

**University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Notice of Meeting**

Date: Wednesday 10 March 2021

Time: 1:00-3:00 p.m.

Place: via MS Teams

*material attached

Action

OPEN SESSION

- | | |
|--|-------------|
| 1. Declaration of Conflicts of Interest | Declaration |
| 2. Minutes of the 13 January 2021 Meeting* [George] | Decision |
| 3. Business Arising from the Minutes | Information |
| 4. Resolution by Electronic Vote* [George]
(a) Selection of Design Team – Joseph Street Warehouse Renovation | Information |
| 5. Capital Financing Commitments and Construction Status [Huber]
(a) Building & Properties Finance Summary – March 2021*
(b) Construction Status Report – March 2021*
(c) Capital Financing Commitments – April 30, 2020* | Information |
| 6. Waterloo Eye Institute Project* [Rush, Lemieux, Huber] | Decision |
| 7. Execution Against the Work Plan* [George] | Information |
| 8. Other Business | Information |
| 9. Proceed into Confidential Session | Information |

Next Meeting: Wednesday 12 May 2021, 1:00-3:00 p.m., via MS Teams

4 March 2021

Alice Raynard
Associate University Secretary

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Minutes of the 13 January 2021 Meeting
[in agenda order]

Attendees: Peter Barr, Murray Gamble, Martha George (chair), Alice Raynard (secretary), Max Salman, James Schlegel, Abbie Simpson

Administration: Mike Ditty, Stepanka Elias, Mark Giesbrecht, Feridun Hamdullahpur, Dennis Huber, Rob Hunsperger, Robert Lemieux, Jack Rehder, James W. E. Rush

Regrets: Jennifer Kieffer (administration)

Organization of Meeting: Martha George took the chair and Alice Raynard acted as secretary. The chair welcomed members to the meeting. The agenda was approved by consensus as circulated. The secretary advised that quorum was present.

OPEN SESSION

1. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

2. MINUTES OF THE 30 SEPTEMBER 2020 MEETING

A motion was heard to approve the minutes of the meeting as distributed. Barr and Gamble. Carried.

3. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

4. CAPITAL FINANCING COMMITMENTS AND CONSTRUCTION STATUS

a. Building & Properties Finance Summary – January 2021

b. Construction Status Report – January 2021

Huber took items a and b together; members discussed PAC-SLC and management of sub-trades. Management will submit to the committee before next meeting a motion by electronic vote concerning the appointment of architects for the warehouse renovation at the Health Science Campus. Hunsperger spoke to: Hagey Hall (under budget); Marine Labs (delays due to specialized equipment from USA, supply chain, personnel issues, under \$5M threshold).

c. Capital Financing Commitments – 30 April 2020

Huber indicated those commitments are derived from UW's audited financial statements and are well within the University's debt policies.

5. RENOVATIONS TO EARTH SCIENCES & CHEMISTRY BUILDING

Rush provided an overview of how this project is a gateway to allow projects in Chemistry 2 (C2) to happen. Lemieux provided project's rationale: modernization of Biology 1, Biology 2 and Physics buildings, which are in need of renovations that have not been done comprehensively. The study confirms that renovations can be done in stages and allow to stretch the project over 10 years. The C2 project is mission critical and may come to the committee later this year.

Members discussed: no students are being displaced as activities are currently minimal; anticipated schedule is about a year and cannot be accelerated due to ventilation; need to prioritize funding as refitting costs and actual renovation costs for labs and abatement; there will be more space for graduate students; committee appreciates having site plans in the future as part of normal process. Murray and Salman. Carried.

6. AMENDMENT OF MATH 4 PROJECT

Rush provided an overview of context of revision of proposal and Giesbrecht indicated options that had been considered and the fact that the University is renting space in order to accommodate faculty and students. This proposal would connect the whole Faculty and support the entire University strategic plan (data science perspective and fundraising perspective), while offering new lab space to future faculty members, talent and meeting space, which are much needed.

