



Deferred Maintenance Report 2018

February 4, 2019





Agenda

1. Change in MTCU methodology
2. Current status
3. Updated prioritization methodology
4. 2018 Investments and Impact





Deferred Maintenance

FCAP Methodology

COU Facility Condition Assessment Program (FCAP)

- MTCU has updated the FCAP methodology:
 - Systems model approach
 - Move from presenting construction costs to total project costs
 - Addition of infrastructure to DM liability
 - Introduction of cost escalation of 2% per year
- The criteria was harmonized across the higher education sector
- Third party assess each building on a 5 year rotating basis

Facility Condition Index (FCI)

An industry-standard measure used to compare relative building conditions

$$\text{FCI} = \frac{\text{total cost of existing deficiencies}}{\text{current replacement value}}$$



UNIVERSITY OF
TORONTO



Deferred Maintenance

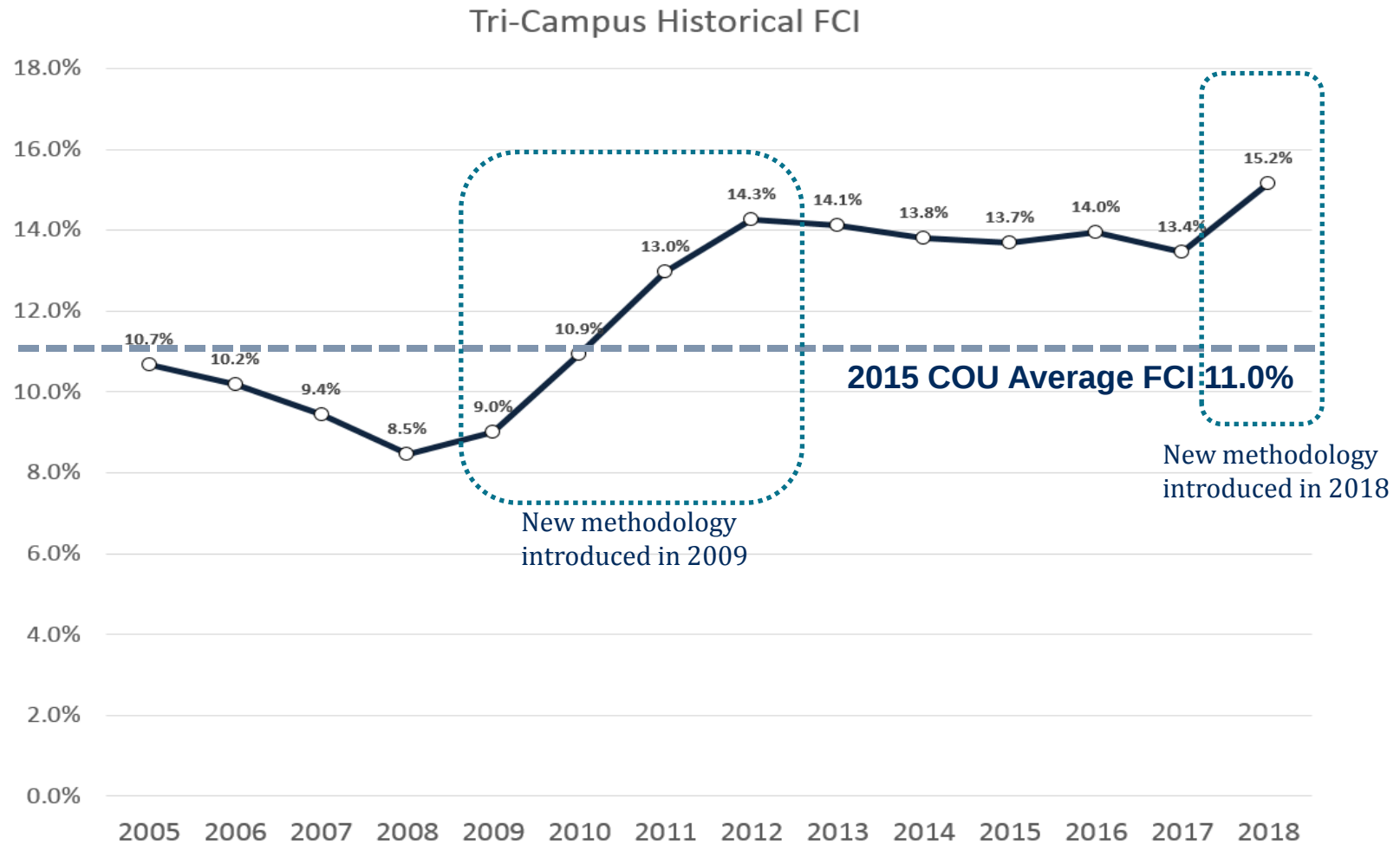
Impact of new methodology – 2018 audited assets only

