Capital Projects Policy

Policy Author: Division of Capital Project & Infrastructure

A. Purpose

This policy and the related procedures provide guidelines for the management of Capital Projects which relate to building, site, and ICT Infrastructure at Fiji National University which ensures:

a. Accountability in project management and administrative structure.
b. Appropriate approval for capital project expenditure
c. Clear guideline on the project process
d. Capital projects are delivered on time, within scope and budget, and with minimal disruption to ongoing services.
e. Compliance with national and international standards, and sustainability initiatives.

B. Scope

This policy applies to all capital projects and new infrastructure development relating to new build, extension, road utility, and ICT infrastructure, and anything that does not qualify as maintenance works. This policy excludes the purchase of equipment and research projects.

C. Principles

Capital Projects Policy is guided by the following principles:

1. Conformance and Good Governance

Project Methodology is applied to all projects which is consistent with the governance policies for the university. Projects must conform to local legislation and relevant international benchmark standards. A thorough consultative process must be followed to ensure transparency, accountability, and risk-based assessment.

2. Strategic Alignment

Projects must be consistent with Fiji National University's strategic direction and aligned to the University Master Plan.

3. Value For Money

Projects must be managed to achieve value for money, in the delivery of its core elements.

4. Innovation

Developments to look at innovative methodologies and products and maintain par with changing technologies.

5. Customer Focus

A customer-centric approach is key to a successful project. The project must be relevant to the end-users which are the staff and students of the university. The spaces provided as part of the university through is its master plan must support the learning and teaching environments.

6. Sustainability & Resilience

University's infrastructure development must look beyond the immediate project and ensure holistic fit and campus improvement opportunities are not missed. Developments must be efficient to minimize whole life cycle cost and carbon associated with buildings, minimize waste and pollution creation, and be resilient to impacts of climate change. In the absence of Building Codes and Certification in relation to Green Buildings in Fiji, FNU will continue to apply as much as possible green building standards.

Version Control

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Capital Projects Procedure

Procedure Author: Division of Capital Project & Infrastructure

A. Purpose

This document provides a guideline for planning, executing, and monitoring capital projects in accordance with the Capital Projects Policy and the related guidelines stipulated in the university's governance structures.

B. Scope

This procedure applies to all capital projects and infrastructure development. Capital Projects would be defined as new builds, refurbishments which leads to space change, highly technical refurbishments, and extensions to existing building or infrastructure.

C. Definition

1. **University Council** - the governing body of the University
2. **Physical Virtual Resource Committee (PVRC)** - to advise and make recommendations to the Council on policy and strategic matters relating to physical resources, including information and communications technology
3. **Project Steering Committee (PSC)** - made up of stakeholders involved in the project, includes Project Champion, Project Client, Project Managers, Project Consultants, and respective Divisions and other stakeholders shall be invited as and when required.
4. **Stakeholder** - means people or persons who have an interest in the project:
    i. Primary Stakeholder means the project representative who is intended to be an occupant of the completed project, includes college or division.
    ii. Secondary stakeholder means people or person responsible for the management of design, documentation, tender, construction of the project, funding agencies, local authorities, and responsible ministries

5. **Project User Group (PUG)** - means people who would be the end-users of the finished product after the completion of the project.
6. **Project Champion** - means the Director of Division responsible for controlling the process and make sure the right people are involved (engage facilitator, project manager, team). Project Steering Committee is chaired by the Project Champion.
7. **Design Team** - means the people responsible for producing the design documentation of the project.
8. **Project Manager** - means an externally appointed project manager, lead principal consultant, or internally nominated project manager based on the project resource allocation.

9. **Project Client** - means Senior Management Group member responsible for the users of the finished project who has a vested interest in the project.
10. **Project Sponsor** - means the nominated person to represent the agency or body providing funding for the project
11. **Project Team** - means the design team, project client, project manager, contractor, representatives from FNU ICT, and representatives from any other college or division that may be required.
12. **Small Project** – projects below $200,000.00
13. **Medium Project** – projects between $200,001.00 - $2,000,000.00
14. **Large Project** – project above $2,000,001.00
15. **Highly Technical Refurbishment –** highly technical projects which require intensive building services works with construction value above $250K
16. **Extensions** – adding onto an existing building or infrastructure or increase in the current gross floor area.