Members discussed: probable two-year timeline; limited governmental funding; \$40M is already set aside for this project, fundraising will be required; space, quad space, green space, and accessibility; ideas for re-imagining the quad, noting the quad cannot be sacrificed. Murray and Barr. Carried

7. REAL ESTATE HOLDINGS LIST – DECEMBER 1, 2019

Huber provided an overview of the list, informing the committee that, with under 9M sq. feet, rental properties had decreased.

8. STATUTORY COMPLIANCE REPORT

Raynard spoke to the document, indicating no exceptions had been reported.

9. CAMPUS MASTER PLAN

Huber provided an overview of the campus master plan, with the current focus on improving outdoor spaces and plans for the North Commons.

Members thanked management on executing outdoor spaces that are more livable and discussed: rethinking the overall entrance of South Campus Hall in next 5-10 years, which is in the master plan; need to take into account the future of work and rethinking parking lots and Ring Road.

10. EXECUTION AGAINST THE WORK PLAN

Raynard indicated the committee was on track.

11. OTHER BUSINESS

There was no other business.

12. PROCEED INTO CONFIDENTIAL SESSION

The committee convened in confidential session.

The committee is scheduled to meet on Wednesday 10 March 2021, 1:00-3:00 p.m. via Teams.

28 February 2021

Alice Raynard
Associate University Secretary

Report to the Building & Properties Committee
Selection of Design Team – Joseph Street Warehouse Renovation
February 3, 2021

Recommendation:

That the Building & Properties Committee recommend to the Board of Governors (at their meeting in April), the appointment of Diamond Schmitt Architects (together with their sub-consultants**) for the \$30 million renovation to the Joseph Street Warehouse on the Health Sciences Campus.

Background:

Following the Board of Governors' October 27, 2020 approval of the \$30 million capital budget for the Joseph Street Warehouse Conversion Project and the City of Kitchener Council's \$8.5million funding approval on November 23rd, the University publicly advertised a Request for Service Qualifications [RFSQ] to provide architectural/engineering consulting services. In total, 10 submissions were received by the December 15 deadline. The President's Advisory Committee on Design* was convened to interview the four short-listed firms on January 21, 2021 which were evaluated against the criteria published in the Request for Proposals [30% RFSQ score, 45% fees score, and 25% interview score]. The four short-listed firms included 2 firms that had previously completed projects for the University [Diamond Schmitt and RDH] and 2 firms that were new to campus [Baird Sampson Neuert and Gensler].

Rob Hunsperger (Director, Design & Construction Services) managed the process to ensure industry best practices were followed during the selection process. The President's Advisory Committee on Design (PACOD) members did not have knowledge of the firm's fee schedules at the time the proponents were interviewed and ranked. PACOD confirmed that all four of the proponent firms had the necessary skills and experience to successfully complete the project.

PACOD recommended to the President that Diamond Schmitt (together with their sub-consultants) be awarded this project and the President has accepted the recommendation. The Building & Properties Committee agreed to review the recommendation electronically at their committee meeting on January 13, 2021. Since the B&P Committee will still be required to submit their recommendation to the next Board meeting in April, the University proposes to engage the design team on a dollar limited basis with the full commission issued following Board approval in the following few weeks.

* PACOD Committee members for this project:

- Executive Director, Velocity [Adrien Cote]
- Director of the School of Pharmacy [Andrea Edginton]
- President of the Waterloo Undergraduate Student Association [Abbie Simpson]
- Director, Design & Construction Services [Rob Hunsperger]
- Executive Director, Facilities [Stepanka Elias]
- VP, Administration & Finance – Chair [Dennis Huber]

**** Sub-Consultants include:**

- RJC Engineers (structural)
- Smith + Anderson (mechanical & electrical)
- RDH Building Science (sustainability)
- MTE Consultants (civil)
- LMDG (building code consultants)
- SHIFT Landscape Architecture (landscape)
- Turner & Townsend (cost consultant)

Dennis Huber
Rob Hunsperger

Report to the Building & Properties Committee
Capital Financing Commitments
March 2021

The Building & Properties Committee (B&P) reviews the summary of Capital Financing Commitments at each meeting.