	2018 Results	2017 Data	Percent Change
Deferred Maintenance	\$320,756,310	\$201,007,102	+59.6%
Replacement Value	\$1,361,457,357	\$1,278,460,843	+6.5%
FCI	23.6%	15.7%	+7.8%

Impact of new methodology:

- 24 Buildings assessed in 2018 (UTSG: 17, UTM: 4, UTSC:3)
- Not a representative sample due to over-representation of laboratories

Deferred Maintenance



Our Tri-Campus FCI rose from 13.4% to 15.2%.

Recent significant increases in FCI were driven by methodology changes introduced in 2009 and 2018



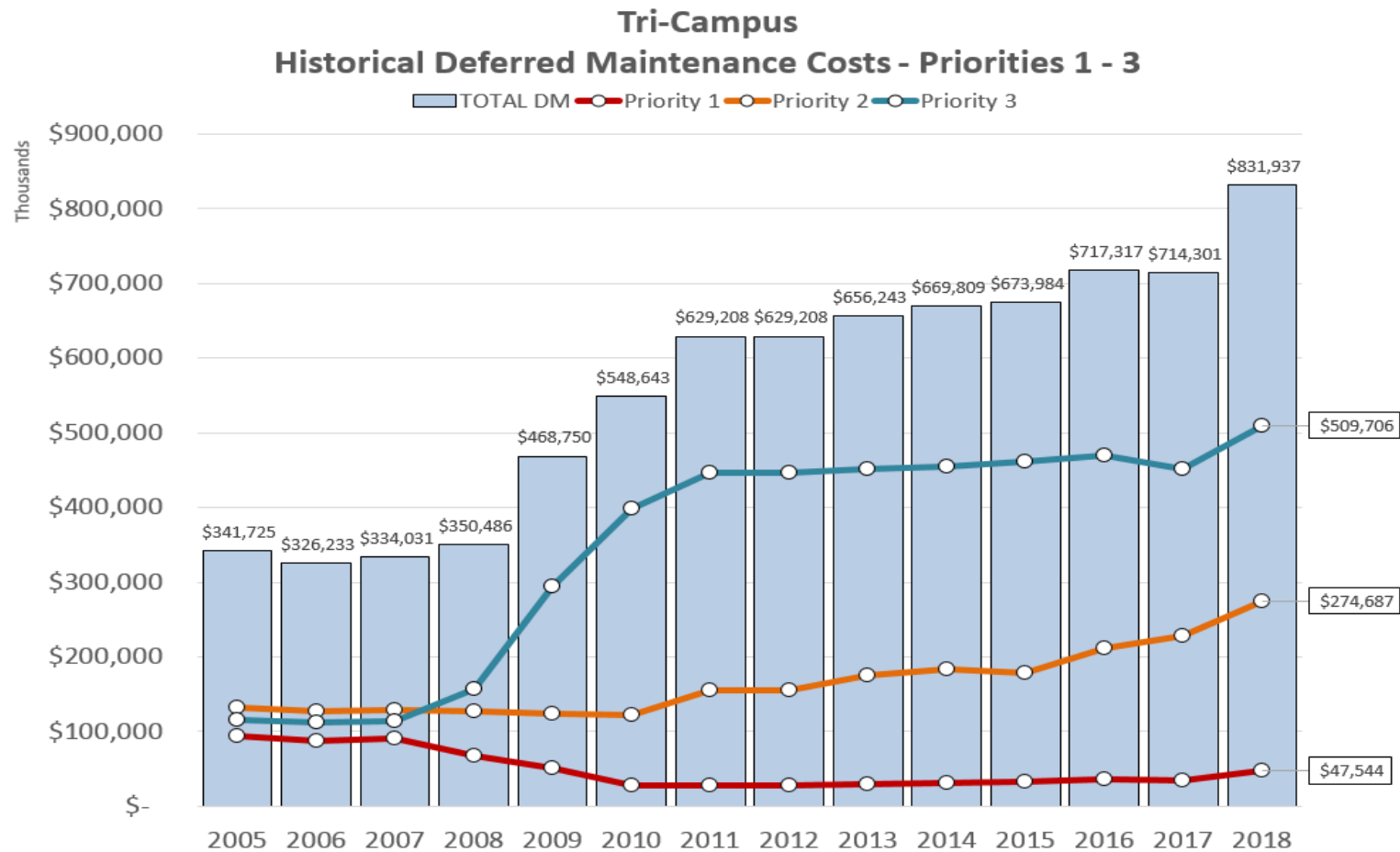
Deferred Maintenance

Current Allocation Methodology

COU Facility Condition Assessment Program (FCAP) definitions:

