

## **2.15 APPROVAL AUTHORITIES FOR CONSTRUCTION AND MAINTENANCE PROJECTS**

Classification: Financial

Effective Date: 23APR02

Supersedes: 28SEP00

### **POLICY**

This policy is pursuant to Section 2.00(a) of the University's Policy on Purchase of Materials and Services [[Policy 2.8](#)].

### **Biennial Capital Plan**

1.00 The Biennial Capital Plan is submitted as part of the annual operating and capital budget and requires approval of the Board of Governors, on recommendation of the Property & Finance Committee and Senate.

### **Individual Project Approval**

2.00 Individual construction and maintenance projects, including any changes to buildings or building systems, require the following approval:

<b>Approval Authority</b>	<b>Total Estimated Project Budget</b>
- Board of Governors	over \$5,000,000
- Property & Finance Committee	\$1,000,000 to \$5,000,000
- President or Vice-President (Administration)	\$300,000 to \$1,000,000
- Associate Vice-President (Physical Plant & Capital Planning Services)	up to \$300,000

2.01 Any change of land use requires approval by the Property & Finance Committee on the recommendation of the President and Vice-Presidents. Any major change in land use also requires Board approval.

2.02 Individual departments may not approve or undertake construction and maintenance projects without the approval of the Division of Physical Plant & Capital Planning Services.

### **Appointment of Architects and Consultants**

3.00 Only the following may appoint architects or consultants:

<b>Approval Authority</b>	<b>Estimated Project Fees</b>
- Property & Finance Committee	over \$500,000
- President or Vice-President (Administration) or Associate Vice-President (Physical Plant & Capital Planning Services)	up to \$500,000

3.01 All requests for proposals for architectural or engineering or other design consultants must be initiated through the Division of Physical Plant & Capital Planning Services.

- 3.02 Contracts with architectural and engineering or other design consultants must be administered and controlled by the Division of Physical Plant & Capital Planning Services.

### Tenders

- 4.00 The design and budget of a project must be approved by the appropriate authority in 2.00 above before tenders may be called by the Associate Vice-President (Physical Plant & Capital Planning Services).
- 5.00 Except as may be authorized in specific instances by the Board of Governors, or by the Property & Finance Committee of the Board for projects within its authority for approval, contracts or agreements to which the University is a party, which involve construction projects (new buildings, additions, major alterations and renovations) and are expected to exceed \$50,000, shall be awarded on the basis of sealed tenders received from contractors, with such tenders being advertised publicly or invited from at least two bidders.
- 6.00 Opening of tenders shall be scheduled so as to allow sufficient time for appraisal and formulation of a recommendation to the body or officer authorized to award the contract.
- 6.01 Called tenders will be received as set out below:
- (a) For projects expected to exceed \$500,000, the Office of the Secretary of the Board.
  - (b) For projects expected to exceed \$25,000 but not \$500,000, the Office of the Associate Vice-President (Physical Plant & Capital Planning Services).
  - (c) For projects expected to be less than \$25,000, as may be delegated by the Associate Vice-President (Physical Plant & Capital Planning Services).
- 6.02 Tenders shall be opened in the presence of the following:
- (a) **For projects expected to exceed \$500,000**  
The Secretary of the Board of Governors and  
The Associate Vice-President (Physical Plant & Capital Planning Services) or a delegated Director
  - (b) **Tenders expected to be less than \$500,000** may be opened by the Associate Vice-President (Physical Plant & Capital Planning Services) OR in the absence of the Associate Vice-President,  
The Director delegated to act for the Associate Vice-President (Physical Plant & Capital Planning Services) and  
Another senior member of the Physical Plant & Capital Planning Services staff.
- 6.03 Unless otherwise authorized by the Board, tenders shall be opened in open session. All information concerning the tenders other than the quoted price figures shall remain confidential.
- 6.04 Upon opening, tenders shall be recorded and given immediately into the custody of the Associate Vice-President (Physical Plant & Capital Planning Services) for appraisal.
- 7.00 In appraising tenders or bids, the factors of quality, suitability, reliability and services shall be taken into account and the low tender or any bid may not necessarily be accepted.

