



**FOR RECOMMENDATION**

**CONFIDENTIAL**

***IN CAMERA***

**TO:** Business Board

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

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**PRESENTER:** See above

**CONTACT INFO:**

**DATE:** June 1, 2016 for June 16, 2016

**AGENDA ITEM:** 13d (ii)

**ITEM IDENTIFICATION:**

Capital Project: Recreation Wing (R-Wing) Renovation and Expansion "Highland Hall", University of Toronto Scarborough – Execution of the Project

**JURISDICTIONAL INFORMATION:**

Section 5.2 (b) of the terms of reference for the Business Board states that the Board is responsible for "approval of capital expenditures for, and the execution of, approved projects, as required by approved policies."

Under the Policy on Capital Planning and Capital Projects, "...for projects requiring Level 3 approval, any budget increase exceeding the lesser of 10% or \$3M of the original total project cost, and where funds are available, must be approved by the Business Board."

**GOVERNANCE PATH:**

**A. Revised Total Project Costs**

1. Business Board [for approval] (June 16, 2016)

**B. Execution of the Project**

**1. Business Board [for approval] (June 16, 2016)**

**PREVIOUS ACTION TAKEN:**

In April 2014, Governing Council approved in principle the Project Planning Report for the Recreation Wing (R-Wing) Renovation and Expansion "Highland Hall" University of Toronto Scarborough, with a project scope of approximately 4,237 new NASM (8, 178 GSM) of new

construction and 2,223 NASM (4,291 GSM) of renovation of the R-Wing at UTSC, to be funded as follows:

UTSC Operating Funds	\$ 7.72 million
Capital Campaign Funds (Target)	\$ 5.00 million
Provost Central Funds (To Match Donations)	\$ 5.00 million
Ontario Major Capacity Expansion Program	<u>\$ 30.80 million</u>
Total	\$ 48.52 million

Since Governing Council approval in April 2014, the project did not receive the anticipated provincial support through the Ontario Major Capacity Expansion Program. Although the site and space program outlined in the Report of the Project Planning Committee for the Renovation and Expansion of the Recreation Wing (R-Wing) "Highland Hall" University of Toronto Scarborough, dated November 20, 2014 have been approved, governance approval of proposed funding sources and execution of the project is required. The project planning report has been submitted for information with changes occurring only on pages 36 and 37 - project schedule and the funding sources. It was recommended that the report not be retitled as "Revised" and that changes to the schedule and funding sources be fully outlined in this report.

The financing portion of the funding resources, as noted below under Financial Implications (b), in the amount of \$15,000,000 remains unchanged from the previous approval of the project's Financing Requirement by the Business Board on September 21, 2015\*.

\*EXCERPT of Cover Sheet – Business Board, September 21, 2015:

*“The funding sources for the project are as follows:*

<i>UTSC Operating Funds</i>	<i>\$ 23,514,000</i>
<i>Financing</i>	<i>\$ 15,000,000</i>
<i>Capital Campaign (targeted amount)</i>	<i>\$ 5,000,000</i>
<i><u>Provost Central Funds</u></i>	<i><u>\$ 5,000,000</u></i>
<i>Total</i>	<i>\$ 48,514,000”</i>

The project was tendered in November 2015 to five pre-qualified general contractors. Results of the tender close on 18 December 2015 put the construction budget over that previously approved by \$4.7M.

Cost savings were identified over the next few months and a Post-Tender Addenda was issued to the five bidders on 06 April 2016 which identified 17 possible credit items. This returned credits totaling \$1.12M, resulting in a revised TPC value of \$52,960,822. This is a difference (increase) of \$4.446M over the previously approved TPC.

**HIGHLIGHTS:**

- see above

**FINANCIAL IMPLICATIONS:**

**a) Total Project Cost Estimate**

The total estimated project cost for the renovation and expansion of the R-Wing is \$48,514,000. At the January 23, 2014 CaPs Executive meeting, the expenditure of \$2,931,695 in consulting fees, included in the Total Project Cost, was approved.

**b) Funding Sources**

The funding sources for the revised TPC value for the project are as follows:

UTSC Operating Funds	\$27,960,000
Financing	\$15,000,000
Capital Campaign (targeted amount)	\$5,000,000
Provost Central Funds	<u>\$5,000,000</u>
Total	<b>\$52,960,000</b>

For additional information see 'Financial Implications' section of the cover sheet for the Capital Project: Report of the Project Planning Committee for the Recreation Wing (R-Wing) Renovation and Expansion "Highland Hall" University of Toronto Scarborough - Financing Requirement

**RECOMMENDATION:**

Be It Resolved:

THAT the Vice-President, University Operations be authorized to implement the project for the University of Toronto Scarborough Renovation and Expansion of the Recreation Wing (R-Wing: Highland Hall) with a revised total project cost of \$52,960,000.

**DOCUMENTATION PROVIDED:**

- Report of the Project Planning Committee for the Renovation and Expansion of the Recreation Wing (R-Wing) "Highland Hall" University of Toronto Scarborough, dated November 20, 2014 (Revised Pages 36 and 37, August 2015)