with supporting bid information and a copy of the signed contract document once the contract has been signed.
9. All progress claims shall be reviewed in detail and recommended for payment by the Architect, Engineer, and Project Facilitator where applicable. Upon receipt of such recommendations, the Senior Director, Facilities Management and Senior Director, Financial Services shall jointly approve such claims for payment.
10. All extras to any contract in excess of \$15,000 before tax on a per occurrence basis shall be approved via a Change Order by the VP Finance & Administration and Senior Director, Financial Services. The Senior Director, Facilities Management and Project Facilitator shall provide a letter of recommendation.
11. Owner's Change Directives (OCD) may be issued on behalf of the Owner (University) for the acquisition of goods and services (except Design Services) in the following manner:
 - a. OCD's valued up to \$5,000 before tax may be issued and approved by the Project Facilitator
 - b. OCD's valued between \$5,000 to \$15,000, before tax, shall be recommended by the Project Facilitator and the Senior Director, Facilities Management shall approve such OCD's in accordance with University Procurement policies.
 - c. Additional Design Services. Design services beyond the scope of the initial Agreement executed with the Design Team must be approved by the VP Finance & Administration. Additional Design Services valued up to \$5,000 before tax may be approved by the Project Facilitator.

Contract Approval and Administration

1. Bid documents are prepared once the trade contract template (Form of Agreement) for the specific project has been set by the university in consultation

with legal counsel and insurance advisor /agent. The trade contract template has a footer to note date version and official Project name. Such Form of Agreement (Contract) is to be utilized for all trade package bid calls and Trade Contractor Contracts.

2. The Division 00 – Procurement and Contracting Requirements documents - are prepared in concert with the project facilitators, design and owner teams, as is Division 01 – General Requirements. These are included in each trade package bid call. The Division 00 includes an Appendix A, a table of contents (TOC) for the project manual. An Appendix B is prepared by the project facilitator for each trade contract included in Division 00. Appendix B is also known as the supplementary conditions.
3. Bid calls prepared by the Project Facilitator are posted by the University's Procurement Department on the NS government web site. The bid documents are distributed through the Project Facilitator only as are all communications to the bidders during the bid call. Addenda pertaining to the technical sections of the bid documents are prepared by the design consultant team and forwarded to the Project Facilitator. The Project Facilitator coordinates each addendum and issues to known bidders. The Project Facilitator advises Procurement Services of each addendum. Procurement Services posts only the notice of addenda on the NS government web site and method to get the addenda.
4. Bids are received at Facilities Management. All bids are scanned and posted on a common university computer drive file. As well, copies (PDFs) are sent to the Project Facilitator and Design Consulting Team for analysis and recommendations.
5. Once bids have been reviewed and the Project Team (Design Consultants, Project Facilitator, and Facilities Management) agree the low bid is compliant and recommendable, a pre-award meeting is held with the proposed recommended bidder. The pre award meeting agenda includes a review of the bid, list of outstanding documents required by the university before the award, and a Bidder confirmation that the Bidder understands the project scope and have included the specific scope of work in their bid price. The Owner and Design Team are invited to attend this meeting, chaired by the Project Facilitator.
6. The pre-award meeting clarifies, with the Bidder, the proposed recommended contract price, schedule, scope of work (Appendix B), provisional sums, and or unit rates.
7. An electronic Letter of Intent will be issued, following the meeting, by the Owner to the Trade Contractor via the Project Facilitator providing the Project Team's recommendation has been approved by the Vice President Finance & Administration. Before it is issued, the Letter of Intent will be recommended by the Senior Director, Facilities Management and approved by the Vice- President, Finance & Administration. The date of the Letter of Intent (electronic or otherwise) will be the date of the Trade Contract
8. Two identical formal Trade Contracts are prepared inserting the bid price, a precise list of the contract documents - Appendix A and the specific scope of work for the trade, and Appendix B. The bid document Division 00 Table of Contents is edited after the bids are received for each specific contract including: deleting the Division 00, incorporating all addenda and the listing of the specification date(s) and drawings in terms of revision number (version) and date(s). The Appendix B from Division 00, is edited in terms of : date, any specifics deemed necessary

during the pre-award process and included in the trade contract This Appendix B is also known as the supplementary conditions.

9. The two Contracts are provided to the Vice President Finance & Administration for signatures under a covering memo outlining the bid process, the bid analysis, the capital project funding account, and budget transfers, if required. The memo is signed off by the Senior Director, Financial Services, the Senior Director, Facilities Management and the Project Facilitator. The Owner will sign the Trade Contract first which will reduce the timeline for the bond procurement process
10. Once a signed Trade Contract has been returned to the Owner, Facilities Management will send the pertinent parts of the contract (everything in the contract ahead of the general conditions) to the University's Procurement Department to have a University Purchase Order (PO) issued. The request will direct the Procurement Department to view all bids received for the trade contract work on the common computer drive file. The original signed contract (Owner's copy) is sent up to Financial Services. The other signed contract stays with the Trade Contractor which triggers the issuance of bonds, specific insurance for the project, shop drawing production, mobilization on site, and the ordering of materials and components.
11. Mobilization on site for the Trade Contractors, particularly the initial excavation or demolition may take place immediately after the Letter of Intent, if and only if the valid WCB certificate, correct Insurance Certificate(s), valid Certificate of Recognition and required safety documentation are in place.
12. Bonding and insurance companies require a signed contract to issue project specific documents. Therefore the Owner's PO will be issued as part of the contract signing process for major capital projects and not held until bonds and insurance certificates are received. A WCB certificate which is provided with the bid, valid at the date of the bid submission may expire before the bid is accepted and may have to be updated.
13. To ensure the Trade Contractor has all their documentation submitted prior to commencing work, the Project Facilitator shall provide on a monthly basis a project specific spreadsheet which provides information on the securities (bonds or certified cheques) ; insurances certificates in accordance with the specified insurances; the WBC certificate with expiry date and an accepted safety program certificate. The required WCB, Insurance and securities documentation are required by the Project Facilitator, prior to work commencing on site.
14. Holdbacks will be released in accordance with the Trade Contract's terms and conditions when the Trade Contractor's work is substantially complete as verified by the Design Consultants.