



FOR CONFIRMATION

CONFIDENTIAL

IN CAMERA

TO: Executive Committee

SPONSOR: Prof. Scott Mabury, Vice-President, University Operations
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PRESENTER: See above.
CONTACT INFO:

DATE: June 4, 2015 for June 15, 2015

AGENDA ITEM: 16

ITEM IDENTIFICATION:

Capital Project: University of Toronto Mississauga Biology Greenhouse - Total Project Cost and Sources of Funding.

[Note: *The Project Planning Report for this item has been included under Item 5*]

JURISDICTIONAL INFORMATION:

The *Policy on Capital Planning and Capital Projects* provides that capital projects with a project budget over \$3 million and up to \$10 million (Approval Level 2), at UTM will be considered by the UTM Campus Affairs Committee and the UTM Campus Council, before being recommended to the Academic Board for approval. Such proposals are then brought forward to the Executive Committee for confirmation.

The Business Board is responsible for approving the execution of the project.

GOVERNANCE PATH:

A. Project Schedule and Total Project Cost:

1. Campus Affairs Committee [For Recommendation] (April 27, 2015)
2. Campus Council [For Recommendation] (May 28, 2015)
3. Academic Board [For Approval] (June 1, 2015)
- 4. Executive Committee [For Confirmation] (June 15, 2015)**

B. Execution of the Project:

1. Business Board [For Approval] (June 18, 2015)

A. Project Schedule

1. Campus Affairs Committee [For Information] (April 27, 2015)
2. Campus Council [For Information] (May 28, 2015)
3. Academic Board [For Information] (June 1, 2015)
4. Executive Committee [For Information] (June 15, 2015)

B. Total Project Cost and Sources of Funding

1. Campus Affairs Committee [For Recommendation] (April 27, 2015)
2. Campus Council [For Recommendation] (May 28, 2015)
3. Academic Board [For Approval] (June 1, 2015)
4. **Executive Committee [For Confirmation] (June 15, 2015)**

C. Execution of the Project:

1. Business Board [For Approval] (June 18, 2015)

PREVIOUS ACTION TAKEN:

The Project Planning Report dated October 12, 2013 was recommended for approval by UTM CAC on November 11, 2013 and by the UTMCC on December 9, 2013. It was approved in principle by the Academic Board and confirmed by the Executive Committee at its meeting on March 27, 2014. Business Board approved the execution of project at its meeting on January 27, 2014.

The Total Project Cost (TPC) has since increased and as such, according to *The Policy on Capital Planning and Capital Projects* the revised budget must be approved by the same authority providing the original authorization.

HIGHLIGHTS:

The initial TPC of \$4,170,391, was recommended by UTMCC and approved in principle by the Academic Board and approved for execution by the Business Board. The Executive Committee, which was considering this item for confirmation at its February 12, 2014 meeting, deferred its decision to its next meeting in order to gather more information and subsequently approved a TPC of \$3,284,391 (\$671/gross square foot) on March 27, 2014. Following detailed design work, first tender was issued on January 19, 2015 and the responding bids that were received for the project all exceeded the budget. It is now necessary for the university to accommodate a higher than anticipated cost and as a consequence the TPC has been revised to \$4,967,922.

Please see the Financial Implications below.

The approved project scope remains unchanged, totalling approximately 432.0 gross square metres or about 276.9 net assignable square meters (nasm).

FINANCIAL IMPLICATIONS:

a) Total Project Cost Estimate

The proposed Total Project Cost (TPC) for Phase 1 of the Biology Greenhouse project is \$4,967,922.

b) Operating Costs

Annual energy and maintenance costs are expected to range from \$72,400 to \$86,000. Additional annual operating costs related to staffing and transportation (operating cost of van) are estimated at \$67,600 per year. UTM's annual Operating Budget has provided for these increased costs that total between \$140,000 to \$153,600.

The annual estimated cost of energy and maintenance; between \$262 and \$311 / nasm.

c) Funding Sources

The funding source is:

- Capital Reserves derived from the UTM Operating Budget \$4,967,922

RECOMMENDATION:

Be It Confirmed

THAT the revised total project cost of \$4,967,922 for the UTM Biology Research Greenhouse be approved, to be fully funded by Capital Reserves derived from the UTM Operating Budget.