- **Priority 1: Currently critical and require immediate action;** that returns the facility to normal operations, stop accelerated deterioration, correct a cited safety hazard
- **Priority 2: Potentially critical if not corrected** could become critical; intermittent interruptions, rapid deterioration and potential safety hazards
- **Priority 3: Not yet critical condition that needs appropriate attention** to curtail the deterioration of the fabric or potential downtime and the associated damage or possible higher cost

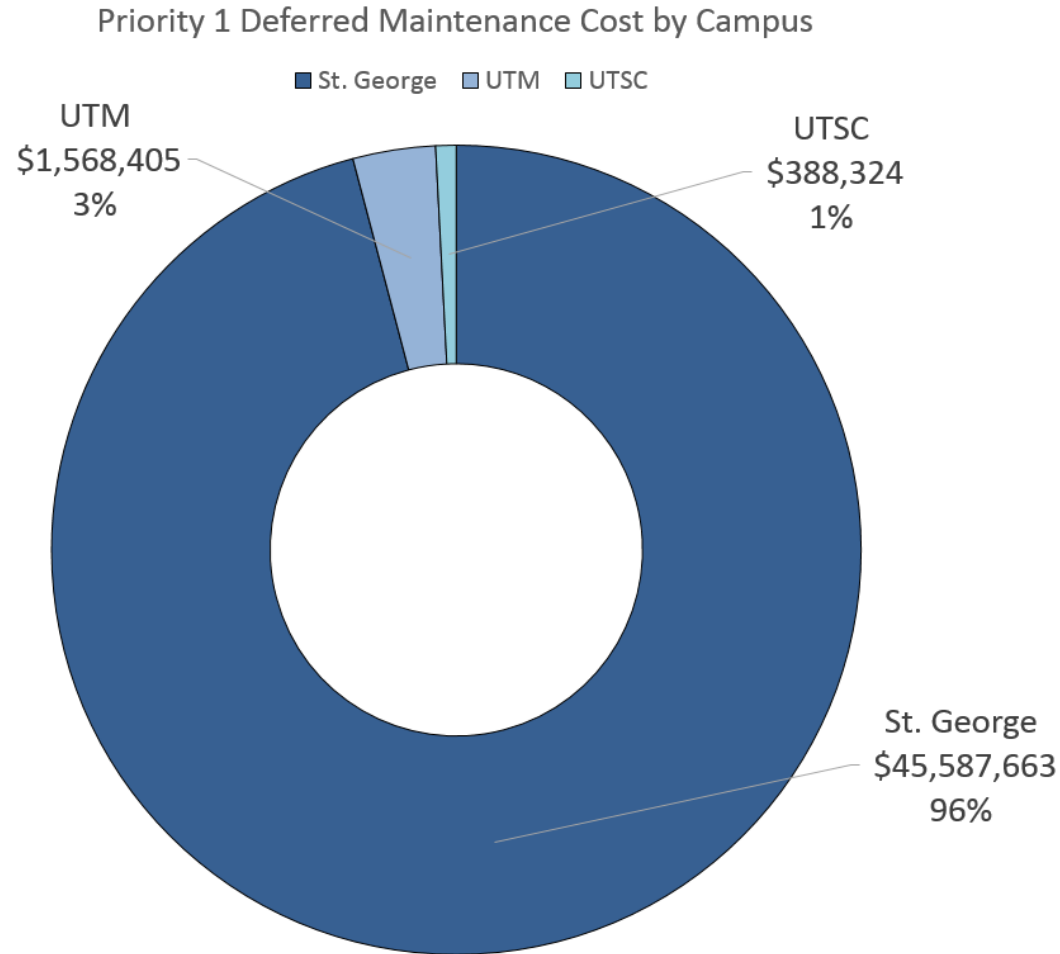
Deferred Maintenance



DM increase primarily attributed to new methodology for 2018

Although there is an increase in DM liability, Priority one needs have been held steady due to DM funding investments

