



FOR RECOMMENDATION

CONFIDENTIAL

IN CAMERA

TO: Campus Affairs Committee

SPONSOR: Paul Donoghue, Chief Administrative Officer

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DATE: February 02, 2017 for February 09, 2017

AGENDA ITEM: 13

ITEM IDENTIFICATION:

Capital Project: University of Toronto Mississauga Parking Deck Expansion – Total Project Cost and Sources of Funding

JURISDICTIONAL INFORMATION:

Section 5.6.2 of the Campus Affairs Committee Terms of Reference states that the Committee “considers reports of project planning committees and recommends to the UTM Campus Council approval in principle of projects (i.e. site, space plan, overall cost and sources of funds) with a capital cost as specified in the *Policy on Capital Planning and Capital Projects*.”

The *Policy on Capital Planning and Capital Projects* provides that capital projects exceeding \$10 million (Approval Level 3), at UTM will first be considered by the UTM Campus Affairs Committee and the UTM Campus Council, which shall recommend approval to Academic Board. The *Policy* further states that “If a project will require financing as part of the funding, the project proposal must be considered by the Business Board.” Following consideration and approval by the Academic Board, such proposals are then brought forward to the Executive Committee for endorsement and forwarding, before being considered by the Governing Council for approval.

The *Policy on Capital Planning and Capital Projects* provide that capital “project budget increases required for projects receiving Level 1 and 2 approval must be approved by the same authority providing the original authorization. In a case where a budget increase pushes the project into the next approval level, and funds are available, the spending increase must be approved by the authority of that higher level.”

Separate from the approval of the Project Planning Report, the *Policy* also requires that “Execution of such projects is approved by the Business Board.”

GOVERNANCE PATH:

A. Project Schedule and Total Project Cost:

- 1. Campus Affairs Committee [For Recommendation] (February 9, 2017)**
2. Campus Council [For Recommendation] (March 2, 2017)
3. Academic Board [For Approval] (March 16, 2017)
4. Executive Committee [For Endorsement & Forwarding] (March 28, 2017)
5. Governing Council [For Approval] (April 4, 2017)

B. Execution of the Project:

1. Business Board [For Approval] (February 27, 2017)

PREVIOUS ACTION TAKEN:

The Parking deck expansion was initially approved by the UTM Campus Affairs Committee and the UTM Campus Council on January 8, 2015 and February 5, 2015 respectively, before being confirmed by the Executive Committee on March 25, 2015. Originally a total project cost (TPC) of \$9,240,000 was approved. An increase of \$728,507 to be funded by UTM Parking Ancillary Capital Reserve resulted in an increase to the approved TPC of \$9,240,000 to \$9,968,507. This increase was necessary because the actual tendered construction cost exceeded the budget estimate.

HIGHLIGHTS:

Approval is currently being sought to increase the approved budget of \$9,968,507 by \$738,395; this results in a TPC of \$10,706,902. The project is forecasted to complete at \$10,706,902 (16% over budget); this is comprised of \$728,507 (first increase) and \$738,395 (current increase). The current increase amount is largely due to site conditions (such as testing and removal of contaminated soil which had to be removed from the site), City of Mississauga requirements which were not known at the time of construction award, and associated delays/acceleration.

Schedule

The revised schedule is as follows: The project is occupied and has reached substantial performance.

FINANCIAL IMPLICATIONS:

a) Total Project Cost Estimate

The estimated Total Project Cost (TPC) is \$10,706,902.

RECOMMENDATION:

Be it Recommended,

1. THAT the revised total project cost of \$10,706,902 million for the UTM Parking Deck Expansion be approved in principle, to be funded as follows:

UTM Parking Capital Reserves	\$3,000,000
Internal UTM Transfer General Capital Reserves	\$6,240,000
UTM Parking Ancillary Capital Reserve	\$728,507
<u>UTM Parking Ancillary Capital Reserve</u>	<u>\$738,395</u>
Total	\$10,706,902