

CONSULTATION DRAFT

Governance Pathways for Capital Projects and Infrastructure Renewal Projects

Principle

Recommendations for approval of capital and infrastructural renewal projects should be considered by the Governing Council and its Boards and Committees in a manner that enhances and supports the University's ability and ongoing efforts to (a.) allocate its resources prudently and effectively, (b.) maximize opportunities for cost containment and (c.) ensure the value and integrity of the public procurement process. The processes outlined below are intended to respect this principle and are consistent with the requirements of the *University of Toronto Act*, Governing Council's *By-law Number 2*, relevant Terms of Reference and provisions of the *Policy on Capital Planning and Capital Projects*.

Jurisdictional Information

University of Toronto Act – Section 2(18) of the *University of Toronto Act, 1971*, states that “The meeting, except meetings of committee of the whole, of the **Governing Council** shall be open to the public, prior notice of the meetings shall be given to the members and the members of the public in such a manner as the Governing Council by-law shall determine, and no person shall be excluded...but where intimate financial or personal matters of any person may be disclosed the part of such a meeting concerning such a person shall be held *in camera*.”

By-Law Number 2 – Section 33 of *By-Law Number 2* provides further that “Meetings of the committees...shall be open to the public except that where

- (i) Matters may be disclosed at the meeting of such a nature, having regard to circumstances, that the desirability of avoiding open discussion outweighs the desirability of adhering to the principle that meetings be open to the public...”

Section 70 of *By-Law Number 2* describes procedures for the Governing Council to resolve itself into Committee of the Whole to consider matters *in camera*, a process that would be necessary to enable confidential deliberations of capital or infrastructure renewal projects.

Terms of Reference – Section 4.2.3 of the terms of reference for the **Planning and Budget Committee** states that “[The] Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. site, space plan, overall cost and sources of funds) with a capital cost as specified in the *Policy on Capital Planning and Capital Projects*.”

Section 5.3.1 of the terms of reference for the **Academic Board** includes capital projects, capital plans and campus master plans as items coming forward to the Board for its consideration and

further recommendation to the Governing Council. The level of approval for each capital project is outlined in the *Policy on Capital Planning and Capital Projects*.

Section 5.2 (b) of the terms of reference for the **Business Board** states that the Board is responsible for “approval of capital expenditures for, and the execution of, approved projects, as required by approved policies.”

Section 5.7 of the terms of reference for the **University Affairs Board** states “[That] the Board considers capital projects within its area of responsibility, advises Governing Council on their implications, and concurs with the recommendations for approval of the Academic Board.”

Policy – Section B of the *Policy on Capital Planning and Capital Projects* outlines the governance approval levels for capital projects as follows:

Project Budget \$3 million or less (Approval Level 1)

- Authority to approve projects on the St. George campus, with a value of less than \$3 million and for all other applications that fall under the responsibility of the Capital Projects and Space Allocation Committee (CaPS) is delegated to the CaPS Committee established by the Vice-President University Operations.
- Authority to approve projects with a value less than \$3 million on the UTM and UTSC campuses is delegated to the UTM Space Planning and Management Committee and the UTSC Campaign Design and Development Committee established by the Principal and Vice-President of the respective campus.

Project Budget over \$3 million and up to \$10 million (Approval Level 2)

- Capital projects over \$3 million and up to \$10 million will be considered by the Planning and Budget Committee and recommended to the Academic Board for consideration. It is expected that such projects will be placed on the Board’s consent agenda and be confirmed by the Executive Committee of the Governing Council. If a project will require financing as part of the funding, the project proposal must be considered by the Business Board.

Project Budget over \$10 million and all projects requiring short and long term financing (Approval Level 3)

- Proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of the Governing Council on the joint recommendations of the Vice President and Provost and the Vice President, University Operations. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board.

Process

Capital and infrastructural renewal project planning reports will be brought forward for governance approval based on the guidelines as outlined in section 3B – Project Approvals – of the *Policy on Capital Planning and Capital Projects*.

Open Session

- (a) Capital projects over \$3 million and up to \$10 million will be considered by the Planning and Budget Committee and recommended to the Academic Board for consideration. It is expected that such projects will be placed on the Board's consent agenda and be confirmed by the Executive Committee of the Governing Council. If a project will require financing as part of the funding, the project proposal must be considered by the Business Board.
- (b) Proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of the Governing Council on the joint recommendations of the Vice President and Provost and the Vice President, University Operations. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board.

Discussion on the site, space plan and source of funds for the project shall take place in the open session of the meetings of the appropriate governance body. Following a full discussion, a motion to approve the project in principle, subject to the *in camera* consideration of funding, will be made in the open session.

***In Camera* session**

- (a) Capital projects over \$3 million and up to \$10 million will be considered by the Planning and Budget Committee and recommended to the Academic Board for consideration. It is expected that such projects will be placed on the Board's consent agenda and be confirmed by the Executive Committee of the Governing Council. If a project will require financing as part of the funding, the project proposal must be considered by the Business Board.
- (b) Proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of the Governing Council on the joint recommendations of the Vice President and Provost and the Vice President, University Operations. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board.

The overall cost of the project, as well as the delineation of amounts derived from the various sources of funds, will be considered in the *in camera* session of the same meeting. Following a full discussion, a motion to approve the total project cost and the sources of funding will be made in the *in camera* session.

Meeting Documentation

Confidential Documentation for Members

Members of the relevant governance body will receive an item cover sheet and a full project planning report outlining the site, space plan, overall cost and sources of funding for each item for which approval is sought, as well as all motions related to the project.

Publicly Available Documentation

The cover sheet and project planning report available on the website will only contain information on the site, space plan, and sources of funding for each capital or infrastructure renewal project. The motion to approve the project in principle will be on the agenda, however, the motion to approve the total project cost and sources of funding will **not** be included.

Complete documentation will be made publicly available on the Governing Council website at a later date once the bids for the project are received and finalized, and the Governing Council office is notified. This information will also be available when approval is sought from the Business Board for execution of the project.

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