Deferred Maintenance

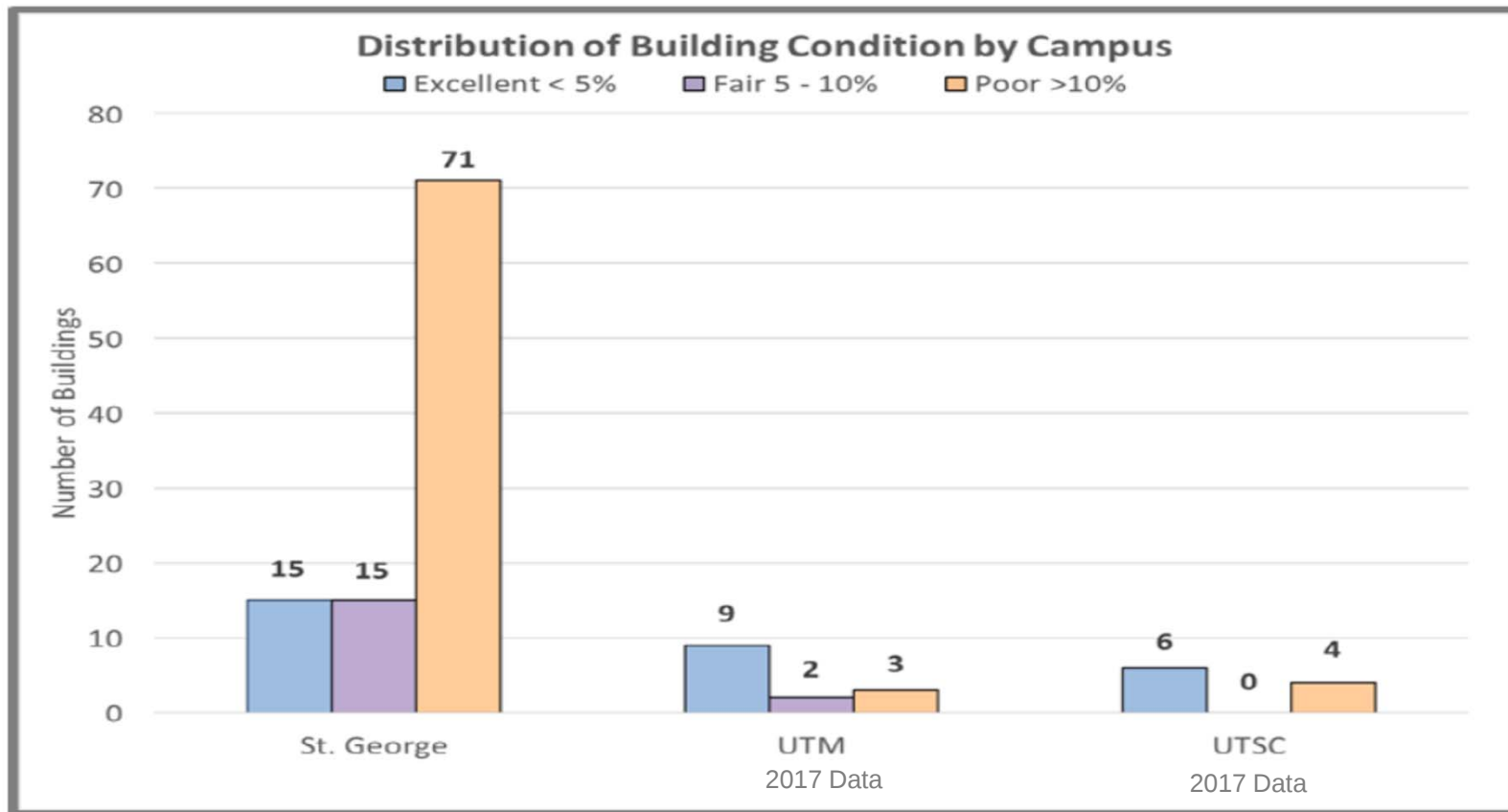


Overwhelming majority of Priority 1 needs are on our St George Campus