Highlights during 2020/21:

- The University has repaid \$4.0 million of internal debt related to the acquisition of the 5 BlackBerry buildings
- The University has contributed \$1 million of operating funds to the SLC/PAC project to remedy deficiencies discovered in the existing SLC and PAC buildings
- \$10m in donations were received and applied against the Science Teaching Complex
- Scheduled principal and interest payments were made by applying approved student fees for the Health Services addition
- Additional lump sum repayments are planned for other projects prior to the end of the fiscal year

Summary:

- The University remains well within its approved policy limits and below the 4.0% of annual gross revenue maximum for principal and interest payments
- The financing position for each project as of April 30, 2020 is attached

Dennis Huber

Construction Status Report
Mar-21
5000s

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
SLC/PAC Addition	34,000	41,000	lump sum	Bondfield	95%	2018/19	Spring 2021	- September occupancy achieved for the food court area - 3rd floor complete except deficiencies - 2nd floor requires finish painting, carpet tile, and millwork - 1st floor requires finish painting, flooring, ceiling tile, millwork, and security systems. No liens against the project.
	34,000	41,000						

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
Aquatic Animal Lab Upgrade (B1)	3,836	4,900	stipulated sum (CCDC2-2008)	RossClair	~99+%	2020	Mar 2021	Project substantially complete, occupancy delayed until end of March 2021 Final deficiencies to be completed following Chief Veterinary Inspector review Base building deferred maintenance initiated change orders, delay Processing Close-Out documents, conducting training for specialty equipment Reconciling change orders. Finalizing pricing for recently issued change directives Total Project Costs to date incl. 3.41% HST: increased to \$4.99M up from \$4.93M at September Reporting
	3,836	4,900						

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
Third Hydro Feed	4,170	4,170	stipulated sum (CCDC2-2008)	Sutherland Schultz (\$3.326M)	20%	Sep-21		Smith & Andersen Mechanical/Electrical Consultants selected from 10 bidders (posted to MERX) Replacement of the Library and E2 cables complete Shop drawing review for the primary distribution equipment underway Preparations for the 3 rd feed in the tunnels have been made. New cable on order. The ductbank will begin construction in late April, closing ring road at CPH for approximately 2 weeks. Once scheduled confirmed, shutdown notices to campus community will follow. Budget on track, Final Completion still on track for September 2021
	4,170	4,170						

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
Earth Science Chemistry (ESC) Third Floor Renovations	17,500	17,500	TBA	TBA	2%	2022		Advanced Contract Award Notice (ACAN) posted to MERX, closed Feb.12, 2021 McCallum Sather Consultants awarded project based on master planning contract Design underway with Bid Documents anticipated by end of this calendar year
	17,500	17,500						

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
Health Innovation Arena 280 Joseph Street Kitchener	30,000	30,000	TBA		1%	2023		Presidents Advisory Committee on Design (PACOD) recommended Diamond Schmitt Architects to be awarded Prime Consultant Contract. Contract signed for concept work to upset limit of \$500K Programming and Visioning underway with Velocity Stakeholders Health Innovation Arena remains "working name" - new name to be determined Renderings for Fundraising/Advancement scheduled for mid-May 2021
	30,000	30,000						

Projects <u>In-Progress</u>	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
Math 4	90,000	90,000	TBA		0%	2023		Request for Service Qualifications (RFSQ) posted to MERX. (for Consultant Team Closing Date: March 5, 2021) Evaluation team to shortlist 3 or 4 proponents to participate in Request for Proposal (RFP) RFP to include interview with newly formed PACOD committee representing Faculty of Math
	90,000	90,000						

University of Waterloo
 Capital Financing Commitments
 April 2020
 (\$000s)