D. Project Phases

1. Project Initiation phase

i. The Colleges/Divisions must ensure that the projects requested are incorporated into the University's Project Planning process. The requester is also responsible to get the project (newly built and space changes) approved by the University's Facilities & Space Management Committee (FSMC) (this excludes infrastructure-related developments).
ii. Project Initiation Document (PID) to be filled by the College/Division as Project Client.
iii. The university will use predominately internal resources to establish the justification for the Capital Project, in line with the University Master Plan and University Strategic Goals.
iv. Initial Conceptual design may be developed for the client's approval with a cost plan.
v. The Project Champion would look at the initial feasibility, timelines, site location, and other factors to determine as part of the justification process.
vi. The Client is responsible for the development of the Business Case/Project Feasibility in consultation with the Division of Finance and Project Champion.
vii. Project Champion will obtain approval from Physical Virtual Resources Committee (PVRC) and University Council.
viii. Based on the value of the Project, the following is applicable to works under the Division of Capital Projects and Infrastructure.
    a) If the initial project value is below 2 million dollars, the project will be designed and managed by the Division of Capital Projects and Infrastructure. The Director of Capital Projects & Infrastructure can decide otherwise based on the availability of resources internally.

b) If the initial project value is above, 2 million dollars up to 5 million dollars, the service of designing will be out scoured, and monitoring to be done by the Division of Capital Projects and Infrastructure. The Director of Capital Projects & Infrastructure can decide otherwise based on the availability of resources internally.
c) If the initial project value is between, 5 million dollars up to 15 million dollars, the service of the Lead consultant will be engaged for the services of the design document and construction supervision. The Director of Capital Projects & Infrastructure can decide otherwise to appoint an external Project Manager based on the technicality of the project.
d) If the initial project value is more than 15 million dollars, the services of the Project manager will be engaged for the overall management of the Project (Planning, design documentation, Tender, construction supervision).

ix. Upon the approval of the Project, the detailed Functional Requirement Brief (FRB) is developed by the Project Manager.
x. During the initiation phase, necessary consultants to be procured to form part of the design team.
xi. The design team must hold workshops with the user group to understand the project requirements and operations after completion.
xii. The design team will further develop the FRB.

2. Design and Documentation phase

The following procedure applies to construction projects.

i. Design Team would be responsible through the Project Manager to deliver a 30% concept design with Cost Plan A to Project Champion & Project Client for approval
ii. Design team shall submit 50% design documentation with Cost Plan B through Project Manager to Project Champion and Project Client for approval. This may not be required for projects done internally, Project Champion will confirm the requirement based on the nature and scale of the project.
iii. The design team would be responsible through the Project Manager to deliver 90% design documentation with Cost Plan C to Project Champion & Project Client for approval.
iv. At every design milestone, the Design Team will be required to facilitate a design workshop, presenting the design to the Project Steering Committee and obtain feedback before seeking approval.
v. Upon approval of 90% Design, the design team shall proceed with the preparation of construction tender documentation.
vi. The Project Manager shall seek the necessary local authority approvals where required.

3. **Tender phase**
    i. All procurement of consultants, contractors, and suppliers to be in line with the University's Finance policy.

    ii. All terms of reference for the procurement of Consultants must be prepared by the respective Division.
    iii. Tender Document for Contractor to be prepared by Lead Consultant and/or Project Manager where applicable or the respective Division and approved by Project Champion
    iv. Tender closing time shall be determined by Project Champion.

4. **Implementation/Construction**
    i. Project Manager in consultation with Project Champion to prepare a Contractor Contract.
    ii. The Contract to be vetted by University Legal Team, Finance, and Contractor.
    iii. A contractual agreement shall be signed between the Contractor/Consultant and University.
    iv. The Project Manager shall organize a kick-off meeting.
    v. An Occupational Health & Safety (OHS) induction shall be conducted by the University OHS department.
    vi. The Project Manager shall organize site meetings based on the size and nature of the project.
    vii. Contractor and Consultants are required to provide timely reports as agreed with respective division and as per contractual documents.
    viii. All contractual changes shall be approved by Project Champion which includes changes in scope, an extension of time, and change in personnel/subcontractor. This excludes variations that are governed by Clause I.

5. **Handover phase**
    i. The project Team shall conduct a practical completion inspection of the project.
    ii. A defect list shall be provided to the contractor by the Project Manager for rectification as per the stipulated timeframe.
    iii. The contractor shall provide operation manuals, as-built plans, product warranties, and other documents required for the project under the contract
    iv. Handover form shall be signed off between the Client, respective Division, Lead Consultant/Project Manager (if any), and contractor(s)
    v. Practical completion certificates to be issued to the contractor.