7.01 The meeting which considers a recommendation for the award of a contract shall be held in closed session.

### **Award of Contracts**

8.00 The award of contracts for construction or maintenance projects must be authorized as follows:

<b>Approval Authority</b>	<b>Contract Amount</b>
- Property & Finance Committee	above \$2,000,000
- President or Vice-President (Administration)	\$500,000 to \$2,000,000
- Associate Vice-President (Physical Plant & Capital Planning Services)	up to \$500,000

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

10.00 The Associate Vice-President (Physical Plant & Capital Planning Services) is authorized to sign contracts, purchase orders, etc. to a value not to exceed \$500,000. Where the value exceeds \$500,000, the signing authorities shall be the Associate Vice-President (Physical Plant & Capital Planning Services) and one of: a Vice-President, or the President. When the Corporate Seal is required, the signature of the Secretary of the Board of Governors is also required, in compliance with the By-Laws of the Board of Governors.

### **Cost Overruns**

11.00 (a) **Low bid exceeds the project estimate:**

The Associate Vice-President (Physical Plant & Capital Planning Services) has authority to review with the low bidder the specifications of the project to identify changes in the scope of work which will achieve a lower project cost.

(b) **Costs exceed the approved total project budget:**

<b>Approval Authority</b>	<b>Amount Over Approved Total Budget</b>
- Property & Finance Committee	over \$500,000
- Vice-President (Administration)	\$100,000 to \$500,000
- Associate Vice-President (Physical Plant & Capital Planning Services)	up to \$100,000

12.00 In all cases where authority to act has been delegated by the Board of Governors, actions taken with a value in excess of \$500,000 must be reported to the Property & Finance Committee.

**ATTACHED: [APPENDIX 1](#) - POLICIES AND PROCEDURE FOR THE CALLING OF TENDERS FOR CONSTRUCTION AND MAINTENANCE PROJECTS**

**[APPENDIX 2](#) - PROCESS FOR HIRING DESIGN TEAMS FOR MAJOR PROJECTS**

## APPENDIX 1

### **POLICIES AND PROCEDURE FOR THE CALLING OF TENDERS FOR CONSTRUCTION AND MAINTENANCE PROJECTS**

There are two methods of calling tenders for construction projects: through open public tender call or through the pre-qualification process. Prior to selecting the method for calling tenders, the Physical Plant & Capital Planning Services Division and consultant (as applicable) examine several aspects of the project including: timing of the construction project, duration of the project, budget, and the type and difficulty of work to be undertaken. The Physical Plant & Capital Planning Services Division makes the decision as to which method will be used.

#### **Open Tender**

When an open tender call is selected, a public advertisement is made in newspapers extending an invitation for bids to all contractors. Specifications may be obtained by interested contractors who will make a deposit for the drawings and specifications and submit bids to the University. The specifications and tender documents will include a statement that the lowest or any bid will not necessarily be accepted. The advantages of using the open public tendering process is that all contractors have an opportunity to bid and good competition is encouraged.

#### **Pre-Qualified**

The pre-qualification process is used when there is limited time between tendering and the project completion deadline, when the project is very specialized, or when there is some particular factor associated with the project. A public advertisement will be made requesting expressions of interest from contractors. The contractors complete a Canadian Standard Form of Contractors Qualification Statement (CCA document 11) and submit the document to either the University or to the Architect/Consultant responsible for the project. The expressions of interest are then evaluated by the Physical Plant & Capital Planning Services Division and the Architect/Consultant using the following criteria:

- a) The contractor's past experience with the type of work to be undertaken
- b) The contractor's total current work load
- c) Maximum single project value previously undertaken by the contractor
- d) The University's past experience with the contractor
- e) The contractor's reputation
- f) Ability of the contractor to complete the work on time

Following this evaluation, a number of contractors (at least three) are selected as being suitable to carry out the work and they are invited to submit tenders. When employing the pre-qualification process, the low bidder normally would be considered acceptable for the job, but the tender documents will state that the lowest or any of the tenders may be rejected. The advantage of using the pre-qualification approach is that contractors who do not appear to be suitable for the project are eliminated prior to the calling of tenders, thus avoiding loss of time between close of tenders and award of contract. (For larger projects, this is the preferred method.)