This is primarily due to the age of the assets, as compared to UTM and UTSC



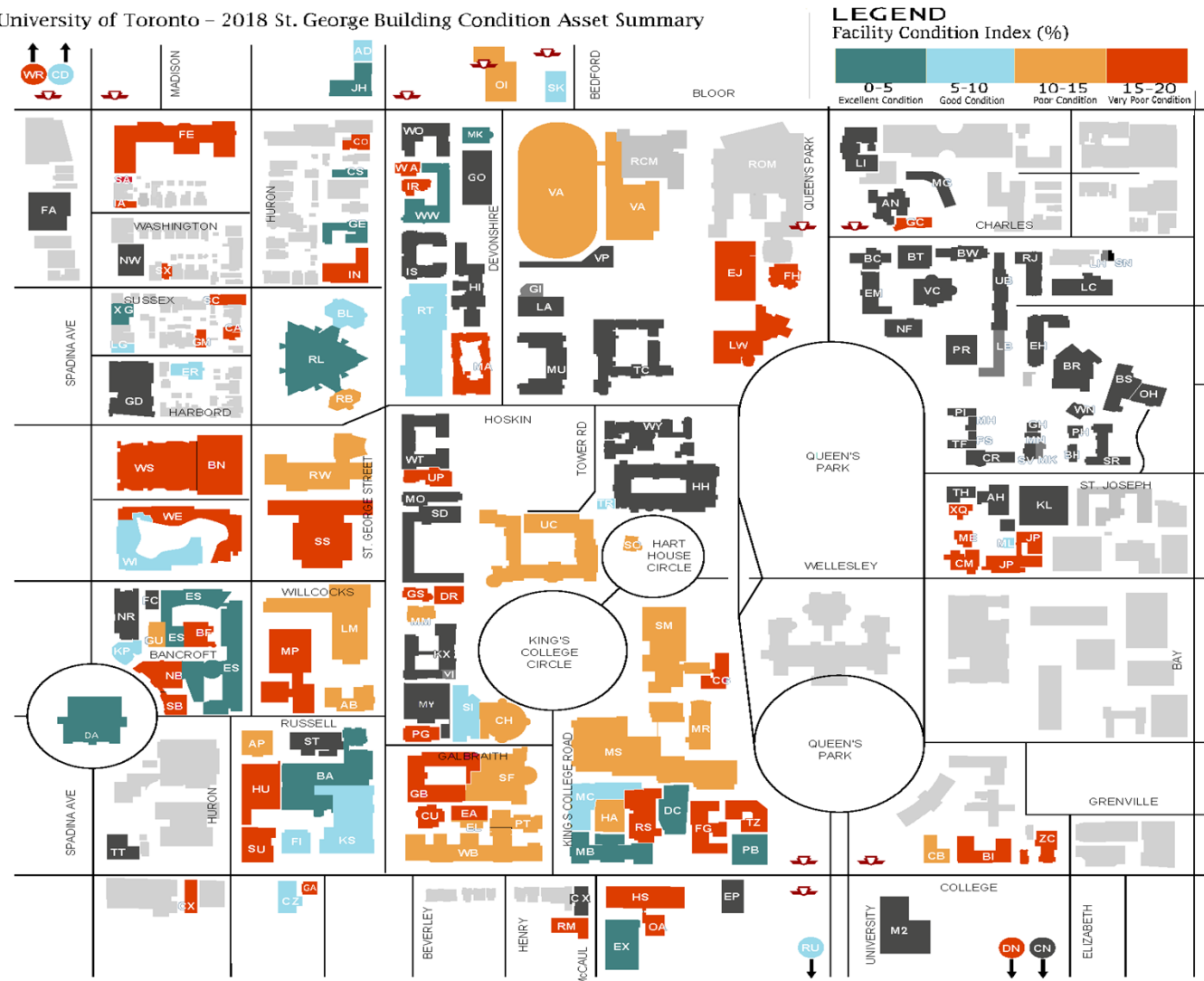
Deferred Maintenance





