Complete Policy Title: Approval Authorities for Construction and Maintenance Projects

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<th>Policy Number (if applicable):</th>
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Approved by: Board of Governors

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<th>Date of Most Recent Approval:</th>
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June 5, 2014

Date of Original Approval(s): April 1, 2008

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<th>Supersedes/Amends Policy dated:</th>
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August 16, 2008

Responsible Executive: Assistant Vice-President & Chief Facilities Officer

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<th>Enquiries:</th>
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Assistant Vice-President & Chief Facilities Officer

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**DISCLAIMER:** If there is a discrepancy between this electronic policy and the written copy held by the Policy owner, the written copy prevails.

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1. **Purpose**

   The purpose of this policy is to set out the responsibilities and accountabilities associated with the efficient and economic use of physical/capital resources regarding the construction of new buildings and for additions, alterations or renovations to existing buildings. This policy applies to all McMaster University faculty and staff and includes projects using operating funds, capital funds, internally restricted funds, restricted funds from trusts, and research funds under the administration of the University.

   Individual faculties and departments may not approve or undertake construction and maintenance projects without the approval of Facility Services.

2. **Annual Major Capital Program**

   The Annual Major Capital Program is developed based on the approved Capital Plan and in accordance with the approved Capital Planning Process. The Capital Program and its individual projects will be approved according to the University governance process.

   Any change of land use or change in the Campus Plan requires University Planning Committee, Planning and Building Committee, Senate and Board of Governors approval.

3. **Overall Budget for Individual Project Approval**

   The overall project budget for individual construction and maintenance projects, including any changes to buildings or building systems, requires approvals as stated in the Execution of Instruments.

   The Overall budget for Projects can be approved as part of group submission such as CFI group submission.

4. **Appointment of Architects and Professional Consultants Approval**

   The appointment of architects and professional consultants requires the approval levels indicated in the Execution of Instruments. Appointments are confirmed by contract and Purchase Order.
Following the award of contract, the successful bid, with the statement that it was the low acceptable bid, shall be announced publicly.

All requests for proposals for architects or engineering or other design consultants must be initiated through Facility Services. Contracts with architectural and engineering or other design consultants must be administered and managed by Facility Services.

5. Tenders

Refer to Purchasing Policy (SP-01)

6. Award of Contracts/Issuing Purchase Orders for Contractors

The award of contracts for construction or maintenance projects must be authorized as indicated in the Execution of Instruments.

Following the award of contract, the successful bid, with the statement that it was the low acceptable bid, shall be announced publicly.

7. Change Orders to existing Contracts / Purchase Orders

Change Orders to existing Contracts / Purchase Orders which do not increase the approved Overall Project Budget require approval as per the Execution of Instrument (Capital Fund – Award of Purchase Orders / Contracts).

8. Cost Overruns

a- Low bid exceeds the project estimate for a project component but the total project cost remains within the approved overall project budget.

The Assistant Vice-President and Chief Facilities Officer has authority to review with the low bidder the specifications of the project to identify changes in the scope of work which will bring the project within the approved overall project budget.

b- Costs exceed the approved overall project budget:
As per the Execution of Instrument (Capital Fund – Project Approval).

9. Payments

Invoices and payment to contractors and consultants will be approved by either the Assistant Vice President and Chief Facilities Officer, the Director of Design & Construction, the Director of Maintenance or the Director of Energy Management and Utilities.

10. Definitions

a) Project: is the total scope of work that is required to meet the needed modifications, upgrades or new facility. It might require the engagement of different vendors with different expertise with separate Contracts or Purchase Orders for each vendor.

b) Overall Project Budget: is the total amount of allocated funds that is required to complete the full Project scope. It will cover different work components such as Design, Construction; Permit Fees, Project Management, etc.
c) Contract / Purchase Order: is a document that is issued to one vendor to deal with a specific portion or a component of the overall Project Scope. It deals with only a portion of the approved Overall Project Budget.

d) Change Order: is a required change of the scope of one of the contracts or Purchase orders that is forming part of the Overall Project Budget.

e) Cost Overrun: Is an increase in the approved Overall Project Budget.