

Section:	Facilities Management (FM)
Subject:	Capital Projects
Legislation:	
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APPROVED: \_\_\_\_\_

President and CEO

## POLICY

The policy of the Board of Governors is that SAIT's governance process for evaluating, overseeing and managing capital projects is integrated, consistent and transparent.

## PROCEDURE

### DEFINITIONS

**Capital projects**

Capital projects include the project lifecycle for the acquisition, development or construction of new buildings and physical infrastructure to support institutional facilities and/or renovations, exclusive of maintenance.

**Project sponsor**

The SAIT representative(s) responsible for ensuring the overall success of a capital project. They provide a link between the project and executive management and support the project with resources, guidance and oversight.

### GOVERNING PRINCIPLE

1. This procedure applies to all SAIT capital projects and capital assets as defined by procedure [FN.14.1.1 Acquisition of Capital Assets](#).

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## PROCEDURE

### A. Classification of Capital Projects

- Capital projects will be analyzed and categorized into one of three project types, as follows:

Project Classification	Description
<b>Typical Project</b>	Projects that SAIT completes on a regular basis with no materially unique components.
<b>Non-Typical Project</b>	Project scopes that SAIT completes on a regular basis and that include one or more materially unique components.
<b>Major Project</b>	Projects that are complex in nature and high in cost and/or risk.

- The project's classification is determined based on an assessment of the project against the following criteria:

Characteristic	Typical Project	Non-Typical Project	Major Project
<b>Cost</b>	< \$5 million	< \$25 million	= or > \$25 million
<b>Novelty</b>	The scope is common to SAIT and the approach is proven and familiar.	The scope is common to SAIT and the approach is proven and familiar, but the project has unique characteristics that add material complexity or risk.	This scope is not typically completed by SAIT <b>or</b> has novel characteristics that add material risk
<b>Stakeholder impact</b>	internal and external stakeholders that have an operational level of influence	Unique or specialized internal or external stakeholders <b>or</b> typical stakeholders	Internal/external stakeholders that have a significant level of influence <b>or</b> ,

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	and interest on the project.	that have a unique influence on the project.	stakeholders that have a unique profile or, extensive interdependencies across SAIT.
<b>Funding source</b>	One-time government grant funding parameters. or internally funded through annual capital budget allocation. Typically, single source funding.	One-time government grant funding parameters or requirements, funding through donation with donor stipulations or internally funded. Funding could be a combination of multiple sources.	Likely multi-source funded which could include government funding, donations, industry funding, and/or internal funding.

Note that the classification of a project is influenced by a collective combination of the four factors discussed above, rather than by a single overriding factor.

3. The project classification assessment will be documented and approved as part of the start-up and planning phase.
4. Following project classification, the Board Executive Committee will be requested to establish a Joint Board Executive Committee as an ad-hoc Board committee, should the need arise based on a project’s classification as a non-typical or major project.
5. A significant change in a project’s characteristics at any point in its delivery lifecycle will require the project to be re-assessed and, if required, re-classified.
6. Changes to project scope and cost should be monitored in relation to project classification. If a project cost increases, or is forecasted to increase, to be higher than its original project classification the project should be reclassified to reflect the higher cost. For instance, a project may move from Typical to Non-Typical, or from Non-Typical to Major.

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## B. General Governance of Capital Projects

