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 to 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 legislations, 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

Customer centric approach is the 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, minimise 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

Version No.	Date	Comments
1.0	July 2019	Version 1 – New Document

Capital Projects Procedure

Procedure Author: Division of Capital Project & Infrastructure

A. Purpose

This document provides a guideline of planning, executing and monitoring of capital projects in accordance with the Capital Projects Policy and the related guidelines stipulated in 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 advice 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 people 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 brief (newly built and space changes) endorsed by the Senior Leadership Team (SLT) in liaison with the Division of Estates & Facilities. This is only applicable to the projects that has not been incorporated in the Master Plan

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 maybe is 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 Project, complexity, and resource constraints, the choice to engage consultants and Project Manager shall lie with Director Capital Projects & Infrastructure.

ix. Upon the approval of the Project, the detailed Functional Requirement Brief (FRB) is developed by the Project Manager.

ix. The design team must hold workshops with the user group to understand the project requirements and operations after completion.

x. 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. Design Team would be responsible through the Project Manager to deliver a 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. Project Manager shall seek 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 tender documents shall be uploaded on University Tender link Web Portal and advertised in the newspapers.

iii. All terms of reference for the procurement of consultants must be prepared by the respective Division.

iv. 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

v. Tender closing time shall be determined by Project Champion.

vi. Respective Divisions is responsible to evaluate tenders and seek endorsement from Technical Evaluation Committee at the earliest possible and done with the highest level of integrity.

viii. Respective Division shall present the evaluation and recommendation to the University Tender Board.

4. Implementation/Construction

i. The draft contract to be prepared by the Division of Finance in liaison with respective Division

ii. The Contract to be vetted by the respective Division, University Legal Team, Finance and Contractor.

iii. A contractual agreement shall be signed between the Contractor/Consultant and the Vice-Chancellor.

iv. Project Manager shall organize a kick-off meeting.

v. An Occupational Health & Safety (OHS) induction shall be conducted by the University OHS department.

vi. Project Manager shall facilitate site meetings and inspections based on the size and nature of the project.

vii. Project Manager, 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 which are governed by Clause I.

5. Handover phase

    i. Project Team shall conduct a practical completion inspection of the project.

    ii. Defect list shall be provided to the contractor by Project Manager for rectification as per stipulated timeframe.

    iii. 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. Respective Division is responsible for maintaining all project and contract documents.

    ii. 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).

2. Vice-Chancellor may approve projects as per financial delegations under the university Finance Policy

3. 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.

4. Project Steering Committee (PSC) will be chaired by Project Champion. The following will form the committee:

      i.   Project Champion (Chair)
      ii. Vice-Chancellor
      iii. Director Finance
      iv. Project Manager
      v.   Project Client
      vi. Project Sponsor
      vii. Design Consultants
      viii. Contractor

5. The flow chart below indicates the reporting structure
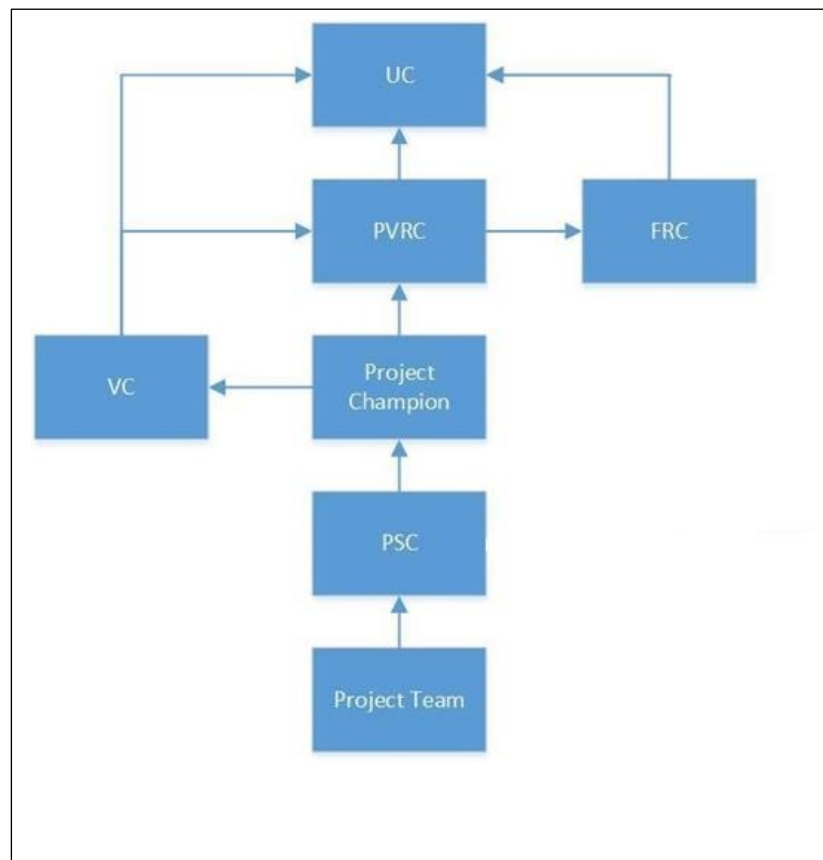
F. Responsibilities

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 Plan, Master Plan and Sustainability Plan
iii. Approves variation and projects as per the Finance Policy
iv. Signatory to contract
v. Provides support and guidance to the Project Team

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 material 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
xi. Acts as a university representative to contracts

3. Project Client
i. Obtaining endorsement for space and project business case from Division of Estates & Facilities and SLT if the project is not reflected in the Master Plan
ii. Responsible for signing off the Project Initiation Document

iii. Responsible for providing an adequate amount of information and signing off on the Functional Requirement Brief (FRB)

iv. Member of the PSC

v. Ensure project user group 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 (applicable to medium to large scale projects)

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 specified 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 process and project closeout documentation.

5. Project Sponsor/Director Finance

    i. Allocates funding to the project, and ensures payments are processed in a timely manner.

    ii. Member of the PSC, and ensure that the project is progressing within the stipulated financial guidelines.

    iii. Provides guidance to the Project Team

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 at 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 Director of Capital Projects & Infrastructure.

i. Project Champion can approve variations that lead to additional time provided there is proper justification

ii. Project Champion can approve variation that would have no impact on contract sum, and there is no compromise on quality.

iii. Project Champion can approve financial variations in accordance to 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

Version No.	Date	Comments
1.0	12.11.20	Version 1
2.0	30.11.21	Sections Revised: D. Project Phases E. Project Governance F. Responsibilities I. Variations