#### OFFICE OF THE GOVERNING COUNCIL



FOR RECOMMENDATION CONFIDENTIAL IN CAMERA SESSION

**TO:** Business Board

**SPONSOR:** Scott Mabury, Vice President, University Operations

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**PRESENTER:** Malcolm Lawrie, Assistant Vice President, University Planning,

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**DATE:** September 12, 2014 for September 22, 2014

**AGENDA ITEM:** 18a

### **ITEM IDENTIFICATION:**

The Ramsay Wright Building Teaching Laboratories Upgrades – Financing Requirement

### JURISDICTIONAL INFORMATION:

Under the Policy on Capital Planning and Capital Projects,

"...proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of the Governing Council on the joint recommendations of the Vice President and Provost and the Vice President, University Operations. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board".

"If a project will require financing as part of the funding, the project proposal must be considered by the Business Board."

### **GOVERNANCE PATH:**

- 1. Planning and Budget [for recommendation] (September 17, 2014)
- 2. Academic Board [for recommendation] (October 2, 2014)
- 3. Business Board [for recommendation] (September 22, 2014)
- 4. Executive Committee [for endorsement and forwarding to the Governing Council] (October 22, 2014)
- 5. Governing Council [for approval] (October 30, 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:

| 0 | Faculty of Arts and Science | \$<br>8.72 million  |
|---|-----------------------------|---------------------|
| 0 | Graduate Expansion Funds    | \$<br>2.29 million  |
| 0 | Borrowing                   | \$<br>3.67 million  |
|   | Total                       | \$<br>14.68 million |

#### **HIGHLIGHTS:**

This proposed project will help to address the space concern raised by the external reviewers of IBBME (Decanal Review, November 19-20, 2012). They stated in the review report that: "There is critical need for both short term and long term space to support the growth of the program. The lack of space puts the Institute at risk of losing junior faculty and limits its ability to attract top-notch faculty, particularly senior faculty with large laboratories, research budgets, and students." They also wrote in the Research section that: "More specifically, the biomaterials and tissue engineering research themes are well positioned for international leadership and sustained growth... To better integrate and accelerate the excellent research programs it seems logical to consider strategic core facilities that can be implemented immediately while the space situation is still in flux." This proposal demonstrates the Faculty of Medicine's ongoing collaboration with other units and its work in strengthening its research vision.

# **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 \$14,680,000 and consisted of 3 phases \$8,550,000, \$3,672,000 and \$2,458,000.

The revised TPC is \$24,300,000, an increase of \$9,620,000.

The increases in cost can be grouped as follows:

| Item | Description  | Increase (%) | Increase (\$) |
|------|--|--------------|---------------|
| 1    | significantly more required mechanical and electrical  | 75%          | \$7.22 M      |
| 1.   | infrastructure work than originally anticipated and an |              |               |

|    | inclusion of corridor and adjacent service space.        |      |           |
|----|--|------|-----------|
|    | design change incorporating the use of a "lab module"    | 17%  | \$1.68 M  |
| 2. | commonly used in contemporary lab planning which allows  |      |           |
|    | for a more efficient and flexible use of space           |      |           |
| 3. | user requested changes including additional power, air   | 17%  | \$1.68 M  |
| 3. | conditioning and increases in renovated areas            |      |           |
| 4. | building code requirements: Emergency power, fire alarm, | 8%   | \$0.73 M  |
| 4. | fire rating and sprinklers.                              |      |           |
| 5. | Environmental Health & Safety requirements: additional   | 4%   | \$0.36 M  |
| 3. | emergency showers, sinks etc.                            |      |           |
| 6. | building IT requirements: new network rooms and re-route | 3%   | \$0.33 M  |
| 0. | cabling.   |      |           |
| 7. | deletion of basement work which is comprised of the      | -24% | -\$2.38 M |
| 7. | anatomy lab, prep rooms and student lounge               |      |           |

# **b)** Funding Sources

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

| Total   | \$ 24.30 million |
|---|------------------|
| Borrowing   | \$ 4.86 million  |
| Graduate Expansion Funds  | \$ 2.29 million  |
|   | Operating Funds  |
| Faculty of Arts & Science (includes \$1.40M from 4 departments) | \$ 17.15 million |

# **RECOMMENDATION:**

Be It Recommended to the Governing Council

1. THAT the project for the Ramsay Wright Building Teaching Laboratories Upgrades totaling 4,650 square metres (3,514 nasm), as outlined in the revised Project Planning Report of the Project Planning Committee, dated September 4, 2014, be approved in principle with a total project cost of \$24,300,000, including a maximum amount of long term borrowing not to exceed \$4,860,000.

### **DOCUMENTATION PROVIDED:**

Revised Report of the Project Planning Committee for the Ramsay Wright Building Teaching Laboratories Upgrades, dated September 4, 2014 (Item 18ai).