

Secretariat

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The following items arise from the Building and Property Committee special meeting of April 25, 2017. They are presented to the Board of Governors for its consideration.

I. FOR ACTION BY THE THE BOARD OF GOVERNORS**1. Macdonald Harrington Roof, Windows and Masonry Repairs and Restoration**

The Committee recommends to proceed with a project to rehabilitate the Macdonald Harrington Building's exterior masonry walls and to replace the roof. The project also includes the replacement of the building's aluminum windows, restoration of the building's original wood windows and some foundation repairs addressing a water infiltration issue in the basement.

Detailed reviews and openings conducted on the interior and by crane/aerial lift from the exterior show that the Building's load-bearing exterior masonry walls contain stones that are wrongly bedded, cracked, fissured, delaminated and spalled as well as mortar joints that are open, indicating that the Building's masonry walls are in immediate need of major repair. Furthermore, the roof requires replacement due to major water infiltration. Several aluminum windows, which were installed in the mid-1980s and therefore not original to the building, are at the end of their service life and require replacement. In addition, there are original wood windows of high heritage value which will be restored.

Construction is planned to start in June 2017 and completion is planned for December 2018. Based on tender results, the total project budget, including taxes, rebates and soft costs is \$14.35 million. The project will be funded through the proceeds of the bond and the deferred maintenance allocation under the capital budget.

Be it resolved that the Board of Governors, on the recommendation of the Building and Property Committee, approve the project for Roof, Windows and Masonry Repairs and Restoration at the Macdonald Harrington Building (Project 11-041) with a total budget of \$14.35 million.

Be it further resolved that the Board of Governors authorize the Vice-Principal (Administration and Finance) or the Associate Vice-Principal (Facilities Management and Ancillary Services) to sign contracts pertaining to this project on behalf of The Royal Institution for the Advancement of Learning/McGill University, provided that the total amount of the contracts does not exceed the total budget amount, and that the contracts are reviewed by Legal Services.

2. Lyman Duff Electromechanical Infrastructure Upgrade

The Committee recommends approval in principle to proceed with the electromechanical infrastructure upgrade project at the Lyman Duff Complex. The Committee also recommends to proceed with the completion of the design and for the construction of Lot 2 of the project, which consists of the demolition of existing ventilation systems and the installation of temporary systems and conduits to provide ventilation to affected areas during subsequent construction phases of the overall project.

The Lyman Duff Complex was the subject of a complete study for redevelopment and major architectural and electromechanical upgrades. It became evident that an electromechanical upgrade was necessary as the heating, ventilation and air conditioning (“HVAC”) system had passed its life expectancy.

As part of the overall project, the University will be:

- Replacing the HVAC system serving the new wing and the core wing;
- Upgrading the main ventilation distribution conduits (vertical shafts);
- Installing a new generator for emergency power needs;
- Upgrading the electrical feed (HVAC, emergency).

In order to meet the Post-Secondary Strategic Investment Fund (SIF) deadline mandated by the federal government, the project has been divided into 4 different construction Lots (work packages). Approval of each work package will be requested upon receipt of tender prices for each individual construction Lot:

- Lot 1: Exploratory openings for survey purposes. Lot 1 is completed. In November 2016, the Interim Vice-Principal (Administration and Finance) approved a partial design budget of \$1.85 million for the overall project and Lot 1.
- Lot 2: Installation of temporary ventilation and demolition of the existing equipment. Tenders have been received and Lot 2 will cost \$4.96 million. At this time, the Board of Governors is asked to consider approval to complete the project design and move forward with Lot 2.
- Lot 3: Structural reinforcement. Tender is planned for end of May 2017.
- Lot 4: Installation of the new HVAC system. Design is presently being completed.

Construction of Lot 2 is planned to start in May 2017, and completion for the overall project is planned for October 2018. The funding requested at this time is \$4.96 million based on tender results, while the total project budget is estimated at \$30 million, including taxes, rebates, soft costs and contingency costs. At the completion of Lot 2, a total of \$6.81 million of the estimated \$30 million total project budget will have been committed. The project will be funded through the SIF grant and the proceeds of the bond.

Be it resolved that the Board of Governors, on the recommendation of the Building and Property Committee, approve, in principle, the electromechanical infrastructure upgrade project at the Lyman Duff Complex (Project 16-068) with a total budget of \$30 million, subject to approval of each lot when tender results are available.

Be it further resolved that the Board of Governors, on the recommendation of the Building and Property Committee, approve the completion of the project's design and the construction of Lot 2 (installation of temporary ventilation and demolition of the existing equipment) at a total cost of \$4.96 million, to bring the total amount committed to this project thus far to \$6.81 million.