Deferred Maintenance

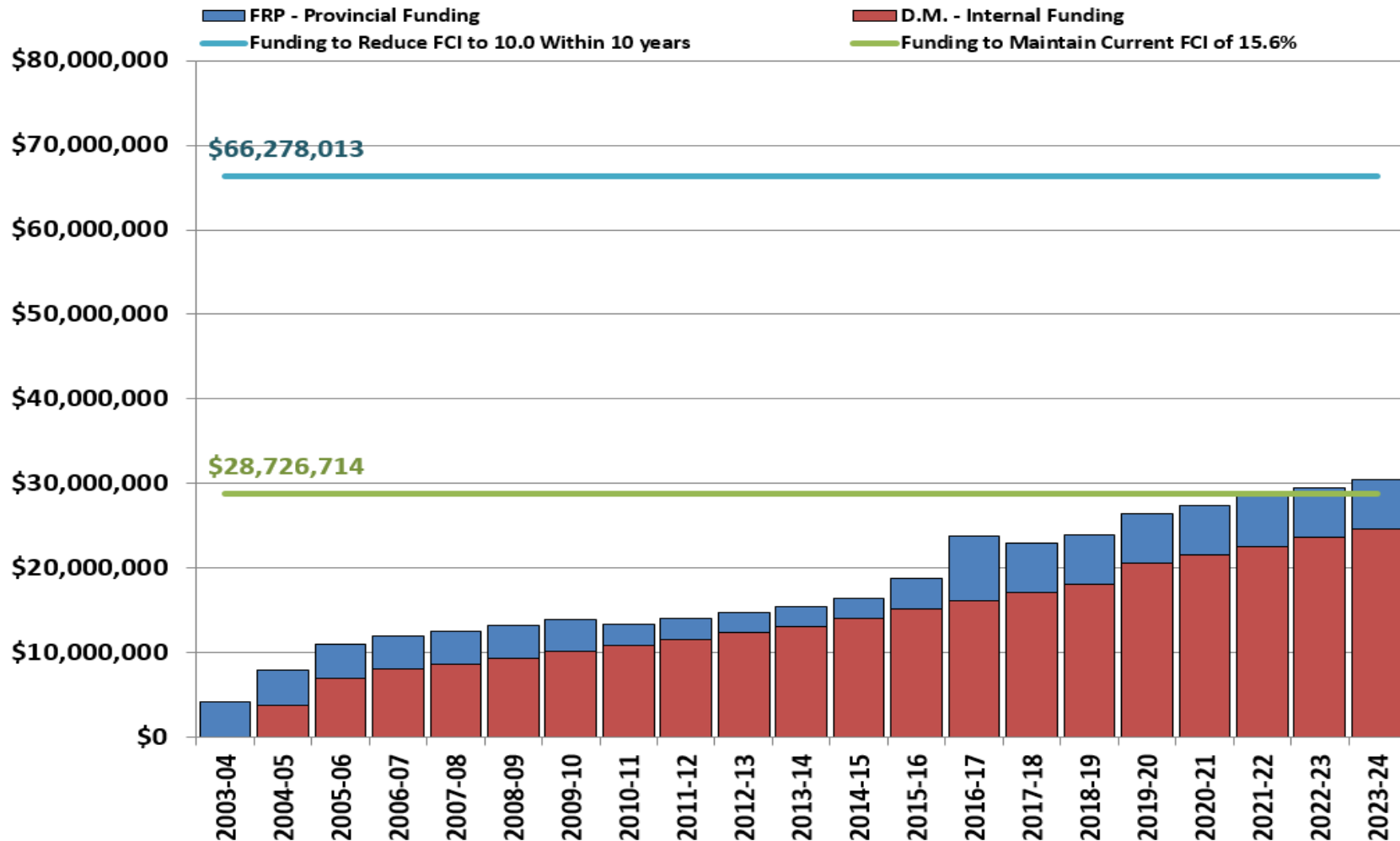
University of Toronto – 2018 St. George Building Condition Asset Summary