Capital Project Completed		Externally Financed	Lease-Back Financing	Currently Internally Financed	Estimated Amortization Period	Total to be Paid (External, Lease-Back and Internal Financing)	Comments
Residence - UWP and MKV				12,687	7 years		Recovery through student residence fees
Residence - Columbia Lake Village Townhouses			22,000		33 years		Minimum \$7.4 million lease commitments; recovery through student residence fees
Engineering 7				28,207			Pledges of approximately \$33 million against these Engineering buildings,
Other Engineering (including 5, 6, and DWE)				10,734			committed operating funding of \$2.29m, faculty operating funds
Health Services Addition/Renovations				3,069	5 years		Compulsory undergrad and grad student fees; donations
Blackberry Buildings (5)				6,899	3 years		Operating funds
Science Expansion Building				10,005			\$10 million in pledges (\$10m received in F2021)
Applied Health Sciences Addition				9,200			Faculty operating funds; donations
Student Residence - New UWP Building				26,243	< 15 years		Residence fees
North Campus Field House				16,803	10 years		16.5M from operating funds
Completed Total		-	22,000	123,847		145,847	
Funding Status							
	Planned Completion Date	Total Budget	Fundng On-hand	Committed Future Funding	Currently Unfunded	Total to be Paid (Future Funding + Currently Unfunded)	
In-Progress							
Student Life Centre and PAC Addition	2020	41,000	2,070	38,930	-		\$24 million compulsory undergrad and grad student fees; \$17 million operating funds
					-		
In-Progress Total		41,000	2,070	38,930	-	38,930	
Total to be paid						184,777	Debt policy: Annual P&I < 4% of annual gross revenue (currently approximately \$46m) Required annual P&I payments to service this debt < 4% of annual gross revenue

Report to the Building & Properties Committee
School of Optometry (Faculty of Science), Waterloo Eye Institute (WEI)
March 10, 2021

Recommendation:

That the Building & Properties Committee recommend to the Board of Governors a \$45.25 million total project budget for the Waterloo Eye Institute and appoint HOK architects as prime consultant. The proposed building addition and renovation to the existing Optometry building on Columbia Street will extend eastward between the current patient entrance and loading dock. The clinic modernization plan includes a new eye surgery centre, expanded optical services, state of the art biomedical sciences infrastructure with a goal to provide seamless integration for the full continuum of eye and vision care.

Background:

The School of Optometry & Vision Science (“Optometry”) worked with a design team from *FYi doctors* beginning in July 2019 to reimagine the patient care pathway. Leveraging their expertise in practice design, they worked with faculty and staff to plan proposed improvements to reflect contemporary practice, clinical education and training. The clinic modernization will create a contemporary centre of excellence by expanding and enhancing specialty clinic services, facilitating new experiential learning opportunities, and sparking innovation in inter-disciplinary, patient-based research to promote clinical trials, med-tech and health innovation.

FYi doctors have been benefactors and supporters of Optometry, having funded the Simulation Laboratory in the amount of \$750K, and contributed their design team expertise as a donation in-kind towards the Waterloo Eye Institute.

In July 2020, a Request for Services Qualifications (RSFQ) bid call was publicly advertised on MERX. Of the 12 consulting firms who submitted bids, 3 were pre-qualified and invited to respond to a Request for Proposal (RFP). Short-listed firms were interviewed with the remaining evaluation based on the fee proposal. In mid-September the architecture firm HOK was retained to develop a schematic design and Class D cost estimate for the Waterloo Eye Institute incorporating the concept design and programming developed by *FYi doctors*.

Fee proposals consisted of 2 parts: Part A – fixed fees for completing schematic design and Class D estimate, and Part B - expressed as a percentage of construction cost in the event the project is approved beyond Schematic Design.

The total project includes a biomedical sciences upgrade for the Center for Ocular Research and Education (CORE). CORE has been significantly handicapped in competing for research funding. Industry representatives have flagged sub-standard labs as the limiting factor in what were otherwise outstanding proposals for contract funded research agreements with CORE. The inclusion of CORE represents an estimated \$2M within the total project budget, based on preliminary design study.

With a focus on an exceptional patient care experience, the first floor of the Waterloo Eye Institute will have the full gamut of optometric primary care and specialty services. Leveraging technology to create an immersive, omni-channel experience will elevate clinical care and training to new heights and deliver efficiency, knowledge mobilization and superior health outcomes.