A variation of the pre-qualification process is "bidding by invitation" for specialized work or smaller construction projects. For specialized projects the Physical Plant and Capital Planning Services Division provides a list of recommended contractors who are capable of doing the work. Tenders are invited from these specialist firms. On small construction or renovation projects (i.e., less than \$100,000), open tender is not necessarily used. Instead, a number of contractors are invited to bid to ensure fair competition and good pricing. These bidders are selected on the basis of past experience with the University, consultant's recommendations, and/or through requests from contractors that they be given the opportunity to bid.

## APPENDIX 2

### **PROCESS FOR HIRING DESIGN TEAMS FOR MAJOR PROJECTS**

The process for the selection of Design Teams is conducted pursuant to [Policy 2.15](#) which stipulates that all contracts with architectural and engineering or other design consultants are to be administered and controlled by the Physical Plant and Capital Planning Services Division.

When a major construction or renovation project is to be initiated at the University, a Project Planning Committee is formed. The Project Planning Committee participates in decision making throughout the project. The duties of the Project Planning Committee include recommending to the Property & Finance Committee the appointment of Design Teams. Subsequently, the Project Planning Committee is charged with the responsibility to review the project design, budgets, etc. and to make recommendations to the Property & Finance Committee as appropriate. The composition of Project Planning Committees varies depending on the type of project, but usually has representatives from the following constituencies:

- Associate Vice-President (Physical Plant and Capital Planning Services) or representative
- A Physical Plant Project Manager
- A representative from Institutional Planning and Budgeting
- A representative from Information Technology Services
- One or more representatives from the affected Faculty or budget unit
- A representative from the Senate Committee on University Planning, normally a person who does not have any direct interest in the project but has an overall University interest related to the project.

Once a preliminary program for the project has been developed, the Physical Plant Department invites London area Design Teams to submit Expressions of Interest related to the project. As well, an advertisement requesting Expressions of Interest is placed in the London Free Press and on the Merx Internet Bidding and Information Service.

Typically Expressions of Interest requests provide a very brief description of the project, the value of the construction and the general timing of the project. The interested parties are requested to identify the team they propose to use on the project including all necessary sub-consultants, their experience in this type of work, and the staff they are proposing to work on the project. They are asked to provide information about comparable projects they have completed and the names of references who may be contacted. They are also requested to provide an indication of their fees and any other information which they deem appropriate. The Request for Expressions of Interest, indicates that a Design Team that has recent experience in the development of similar facilities and that can provide an indication that the team can very quickly respond to the University's needs, will be selected.

Expressions of Interest are received from various firms from across Canada, and these Expressions are circulated to the Project Planning Committee. The Committee then meets to select a short list of candidates for interview. The Project Planning Committee establishes criteria which are used to make the selection of firms to be interviewed and include such items as; comparable experience, capability of the Design Team, fees, previous designs, functional program expertise, approach to cost and budget control and experience in university facility design.

The Committee invites selected candidates for an interview which typically lasts about 1 ½ hours. The interview includes presentations by the Design Team, a period for questions from the Committee and discussion between the Committee and the proposed Design Teams. Prior to the interview, more detailed information about the project is provided. At the interview, Design Teams are required to introduce the principals and project staff who will be working on the project. They are requested to provide information on their current workload, indicate how they would implement the project, provide commentary related to the University's Campus Master Plan and Guidelines, identify design approaches and respond to specific questions. As well, they are requested to provide evidence of the financial stability of the lead (contracted) firm and major consultants.

Subsequent to the interviews, which are normally held in one day, the Project Planning Committee reviews the presentations against the criteria mentioned above and a recommendation for appointment of a Design Team is made to the Property & Finance Committee.

Subsequent to the approval of the appointment by the Property & Finance Committee, a contract with the Design Team is developed through the Physical Plant Department. It is noted that if the Design Team fails to provide the required level of service, the contract can be terminated at any time.