UNIVERSITY OF
TORONTO

Asset Renewal

F&S St. George Campus - Summary of FRP and Uof T DM Funding Received

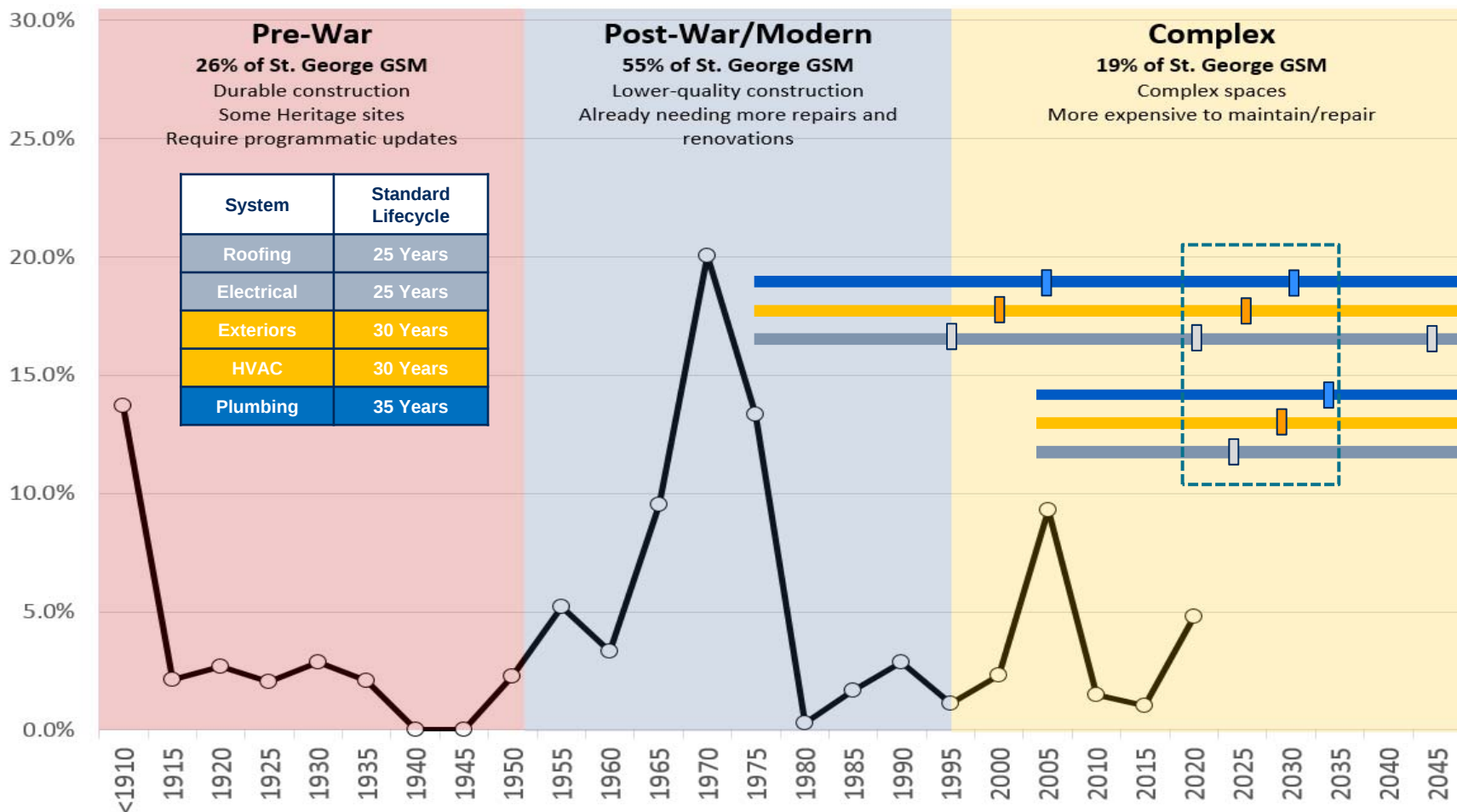


Funding to maintain FCI at St George campus is 28.7M per year. At present we are investing \$24M



Deferred Maintenance

Look Ahead



UNIVERSITY OF
TORONTO



Deferred Maintenance

Allocation Methodology

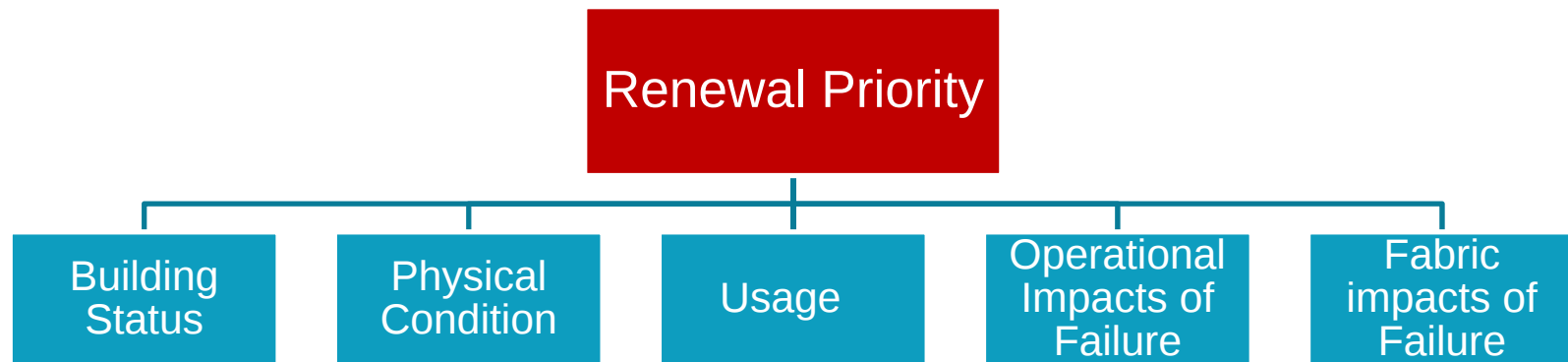
- DM program review lead to the development of a new allocation methodology that is:
 - Risk mitigation focused
 - System level renewal focused to reduce operational impacts and downtime
- Identifies needs in three focus areas:
 - **Property-specific asset renewal** (e.g. roofs, HVAC, elevators, etc.)
 - **Opportunistic initiatives** (e.g. SIF, GGRP)
 - **Emergency Contingency**