The proposed ambulatory surgical centre will relieve pressure for scarce operating room time at our local hospital, and provide infrastructure and human resources to improve access to essential care. The COVID-19 global pandemic has created a stress test on the health care system, exacerbating already long delays for eye surgery and spotlighting the need for essential infrastructure in Waterloo Region. In one convenient location, we can work with our community doctors and help patients from 1 to 101 years of age, access the full continuum of eye and vision care from wellness and treatment, through to surgery and rehabilitation.

The ocular imaging and reading centre will extend our tele-health capabilities to increase access to eye care in under-served communities, as well as enhance our urgent care capabilities in times of crisis like COVID-19. A particular area of emphasis is engagement with Indigenous communities across Canada.

A thriving patient care facility will promote clinical innovation and opportunities for expanded research capabilities in partnership with industries like med-tech, pharma, and health informatics. As research is translated into practice more quickly, we envision a virtuous and accelerated cycle that cuts across university silos and welcomes faculty collaborators from Science, AHS, Engineering, Math, and beyond.

A central pillar of the Waterloo Eye Institute (WEI) will be a program of ocular imaging research that utilizes the eye as a window to the brain to address pressing issues in our society: reducing the burden of neurodegenerative disease, enabling space exploration and recovering lost vision. Imaging facilities will support research in structural and metabolic retinal imaging, assessment of visual system functional responses, image processing and advanced microscopy.

High quality research space is essential to support strengths in biomedical sciences research and brings together faculty to harness areas of strength, maximize utility of shared equipment and space, and further inspire collaboration and innovation that will attract new faculty and elevate our international role as leaders in vision science research.

To support the University's "Shift | Neutral" commitment to be carbon neutral by year 2050, included in the budget is an additional \$1.2M to improve the energy performance of the proposed addition. The goal is to design the proposed addition such that it will not increase the carbon footprint of the existing Optometry complex. Performance of the building enclosure (windows, walls, roof) will be significantly improved above code minimums to reduce heating and cooling loads.

The proposed project budget (\$000s) including net HST (3.41%) is:

Class D Construction Cost Estimate	36,398
Consulting Fees +Disbursements	2,486
Permits + Development Charges	611
Utility Connections	1,344
AV/Network/Security/Furniture/Blinds	1,138
Escalation	1,034
Medical Equipment	<u>1,034</u>
SUBTOTAL	44,045
Energy + Sustainability (Shift Neutral)	<u>1,205</u>
TOTAL	45,250

With approximately \$11 million secured and a further \$4 million University commitment to match a potential major donation, the project has not yet achieved the 50% funding requirement to proceed to tender. Consequently, the funding will be reviewed every 6 months to determine if sufficient progress is being made to proceed with tendering. Once sufficient funding is secured (including potential government support and additional donations), the project will proceed to tender. Prior to tender, a plan will be developed to cover the remaining unfunded project costs over a period of 7 – 8 years.

James Rush
Bob Lemieux



University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Work Plan Execution

Task	Frequency	19/01/2018	09/03/2018	18/05/2018	12/10/2018	18/01/2019	08/03/2019	15/05/2019	02/10/2019	15/01/2020	<i>canceled</i> 03/04/2020	<i>canceled</i> 13/05/2020	30/09/2020	13/01/2021	10/03/2021
Campus Master Plan (as needed)	annual			•						•				•	
Capital financing commitments and construction status	each meeting	•	•	•	•	•	•	•	•	•			•	•	•
Committee self-assessment survey results	annual		•		•		•		•				•		•
Environmental sustainability practices	annual			•					•						
Maintenance program and energy conservation efforts	annual								•						
Orientation/tour of campus	as required			•				•							
Development projects five-year plan			•												
Committee terms of reference	annual	•				•			•				•		
Statutory compliance	annual	•				•				•				•	
University of Waterloo real estate holdings	annual	•				•				•				•	
Committee work plan/special topics; orientation/briefing requirements	annual	•				•				•			•		