



# University of Toronto

OFFICE OF THE VICE-PROVOST, SPACE AND FACILITIES PLANNING

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## **FOR INFORMATION:**

TO: Business Board

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AGENDA ITEM: 5(b)

## **ITEM IDENTIFICATION:**

**Bahen Centre for Information Technology [BCIT] - Update and Project Completion Information**

## **JURISDICTIONAL INFORMATION:**

Under the Policy on Capital Planning and Capital Projects, dated June, 2001 each completed capital project requires a project conclusion report. A summary of the project conclusion reports for all concluded projects is to be provided annually to Governing Council for information.

## **PREVIOUS ACTION TAKEN:**

A summary of the Capital Plan expenditures for all approved projects is tabled at each meeting of the Business Board and reviewed as each new capital project expenditure is approved. At present there are 43 listed approved projects; the status of all projects can be essentially defined as i) essentially completed, ii) under active construction or iii) in the pre-tender stage of design and planning.

As each project is fully completed and commissioned a project conclusion report is prepared. The final cost of the project is reported for information to the Academic Board and the Business Board. The final project expenditures and the summary of all funding sources for this project and all other concluded projects will be tabulated in the Capital Planning expenditures as a single line item listing the totals for all concluded projects.

The BCIT is the first project within the Capital Plan to be formally concluded. Some 10-20 other capital projects currently listed in the Capital Plan are now essentially complete. Conclusion reports for each of these will be tabled for information at Academic Board and Business Board prior to the end of the current academic year. In some cases the large capital project will be formally concluded and a small project will be formally approved by the Accommodations and Facilities Directorate [AFD] to tidy up minor outstanding issues associated with a large project. Such an AFD project has been approved to conclude the BCIT capital project.

## HIGHLIGHTS:

**BCIT conclusion report:** On October 6<sup>th</sup>, 1999, the Planning & Budget Committee recommended to the Academic Board that the Bahen Centre for Information Technology Project Planning Committee Report be accepted in principle. The total cost of the project was estimated at \$88,136,578. Since that time the project has been revisited, and adjustments made to accommodate an enlarged lecture hall as well as a belated link-up to the Koffler Students Centre and the University of Toronto Textbook Store. These and other construction changes increased the price of the project from the initial cost to the formally approved cost of \$108,811,000 in 2001/02. The BCIT officially opened in the fall of 2002.

In early 2003, the V-P Business Affairs and the Provost approved, working within established policy guidelines, an increase in the cost of the project of \$2 million. The Provost and V-P Business agreed to share this additional cost from their respective portfolios, each committing an additional \$960,000 to the project. The monthly Capital Plan expenditure sheets, tabled at Business Board, were updated and have recorded the projected cost of the BCIT at \$111,867,670 for the past 18 months [September 2003].

Financial Services have now provided the final set of accounting numbers such that the project can now be concluded and officially closed. The final cost of the project is \$112,189,469. This information is summarized below.

Note that there were additional revenues, offsetting additional expenditures. Based on the projected cost of \$111,867,670, now adjusted upwards to \$112,189,469 as a result of the final accounting, there is a surplus of \$41,601. This surplus will be transferred to a new BCIT commissioning deficiencies project approved by the Accommodations and Facilities Directorate [AFD] at a cost of \$125,000.

REVENUES	Approved Plans	Actual/Pledged Amounts	Favourable or (Unfavourable) Variance
Revenues Sep'03	\$111,867,670	\$111,781,757	\$ (85,913)
ATOP		446,766	446,766
Other items		2,547	2,547
Revenues Oct '04	<b>\$111,867,670</b>	<b>\$112,231,070</b>	<b>\$ 363,400</b>
EXPENDITURES	Approved Plans	Projected Expenditures	Favourable or (Unfavourable) Variance
Expenses Sep'03	\$111,867,670	\$112,251,621	\$ (383,951)
Expenses		(42,209)	42,209
Adjustment: OSM-Furniture		(19,943)	19,943
Expenses Oct' 04	\$111,867,670	\$112,189,469	\$ (321,799)
<b>SURPLUS (DEFICITS)</b>			<b>\$ 41,601</b>

**Table 1: Final costs and revenues for the BCIT**

**FINANCIAL AND/OR PLANNING IMPLICATIONS:**

The overall total cost of the project has increased by \$321,799. This requires only a minimal adjustment to the Capital Plan since most of the increased project cost had already been incorporated into the monthly Capital Plan expenditure sheets.

The mortgages for the Faculty of Arts and Science and the Faculty of Applied Engineering that were established in early 2003 when the magnitude of the cost of the BCIT was fixed, from the perspective of the two Faculties, at \$108,811,000 remain intact. The VP Business Affairs has taken on a mortgage of \$960,000, as anticipated in early 2003; the Provost's Office will provide their contribution in cash.

The impact of this adjustment on the borrowing capacity is minimal, but positive. As a result of the cash contribution by the Provost's Office in the amount of \$960,000 the overall borrowing for the capital projects has been reduced by the equivalent amount.