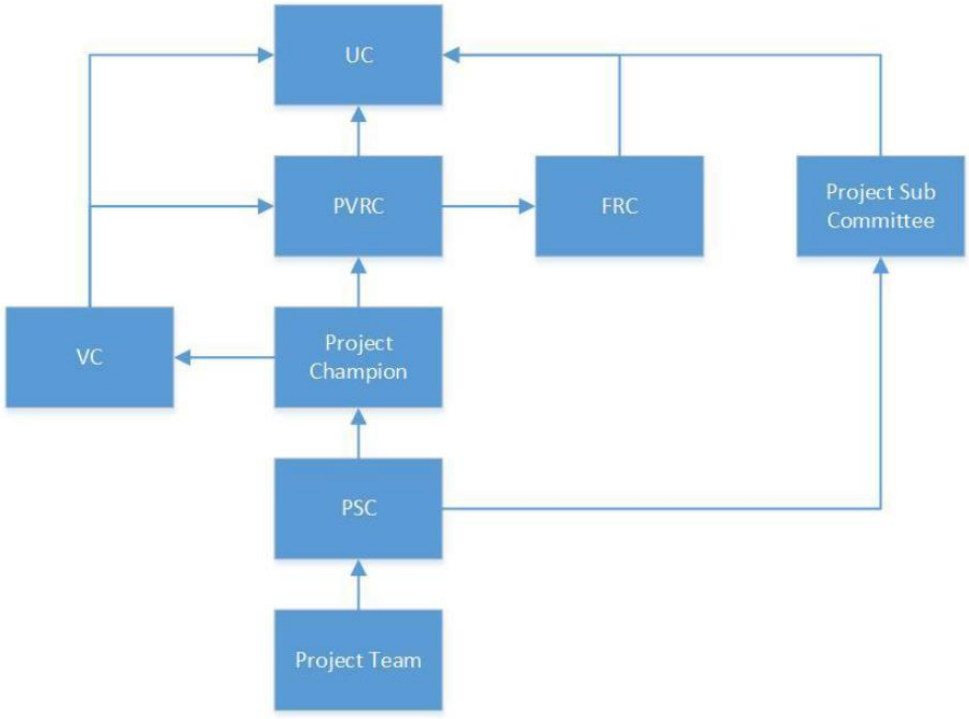
vi. Copy of all project handover documents is handed over to Division of Estates & Facilities for Asset Management.
vii. Defect Liability Period starts from the date of project handover for the duration specified in the contractual agreement.
viii. Final Completion is issued upon rectification of defects at the end of the defects liability period, and the retention sum is released to the contractor.

6. Contract/Project Monitoring

i. The respective Division is responsible for maintaining all project and contract documents.
ii. The respective Division is responsible to carry out continuous contract monitoring of the project and issue notices as and when required.
iii. The Project Team must use appropriate project monitoring tools to ensure a transparent view of the project progress as well as receiving timely project progress updates.
iv. Project Champion is responsible for approving progress payments on the recommendation of the Project Manager.
v. The Project Steering Committee shall convene on a timely basis to receive updates on the project progress and resolve any outstanding issues.

E. Project Governance

1. The final approval for the project is obtained from University Council (UC). The UC may appoint a project sub-committee to administer the Project to fast track decision making such as variation approvals, award process, and any such approval that would require council approval.
2. All projects must obtain the endorsement of PVRC prior to taking to UC through the Chair of PVRC. However, where projects with no funding allocation will have to seek financial approval in the Financial Resources Committee before the project proposal is taken to UC.
3. Project Steering Committee (PSC) will be chaired by Project Champion. The following will form the committee:
    i. Project Champion
    ii. Project Manager
    iii. Project Client
    iv. Project Sponsor
    v. Design Consultants
    vi. Contractor
4. The flow chart below indicates the reporting structure



F. Responsibilities

1. **Vice-Chancellor**
   i. Endorses the new projects before it is taken for approval at PVRC
   ii. Ensure the Projects are in line with the university's strategic goals and master plan
   iii. Approves variation as per the Finance Policy

2. **Project Champion** – *Director of Respective Division responsible for Project Delivery*
   i. Chairs the PSC
   ii. Make sure the right people are involved (engage facilitator, project manager, team)
   iii. Responsible for removing barriers to the project and escalating issues or decision making for the benefit of the project.
   iv. Approves the Design Documentation, Tender Documentation, Contract Documentation, and instructions such as Extension of Time in consultation with the Project Manager and Project Client.
   v. Approves the materials and finishes of the construction
   vi. Ensures timely completion of the project with the time and budget allocation.
   vii. Approves all project payments
   viii. Reports to PVRC on the progress and seeks approvals on new projects.
   ix. Approves disposal of construction waste.
   x. Approves variation as per the Finance Policy

