



FOR RECOMMENDATION

CONFIDENTIAL

IN CAMERA SESSION

TO: Planning & Budget Committee

SPONSOR: Professor Scott Mabury, Vice President, University Operations

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DATE: October 15, 2014 for October 29, 2014

AGENDA ITEM: 9

ITEM IDENTIFICATION:

Capital Project: Ramsay Wright Building Teaching Laboratories Upgrades – Revisions to the Report of the Project Planning Committee, Total Project Cost and Sources of Funding

JURISDICTIONAL INFORMATION:

The Policy on Capital Planning and Capital Projects requires that project budget increases, for projects receiving Level 3 approval, must be approved by the same authority providing the original authorization. Irrespective of cost issues, a re-submission to the appropriate approval level is required where significant changes to a space program have been introduced. Section B of the *Policy* states:

“Project Budget Increases

For projects requiring Level 3 approval, any budget increase exceeding the less of 10% or \$3M of the original total project cost, and where funds are available, must be approved by the Business Board.

Changes in Scope

Irrespective of cost issues, a resubmission to the appropriate approval level is required where significant changes to a space program have been introduced.”

The Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. space plan, site, overall cost and sources of funds). Proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of Governing Council on the joint recommendation of the Vice-President and Provost and the Vice-President, University Operations. Normally, they will require approval of the Governing Council.

GOVERNANCE PATH

A. Project Planning Report

- 1. Planning and Budget [for recommendation] (October 29, 2014)**
2. Academic Board [for recommendation] (November 13, 2014)
3. Business Board [for recommendation] (November 3, 2014)
4. Governing Council [for approval] (December 11, 2014)

B. Execution of the Project – Project Budget Increases

1. Business Board [for financing and total project cost] (November 3, 2014)
2. Business Board [execution of the project] (November 3, 2014)

PREVIOUS ACTION TAKEN:

In June 2013, Governing Council approved in principle the Project Planning Report for the Ramsay Wright Building Teaching Laboratories Upgrade and in addition, approved in principle the project scope totalling 7,800 gross square metres (approximately 3,846 net assignable square metres), to be funded by the Faculty of Arts and Science, Graduate Expansion Funds and borrowing as follows:

○ Faculty of Arts and Science	\$ 8.72 million
○ Graduate Expansion Funds	\$ 2.29 million
○ Borrowing	\$ 3.67 million
○ Total	\$ 14.68 million

HIGHLIGHTS

Discussion of the space plan and site can be found in the open session document for this project “Capital Project: Revision to the Report of the Project Planning Committee for the Ramsay Wright Building Teaching Laboratories Upgrades – Change in Space Program, Budget and Sources of Funding” - item 4 for this meeting.

FINANCIAL IMPLICATIONS

a) Total Project Cost Estimate

The original proposed Total Project Cost (TPC) for all phases of the Ramsay Wright Building Teaching Laboratories Upgrades project was \$14.68million and consisted of 3 phases - \$8.55 million, \$3.672 million and \$2.458 million.

The revised TPC is \$24.3 million, an increase of \$9.62 million.

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The increases in cost can be grouped as follows:

Item	Description	Increase (%)	Increase (\$)
1.	significantly more required mechanical and electrical infrastructure work than originally anticipated and an inclusion of corridor and adjacent service space.	75%	\$ 7.22 M
2.	design change incorporating the use of a “lab module” commonly used in contemporary lab planning which allows for a more efficient and flexible use of space	17%	\$ 1.68 M
3.	user requested changes including additional power, air conditioning and increases in renovated areas	17%	\$1.68 M
4.	building code requirements: Emergency power, fire alarm, fire rating and sprinklers.	8%	\$ 0.73 M
5.	Environmental Health & Safety requirements: additional emergency showers, sinks etc.	4%	\$ 0.36 M
6.	building IT requirements: new network rooms and re-route cabling.	3%	\$ 0.33 M
7.	deletion of basement work which is comprised of the anatomy lab, prep rooms and student lounge	-24%	-\$2.38 M
8.	Total Increase		\$9.62 M

b) Funding Sources

The funding sources for Ramsay Wright Teaching Laboratories Upgrades are as follows:

Faculty of Arts & Science (includes \$1.40M from 4 departments)	\$ 17.15 million
Operating Funds	\$ 2.29 million
Graduate Expansion Funds	\$ 2.29 million
Financing	<u>\$ 4.86 million</u>
Total	\$ 24.30 million

RECOMMENDATIONS:

Be It Recommended to the Academic Board:

1. THAT the total project cost of \$24.30 million for the Ramsay Wright Teaching Laboratories Upgrades, as outlined in the Project Planning Committee dated October 8, 2014, be approved in principle, with funding as follows:

Faculty of Arts & Science	\$ 17.15 million
Graduate Expansion Funds	\$ 2.29 million
Financing	<u>\$ 4.86 million</u>
Total	\$ 24.30 million

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DOCUMENTATION PROVIDED:

- Revised Report of the Project Planning Committee for the Ramsay Wright Building Teaching Laboratories Upgrades, dated October 8, 2014.