1. All capital projects will consist of four project phases: (1) Start-up and Planning, (2) Procurement and Design, (3) Construction, and (4) Handover and Closeout. Each phase is described below.
  - a) **Start-up and Planning:** In this phase, the foundational elements of the capital project are established. Activities include project ideation, feasibility analysis, and conceptual refinement. Stakeholders collaborate to define the project's overarching purpose and high-level objectives. Comprehensive evaluations of technical and financial factors are undertaken to determine the project's viability. A list of projects that align with SAIT's mission and vision will be prepared and evaluated. Detailed planning is done to finalize project scopes, budgets, and schedules for the list of approved projects. As well, different project delivery models and procurement approaches will be utilized depending on the projects.
  - b) **Procurement and Design:** In this phase, the project's design and specifications are developed based on the requirements established in the previous phase. This includes architectural, engineering, and technical designs. The procurement process involves identifying and acquiring the necessary materials, equipment, and services for the project. Bidding and contracting strategies are defined, and contracts are awarded to suppliers and contractors. Detailed project plans are refined, and the project team works closely with designers and contractors to ensure that the project's design aligns with its intended outcome.
  - c) **Construction:** This phase represents a pivotal juncture, marking the transition from design to implementation. Contractors execute the construction according to the approved design and plans. SAIT oversees construction activities, monitors progress, manages resources, and ensures adherence to safety and quality standards. Regular communication and coordination among all stakeholders are crucial to address any issues that may arise. Changes or adjustments to the design may be made as unexpected challenges surface, but they should be managed through a formal change order process.
  - d) **Handover and Closeout:** As construction nears completion, the focus shifts to transitioning the project from construction to operational use. Systems are tested and commissioned, and all components of the project are thoroughly inspected for compliance with specifications and regulations. The closeout phase involves finalizing all documentation, settling contracts, and conducting a comprehensive review to ensure that all project requirements have been met.
2. Primary governance oversight responsibility is allocated based on project classification, as follows:

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	Typical Project	Non-Typical Project	Major Project
Joint Board Executive Committee (JBEC)		Informed	Primary
Executive Management Council (EMC)	Informed	Primary	
Associate Vice President, Facilities Management (AVP, FM) or delegate	Primary		

3. Stage gate approval responsibilities are allocated based on project classification, as follows:



Typical Project	EMC	Project Sponsor	Project Sponsor	Project Sponsor
Non-Typical Project	EMC	AVP,FM	AVP,FM	AVP,FM
Major Project	BEC	JBEC	JBEC	JBEC
<b>Project Categorization</b>	<b>Stage Gate Approver</b>			

\*BEC = Board Executive Committee

4. Governance responsibilities and approvals depend on project classification, as set out as follows:

	Typical Project	Non-Typical Project	Major Project
<b>Primary Governance Body</b>			
	AVP,FM	EMC	JBEC
<b>Reporting Recipients</b>			
	Project Sponsor	CFO (monthly) EMC (monthly) JBEC (Quarterly)	EMC (monthly) JBEC (monthly)

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	Typical Project	Non-Typical Project	Major Project
<b>Approvals</b>			
<b>Gate Approvals</b>	Project Sponsor	AVP,FM	JBEC
<b>Budget Allocation</b>	CFO	EMC	Board Executive Committee (BEC)
<b>Project Classification</b>	AVP,FM	AVP,FM	AVP,FM
<b>Assignment of Project Manager</b>	Director, Planning, Design and Projects	Director, Planning Design and Projects or Director, Major Capital Projects	Director, Major Capital Projects
<b>Project Charter</b>	Project Sponsor	AVP,FM	EMC and JBEC
<b>Project Expenditure</b>	As per procedure FN. 12.1.1 Signing Authority		As per Major Projects specific signing authority
<b>Funding Source</b>	CFO	EMC	BEC
<b>Delivery Model and Procurement Approach</b>	Project Sponsor	CFO	JBEC
<b>RFP Release</b>	Project Sponsor	AVP,FM	EMC
<b>Major Procurement Award</b>	As per procedure FN. 12.1.1 Signing Authority		EMC
<b>Project Budget Changes</b>	As procedure FN. 12.1.1 Signing Authority		As per Major Project specific signing authority
<b>Project Close</b>	Project Sponsor	AVP, FM	EMC and JBEC

#### D. Signing Authority

- For information on project delegation of authority and on signing authority, refer to procedure [FN.12.1.1 Signing Authority – Revenue Generating Expenditure and Other Contracts/Agreements](#).

### POLICY/PROCEDURE REFERENCE

FM.1.2 Capital Project Governance policy

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