3. Project Client

ii. Obtaining approval of FSMC
iii. Responsible for Developing Business Case
i. Responsible for providing an adequate amount of information/project brief with regards to requirements of utilizing a facility/infrastructure
iv. Member of the PSC.
v. Ensure project user groups are made available for design workshops as and when required, and timely response to queries from the Project Team.
vi. Endorses the design documentation in consultation with Project.
vii. Sign off on the Project Handover forms
viii. Attend Lessons Learnt Workshop upon practical completion of the project. (applicable to medium to large scale projects)
ix. Sign off on the Project Closeout Report

4. Project Manager

i. Chairs Project Team meetings/workshops
ii. Monitors project progress and compliance
iii. Being the point of contact for all project matters
iv. Highlight any project issues to the relevant parties.
v. Report to PSC on the project progress and issues
vi. Ensures implementation of relevant benchmarked standards and sustainability practices are adopted.
vii. Provides timely updates to project client which includes monthly reports on medium to large projects
viii. Maintain proper work program and cash flow of the project.
ix. Provides overall supervision of the project
x. Responsible for the issue of formal instruction, information, and notices during the project.
xi. Ensure necessary approvals obtained in a timely manner to avoid delays
xii. Keeps proper record of instructions from various parties.
xiii. Ensure regular project meetings are held and maintain records of minutes.
xiv. Obtain proper sign off at each project milestone
xv. Maintain a proper change management process
xvi. Ensure oversight of the commissioning and project closeout process.

5. **Project Sponsor**
    i. Allocates funding and resources to the project
    ii. Member of the PSC and ensure that the project is progressing within the stipulated guidelines.

6. **Project Team**

    i. Project Team comprises of the technical members which include the Project Manager, Architects, Building Services Engineers, Structural Engineers, Quantity Surveyors, and other necessary consultants required on a project. The technical members will depend on the type and scale of the project.
    ii. The project team will also have the project client, user group, relevant divisions, and any other stakeholder.
    iii. The project team is responsible for the delivery of the key milestones in the project.
    iv. Required to identify, assess, and mitigate project risks.
    v. Provides timely reports
    vi. Ensure project meets all compliances and carries out proper project closeout.

G. Funding

The following are the funding mediums:

i. Internal reserves
ii. Government of Fiji
iii. 3rd party – Grant or Loan

The university could fund the projects internally or seek external partnerships through the Vice Chancellor's Office. The external funding medium could be through the Government of Fiji or other funding agencies. This would reduce the burden on the university's financial resources. The University Council shall approve the arrangement of external funding on Projects.

H. Contingency Provisions in Budget

Projects must include a contingency sum and reduced accordingly through the phases of the project. Contingency sums are meant to cover costs incurred due to unforeseen circumstances or in instances, additional costs are anticipated. Project Champion is responsible to ensure the allocation is used appropriately.

I. Variations

Project Variations may or may not affect the costs of the project. Variations could also mean there is no change in project cost or time, it would basically mean substituting a like to like

material. The project team is required to assess the variations and provide recommendations to the Project Champion

i. Project Champion can approve variations that lead to additional time provided there is proper justification
ii. Project Champion can approve variations that would have no impact on cost, and there is no compromise on quality.
iii. Project Champion can approve financial variations in accordance with the Financial Delegation under the Finance Policy.
iv. Vice-Chancellor shall approve in accordance to the Financial Delegation under the Finance Policy.
v. Any variations more than Vice Chancellor's Delegation must be taken to University Tender Board for approval.

J. Project Performance Evaluation

Project Performance Evaluation becomes critical to ensure established benchmarks are available for future projects, and ensuring the mistakes are not repeated. Some projects are the first of its kind as such it comes with its own challenges, therefore such lessons learned must be documented after the project closure.

1. Building Performance Benchmarks

The following information shall be obtained during the design stage of the project, after the practical completion, and final completion of the project.

a. Capital Cost per Gross Floor Area
b. % Consultancy Fee in relation to the project cost
c. % Useable Floor Area in relation to Gross Floor Area
d. Space allocation per TEFMA Categories
e. Water consumption per year
f. Water Consumption per GFA
g. Water Consumption per EFTS and FTE Staff
h. Energy consumption per year
i. Energy Consumption per GFA
j. Energy Consumption per EFTS and FTE Staff
k. CO_2 output of the facility
l. CO_2 reduction through Green Building Methodology Initiatives

2. Lessons Learnt Workshop

After the practical completion of the project, the Project Champion nominated project representative shall organize a Lessons Learnt Workshop for the project with the presence of the project team members. The workshop should point out the positives and the negatives of the project and means of addressing the negative issues of the project to ensure it does not repeat itself. This forms part of the Project Closeout Report.

Version Control

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