

ACADEMIC COUNCIL REPORT

SESSION:

Public
Non-Public

ACTION REQUESTED:

Decision
Discussion/Direction
Information

TO: Academic Council

DATE: February 27, 2024

PRESENTED BY: Brad MacIsaac

SUBJECT: NEW – Capital Projects Policy

ACADEMIC COUNCIL MANDATE:

Under the Policy Framework and the University’s Act, the Board of Governors has a “duty to consult” on “all academic, research, service and institutional policies”.

BACKGROUND/CONTEXT & RATIONALE:

The University invests in capital infrastructure that are fundamental to achieving the University’s mission as a higher education institution. The objective of this policy is to support the development of Ontario Tech’s infrastructure by ensuring a best practice approach to planning, design, and implementation with consideration of the value and risk associated with investment. This policy puts in writing the general practice Ontario Tech has in place noting we will be moving to greater transparency by developing a five-year rolling Asset Management Plan.

The University’s approach to planning is to invest in a comprehensive long-term Campus Master Plan and to systematically establish medium term Asset Management Plans that set out specific Capital Projects to be designed and built in such a way as to meet present and future needs of the University community. The University shall permit or undertake projects in consideration of, among other things, the [Integrated Academic Research Plan](#) and Campus Master Plan and the source and availability of funds.

COMPLIANCE WITH POLICY/LEGISLATION:

This is not legally mandated.

CONSULTATION AND NEXT STEPS:

Presented to:

- ✓ Policy Advisory Committee – Policy Assessment (February 2, 2024)
- Academic Council – Consultation (March 26, 2024)
- Administrative Leadership Team – Consultation (April 9, 2024)
- University on-line Consultation (March 18 – 29, 2024)
- Audit and Finance Committee – Policy Deliberation (April 11, 2024)
- Board of Governors – Policy Approval (April 18, 2024)

SUPPORTING REFERENCE MATERIALS:

- Draft Policy



Item	xxx
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	Vice-President, Administration
Approval Date	DRAfT FOR REVIEW
Review Date	
Supersedes	N/A

CAPITAL PROJECTS POLICY

PURPOSE

1. The objective of this policy is to support the development of Ontario Tech’s infrastructure by ensuring a best practice approach to planning, design, and implementation with consideration of the value and risk associated with investment. The purpose of this policy is to set forth the principles and the people involved in authorizing Capital Projects. It is intended to (a.) ensure an institutionally integrated, consistent, and transparent process for evaluating and making strategic decisions on the prioritization of Capital Projects, and (b.) provide an appropriate level of governance oversight.

DEFINITIONS

2. For the purposes of this Policy the following definitions apply:

“Asset Management Plan” means a tactical plan that sets out the Capital Projects and Facilities Renewals to which the University has assigned priority for a specified period and that require one or more funding sources. This includes all fixtures, equipment and infrastructure be it new, repair, maintenance and/or replacement to deliver the standard of service required by the University.

“Campus Master Plan” means a plan that establishes a vision and framework to guide how and where the University campus will physically change in support of the University’s Integrated Academic Research Plan.

“Capital Planning Process” means the process by which Capital Projects are assessed, prioritized, approved, and implemented. The planning process informs the budget and Asset Management Plan.

“Capital Project” means a project that helps improve or augment university facilities. Capital Projects include, but are not limited to, new facility/infrastructure, an expansion or renovation of an existing facility/infrastructure, leasehold improvements, roads, or the acquisition of land or other real property.

“Facilities Renewal” also referred to as deferred maintenance, means capital expenditures that are required to preserve University facilities’ functionality over their useful life.

“Funding Sources” means actual or committed sources of funding (including, but not limited to, fundraising pledges or targets, contributions from future years’ budgets or debt financing) to support a Capital Project.

“Major Capital Projects” shall mean construction or renovations, including related goods and services, which are budgeted to cost \$4,000,000 or more.

“**Minor Capital Projects**” shall mean construction or renovations, including related goods and services, which are budgeted to cost under \$4,000,000.

“Project Charter” is a formal document that describes the full scope of a project to create a shared understanding of its goals, objectives and resource requirements before the project is started.

“Project Sponsor” means the person who has signing level authority according to the University policies and procedures and is responsible for endorsing the project as a valued investment of organizational resources. The sponsor is responsible for defining the scope of the project and accurately defining the success criteria.

