



## AP 543 – APPROVAL OF CAPITAL AND NON-CAPITAL PROJECTS

### BACKGROUND

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Capital and non-capital projects shall be approved and implemented in accordance with legislation, regulations, and these procedures.

### DEFINITIONS

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Capital projects - meet the guidelines and definitions within the “AP 531 - Tangible Capital Assets” administrative procedure.

Non-capital projects - are expenditures that do not meet the guidelines for capitalization as outlined in the “AP 531 – Tangible Capital Assets” administrative procedure.

Preventative Maintenance and Renewal (PMR) – As defined by the Ministry of Education in the Preventative Maintenance and Renewal Funding Program Policy (17-09-01), PMR must be used to ensure:

- Major building components are maintained, repaired or replaced based on lifecycle expectancy;
- Components are upgraded or replaced to improve energy conservation and efficiency that will result in cost savings;
- Facilities meet all regulatory requirements;
- Facilities meet access requirements and intensive support needs; and
- Educational areas meet program requirements.

PMR three year plan is approved annually by the Board, and then the Ministry of Education. Amendments to the plan can be made throughout the year with Board and Ministry approval. PMR projects may be Capital or Non-Capital, from an accounting definition as outlined in AP 531 – Tangible Capital Assets.

Relocatable Classroom Program – The Relocatable Classroom Program is designed to address immediate needs for additional classroom space to accommodate increases in enrolments. The program offers school divisions flexibility at the local level to deal with the space crunch and alleviate the pressure caused by growth. Relocatable classrooms can also be moved or relocated as enrolment fluctuates. Requests from school divisions are prioritized and communities receiving relocatable classrooms are selected based on projected enrolments, starting with the highest utilized schools.

Major Capital Program The Government of Saskatchewan’s Major Capital Program provides funding to school divisions for new schools or major addition/renovations to their facilities. School division requests for major capital funding are prioritized by the Ministry of Education and are approved pending budget appropriation. The Board of Education annually submits a list of our top capital requests annually (date as per Government of Saskatchewan) as a part of this program.

Three year PMR Maintenance Plan – The PMR maintenance Plan is a three year program of planned capital renewal projects organized to prioritize the most urgent maintenance projects appropriately. The PMR Maintenance Plan must be approved by the Board of Education prior to the PMR Maintenance plan deadline. All PMR Maintenance Plans must be approved and submitted by May 31<sup>st</sup> to the Ministry of Education. All school PMR Maintenance Plans will then be reviewed by the Ministry for compliance with PMR policy.



*PMR Amendment Form* – This form allows the division to add capital and non-capital renewal projects to the three year PMR maintenance plan throughout the remainder of the year. The amendment form requires approval from both the Board of Education and the Ministry of Education before it is formally added to the three year PMR Maintenance Plan.

## PROCEDURES

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1. Board motions are required to approve:
  - 1.1. Projects as listed in the Annual Major Capital Program Requests;
  - 1.2. Annual relocatable requests for the Relocatable Classroom Program;
  - 1.3. All PMR projects as per the Annual Three Year PMR Plan, as well as periodic amendments; and
  - 1.4. The award of contracts, over \$250,000 in Expected Procurement Value as defined in AP 515 – Purchasing.
2. The Application for Major Capital Project Funding is required to be submitted to the Ministry of Education.
3. Relocatable requests are to be submitted to the Ministry of Education for review and approval.
4. The annual Three Year PMR Plan and any amendments are required to be submitted to and approved by the Ministry of Education.
5. Board approval of purchases for construction and project services shall be obtained in accordance with Administrative Procedure 515 - Purchasing.
6. If debt financing is being utilized, a Board motion approving the financing of the capital project is required prior to awarding contracts, which will specify the Board's annual and total financial commitment for the duration of the project. Ministry of Education approval is also required for all debt financing.
7. The approval of the Board's annual budget shall be sufficient authorization to proceed with projects funded under facilities operating accounts. The Superintendent of Facilities has the authority to approve these projects.
8. The Superintendent of Facilities shall be responsible for the development of capital and non-capital plans and projects designed to sustain the division's facilities. These plans and projects will be developed in consultation with the appropriate parties.
9. The process for implementation of Major Capital Requests will be in accordance with the Capital Manual for Saskatchewan School Divisions (2018). All other projects are implemented in accordance with Administrative Procedure 515 – Purchasing.
10. The Chief Financial Officer shall be responsible for all financial arrangements, including the collection of capital grants, for capital projects.
11. Under the general supervision of the Chief Financial Officer, the Superintendent of Facilities shall be responsible for the supervision and administration of all projects including the selection of consultants, the preparation of the necessary specifications and documentation for projects.
12. When projects have been approved, the Superintendent of Facilities or delegate shall advise the school principal or budget manager of such approval and the facilities section staff will work with them to coordinate the implementation of the project.



13. The Board will be provided a financial status update on all projects with an estimated procurement value (as defined by AP 515) greater than \$250,000 as part of the Financial Results report.
14. If projects are forecasted to exceed budget, the following approvals are required in accordance with the category of project:

Category #	Category description	Approvers				
		Contract Services Manager	Superintendent of Facilities	Chief Financial Officer	Director of Education	Board of Trustees
1	PV < \$250k BE > 0% but < \$25k	Discussion required	Discussion required	No action required	No action required	No action required
2	PV < \$250k BE > 10% and > \$25k but < \$250k	Approval required	Approval required	Informed	No action required	No action required
3	PV > \$250k BE > 0% but < 10%	Approval required	Approval required	Informed	No action required	No action required
4	PV > \$250k BE > 10% but < \$250k	Approval required	Approval required	Approval required	Informed	Informed
5	BE > \$250k	Approval required	Approval required	Approval required	Approval required	Approval required

PV = Procurement Value

BE = Budget excess expressed as dollars over budget or percentage increase over budget

- 14.1. Approvals shall be obtained via the preparation of a Request for Project Cost Increase form. This form will document the status of the project, the change in procurement value and budgeted amount and describe the reasons for the overrun. The form will be signed-off by the approvers as noted in the table above and retained for documentation purposes.
- 14.2. There are multiple methods to obtain Board approval, outlined below in order of preference but dependent on the urgency of the request a lesser-preferred option may be appropriate:
  - 14.2.1. Next scheduled Board meeting
  - 14.2.2. Special Board meeting, after providing the required notice per Policy 6: Board Operations
  - 14.2.3. Special Board meeting, upon Trustees unanimously waiving notice
  - 14.2.4. Board Chair reviews and approves work to resume and communicates with Trustees. Final approval obtained at next scheduled Board meeting
15. Due to the nature of the estimates needed for individual projects, final costs will have a variance from the budget. Any budget surplus or deficit for PMR projects shall remain in the PMR reserves when the project is closed.

Date Last Revised: June 21, 2021