Be it further resolved that the Board of Governors authorize the Vice-Principal (Administration and Finance) or the Associate Vice-Principal (Facilities Management and Ancillary Services) to sign contracts pertaining to Lot 2 of this project on behalf of The Royal Institution for the Advancement of Learning/McGill University, provided that the total amount of the contracts does not exceed the total budget amount for Lot 2, and that the contracts are reviewed by Legal Services.

3. Report of the Information Technology Subcommittee

3.1 Recruitment to Retirement: Revised Project

The Committee recommends to proceed with a revised project for the replacement of the University's current Human Resources Information System (HRIS), originally approved by the Executive Committee of the Board of Governors on February 26, 2015. The scope of the project has changed, and further to tender results, the initial cost is now \$33.1 million (including taxes), and an average annual subscription cost of \$1.55 million (including taxes) per year for 10 years. The project aims to implement a Software as a Service (SAAS) solution, Workday, to support all Human Resources processes for all McGill staff from recruitment to retirement (R2R) in a single application to render the University's operations more optimal and efficient.

Calls for tenders for the solution, Workday, and for the integrator, Mercer Canada, were completed in 2016. The annual yearly costs are lower than what was estimated at \$1.55 million per year (including taxes) for ten years. The integrator's proposal came in over budget at \$10.9 million (plus taxes). This variation is explained by the time lapse between the preparation of the budget estimates in 2013, and the actual tender in 2016 along with the Canada/U.S. dollar exchange rate, as most of the consultants are American.

In addition, three elements have added additional scope to the project:

- The initial plan considered that internal staff would be able to augment the integrator's resources to complete the project. However, limited internal resources were available given the effort required to support other IT projects currently

underway under the \$100 million allocated to IT projects from the bond issuance as well as regular ITS operations. In addition, in the first phase of the project, it became evident that defining processes for Workday would be challenging given the HR systems currently in place.

- In the first phase of the project, an assessment allowed the University to identify more than 50 applications currently in use that will need to be converted or integrated into the new solution. The current Business Intelligence (BI) environment will also need to be replaced as our current environment is no longer supported by the manufacturer.
- The existence of a significant number of applications and manual processes that are not standardized across units within the University increases the level of change management that will be required.

The existing HR processes are prone to error, inefficient and time-consuming to execute. Banner is aging and the POPS payroll system has been identified by both internal and external auditors as an issue in various reports due to its lack of controls and exposure to errors and overpayments. A review concluded that Banner met less than 50% of the University's needs. While many transactions are automated through Banner, there is no workflow and the steps to be followed are not clear, leading to errors and revisions. The system limitations have also led to a proliferation of local applications to track HR data and processes.

The software solution, Workday, will provide a seamless, integrated solution which houses all HR data and which supports all HR processes to automate functionality and provide commonality across the University. The new system will also provide modules that are not currently available such as recruitment and on-boarding. More than 50 applications currently exist at McGill for HR management, and these will be reviewed, converted, decommissioned or modified and integrated into R2R. The scope of the project will harmonize HR organizational structure, position management, employee records, compensation, employee hiring and onboarding/offboarding, payroll, benefits, time and attendance, leaves, recruitment, academic tenure, review and promotion, performance, and workforce.

A readiness assessment in all faculties and administrative units and a risk assessment has been carried out. The main risks arise from the need for rapid decision-making requirements and potential of scope increase. Some risks regarding technology, systems integration and data conversion will be mitigated by using an integrator, Mercer, that has demonstrated strong experience in delivery of Workday in the higher education sector.

The burn rate of the project is \$260,000 per week so any delays in project completion will have an impact on costs. The budget includes resources to offset unforeseen events. In addition, a steering committee has been established and reports to an executive committee which includes the Provost and Vice-Principal (Academic) and the Vice-

Principal (Administration and Finance). Internal Audit has also planned two external audits of the project.

Phase 1 of the project was completed in February 2017 and focused on establishing guidelines, the preparation of calls for tenders, the preparation of blue prints for each process in the scope and the preparation of the project's strategies and assessment of data quality. Phase 2 of the project, the implementation phase, will take 18 months with planned breaks during December 2017 and during the summer in 2017 and 2018.

The system will go live from October to December 2018.

Be it resolved that the Board of Governors, on the recommendation of the Building and Property Committee, approve a revised project for the procurement and installation of a Software as a Service solution by The Royal Institution for the Advancement of Learning/McGill University, at a cost of \$33.1 million (including taxes and contingency), plus an average annual operating cost of \$1.55 million (including taxes) over 10 years.

Be it further resolved that the Board of Governors authorize the Vice-Principal (Administration and Finance) or the Chief Information Officer to sign contracts and other documents pertaining to this project on behalf of The Royal Institution for the Advancement of Learning/McGill University, provided that the total amount of the contracts and disbursements do not exceed the full project budget amount and that the contracts are reviewed by Legal Services.

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April 2017