SCOPE AND AUTHORITY

This Policy sets out the general philosophy for capital planning at the University and introduces specific process to assess the overall plan. This policy is applicable to all Ontario Tech Capital Projects.

The Vice-President Administration, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

3. General

The University’s approach to planning is to invest in a comprehensive long-term Campus Master Plan and to systematically establish medium term Asset Management Plans that

set out specific Capital Projects to be designed and built in such a way as to meet present and future needs of the University community. The University shall permit or undertake projects in consideration of, among other things, the [Integrated Academic Research Plan](#) and Campus Master Plan and the source and availability of funds.

- 3.1.** Capital Projects may be identified through a number of avenues including but not restricted to:
 - a)** The capital planning and budget setting process
 - b)** Special funding opportunities
 - c)** Research activities
 - d)** Unit initiatives
 - e)** Deferred maintenance programs

- 3.2.** All Capital Projects must have a Project Sponsor. Minor Capital Projects must have the sponsorship at a minimum of the signing authority level established in the Signing Authority Procedure. Major Capital Projects must have the sponsorship of a Vice-President and a Business Case must be approved by the Board of Governors.

4. Campus Master Plan

- 4.1.** The University normally undertakes a Campus Master Plan Review on a five (5) year cycle. The review will be chaired by the Vice President, Administration and will involve community input from students, faculty, staff and other stakeholders.
- 4.2.** The Campus Master Plan will guide the University by establishing fundamental campus planning principles. Due to the University's north campus co-location with Durham College, planning involving real estate or facilities owned by Durham College will be done in collaboration with Durham College.
- 4.3.** A Campus Master Plan may inform prioritization and development of Capital Projects but does not include approval of the Capital Projects or the budgets.
- 4.4.** At the completion of each review process, the Board of Governors shall approve each Campus Master Plan.

5. Asset Management Plan

- 5.1.** An Asset Management Plan is prepared and implemented by the Office of Campus Infrastructure and Sustainability (OCIS) or its successor. It is a rolling

plan, normally adopted for five-year periods, to reflect progress made and new or updated priorities.

- 5.2. An Asset Management Plan will include a prioritized list of all Capital Projects and Facility Renewals that are expected to be in the planning and/or implementation stage during the period of the Asset Management Plan.

6. Capital Projects

- 6.1. Capital Projects are initiated in response to a variety of needs and opportunities. These can include, but are not limited to, academic and support needs, legislative or health and safety requirements, grant and partnership opportunities, and maintaining property quality levels.
- 6.2. The Capital Planning Process will be initiated annually by the beginning of the fall semester for assessment and prioritization, and to be considered for approval as part of the budget development cycle. Normally projects will require at least 18 months lead time for review, permitting and implementation.
- 6.3. All Project Charters will be approved by the relevant Project Sponsor to move to the cost estimate stage.
- 6.4. OCIS will prepare an estimated cost for each Capital Project. Capital Project costs are developed throughout the life of a Capital Project and will be informed by conceptual design and/or engineering reports, schematic design, and other work completed for the Capital Project.
- 6.5. Facilities Renewal is a subset of the Asset Management Plan and is prepared by OCIS. Facility Renewal is important to maintain a healthy, safe, sustainable and inspiring physical environment to support the academic mission of the University. It is part of the Capital Planning Process and is a consideration in the scope of all Capital Projects and capital budgets.
- 6.6. Once the Capital Project has a Project Charter and estimated cost, the Vice President, Administration will coordinate the prioritization through normal budget approval process.
- 6.7. At the completion of a Capital Project, a Project Completion Report will be prepared by OCIS and will include the final Capital Project Cost. A Project Completion Report will be provided as information to the relevant Project Sponsor.
- 6.8. For Major Capital Projects, the Strategy and Planning Committee will receive summary reports from the Vice President, Administration at regular intervals during the duration of the project.

MONITORING AND REVIEW

7. This Capital Policy will be reviewed as necessary and at least every three years. The Vice-President, Administration, or successor thereof, is responsible to monitor and review this Policy.

RELATED POLICIES, PROCEDURES & DOCUMENTS

8. Contract Management Policy
Signing Authority Policy
Expenditure Signing Authority Procedures
Debt Management Policy
Naming of Physical University Assets Policy
Risk Management Policy