Deferred Maintenance

Allocation Model



Each criteria is also weighted against each other, to then develop a renewal priority

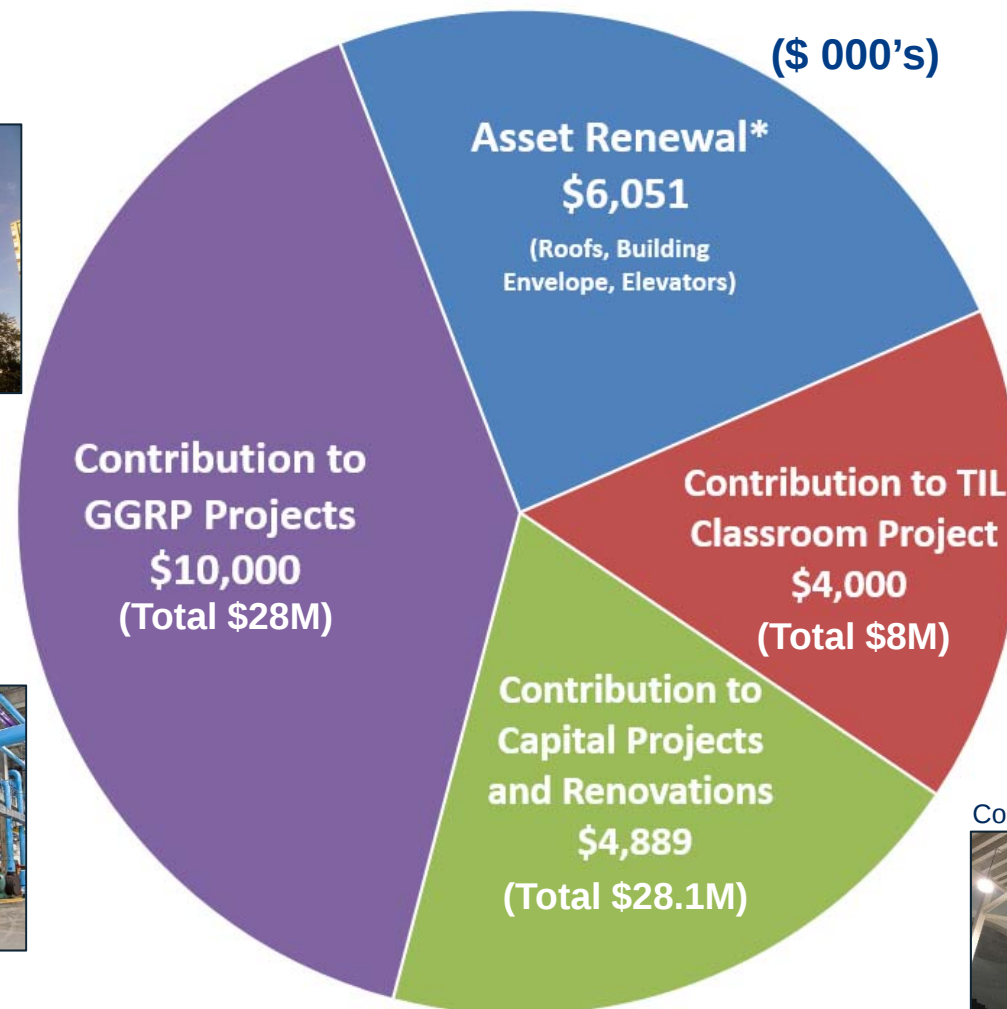
$$\text{Renewal Priority} = W_1(\text{BS}) + W_2(\text{PC}) + W_3(\text{U}) + W_4(\text{OI}) + W_5(\text{FF})$$

New allocation model will allow for the development of a 3 year “look ahead” plan, which will improved alignment with our capital project planning process



St. George 2018 Investments - \$24M

(\$ 000's)



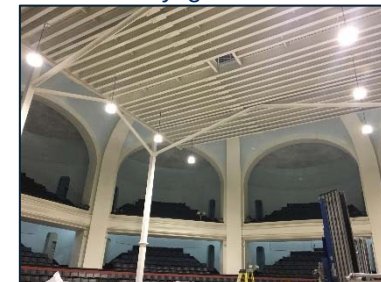
Anthropology Roof



TIL Classroom Project



Con Hall Skylight



GGRP Projects



UNIVERSITY OF
TORONTO

*Includes FRP funding of \$5.854 M



Thank you

