

REPORT NO. 3 of the
ENVIRONMENT & TRANSPORTATION STANDING COMMITTEE
of its meeting held May 25, 2011

Present: **Councillor Halberstadt**
 Councillor Sleiman
 Councillor Valentinis

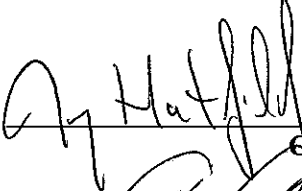
Absent: **Councillor Hatfield**
 Councillor Payne

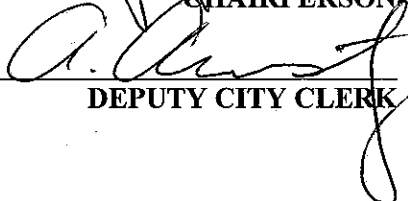
That the following recommendations of the Environment and Transportation Standing Committee
BE APPROVED:

Moved by Councillor Sleiman, seconded by Councillor Valentinis,

- I. That the Environmental and Transportation Standing Committee **APPROVE** the Project Charter dated May 2, 2011 for the new Maintenance, Repair & Overhaul (MRO) Service Hangar facility at YQG Airport, attached as Appendix A; and
- II. That the MRO Project Charter be **RECOMMENDED** to City Council for **APPROVAL**.
Carried.

NOTE: The report of the Project Administrator dated May 5, 2011 entitled "MRO SERVICE HANGAR Project Charter" is attached.



CHAIRPERSON


DEPUTY CITY CLERK

Notification		
Project Engineer		
City Engineer		

THE CORPORATION OF THE CITY OF WINDSOR
Environment & Transportation Standing Committee - Administrative Report

**MISSION STATEMENT:**

"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"

LiveLink REPORT #: 15265 APM/10883	Report Date: May 5, 2011 (#3076/lp-05/09/11:ebr)
Author's Name: Tom Graziano	Date to Standing Committee: May 25, 2011
Author's Phone: 519 255-6100 ext. 1734	Classification #:
Author's E-mail: tgraziano@city.windsor.on.ca	

To: Environment & Transportation Standing Committee

**Subject: MRO SERVICE HANGAR
Project Charter**

1. RECOMMENDATION: City Wide: Ward(s): _____

- I. THAT the Environmental and Transportation Standing Committee **APPROVE** the Project Charter dated May 2, 2011 for the new Maintenance, Repair & Overhaul (MRO) Service Hangar facility at YQG Airport, attached as Appendix A; and**
- II. THAT the MRO Project Charter be **RECOMMENDED** to City Council for **APPROVAL**.**

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

On November 1st, 2010, Council adopted the following In-Camera Resolution M307-2010;

*"That the confidential report from the Chief Administrative Officer and Chief Financial Officer respecting a property matter – Economic Development opportunity **BE RECEIVED** and that Administration **BE AUTHORIZED** to proceed in accordance with the verbal direction of Council."*

Since that time period, the Service Agreement with Premier Aviation has been signed.

Further, on January 24th, 2011, Council adopted the following Resolution CR41/2011

That In-Camera Resolution M307-2010 **BE AMENDED** to reflect the following:

- That City Council **AUTHORIZE** a Sole Source Consulting Contract between The Corporation of the City of Windsor and EBA Engineering Consultants Ltd. (a Tetra Tech Company), of Ottawa for the complete site-work design and contract administration of the Windsor International Airport Service Hangar (MRO), for an upset amount of \$841,000.00, (plus HST), including disbursements, and that the CAO and City Clerk **BE AUTHORIZED** to sign an agreement, in form satisfactory to the City Solicitor, in financial content to the Chief Financial Officer and Treasurer, and in technical content to the City Engineer.
2. That City Council **AUTHORIZE** the CAO and City Clerk to sign a contract with the successful bidder for the construction of municipal services and MRO facility, provided the net cost to the City of Windsor, including engineering, is within the expected City net costs, all in form satisfactory to the City Solicitor, in technical content to the City Engineer and in financial content to the City Treasurer and Chief Financial Officer, and further, the results of the tender be reported separately as information to City Council.
 3. That should the tender results and costs be beyond the net City budget, Administration will **PREPARE** a report and financial Business Case for City Council decision."

On March 1, 2011, Council adopted the following Resolution CR90/2011

- I. That in keeping with City Council's previous direction to proceed with this project, **APPROVAL BE GIVEN** to enter into an agreement with Amico Design Build Inc. to construct a Service Hangar and related site services at the Windsor International Airport for a negotiated price of \$20,816,945 (excluding HST), composed of \$15,987,430 for the hanger and a guaranteed Stipulated price of \$4,829,515 for the site services and under the condition of first receiving Premier Aviation's written agreement to the amendment noted in Recommendation IV, and that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign an agreement with Amico Design Build Inc., satisfactory in technical content to the City Engineer, in financial content to the City Treasurer, and in form to the City Solicitor; and
- II. That approval **BE GIVEN** to amend the gross expenditures budget and undertake expenditures for the total net project of \$ 17,791,945 (excluding HST but including the \$250,000 recovery of building permit fees) with Gross Cash outlay of \$26,266,945 prior to recoveries (including WUC costs and costs related to the surrounding area) for the Airport Service Hangar Project at the Windsor International Airport to be funded from Project ID# 7101024 (Economic Development – Windsor International Airport); and
- III. That **APPROVAL BE GIVEN** for an additional expense estimated (subject to actual interest rates) in the range of \$750,000-\$1,100,000 for financing charges for the construction of a 900mm dia. water main on County Road 42 between Walker Road and Eight Concession for Windsor Utilities Commission – Water estimated in the range of \$3.0-3.5 million based on advancement of the funds by the City and repayment by WUC in 2018 of the construction costs less financing charges. A report to the WUC Board and City Council will be forthcoming with further details on the water main construction and financing respectively.
- IV. That the agreement between the City of Windsor and YQG and Premier Aviation Windsor Inc **BE AMENDED** to reflect the "Maximum Capital Outlay "for the hanger is \$16,212,430 and the city's cost for services is \$5,829,515, and that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign an agreement with Premier Aviation Windsor Inc., satisfactory in technical content to the City Engineer, in financial content to the City Treasurer, and in form to the City Solicitor.

DISCUSSION:

A project Charter defines the scope and establishes the framework and overall approach for a specific project. The MRO Project Charter, attached as Appendix A, includes an overview of project goals, objectives, anticipated risks, mitigating strategies and establishes the rationale for the project. It also provides an overview of the implementation strategy and deliverables, describes the project team structure, outlines roles and responsibilities, and defines the project environment.

The content of the document has been reviewed by the Project Executive Committee, Project Manager and Project Team to ensure all parties have a clear understanding of the goals of the implementation. The Charter allows all project participants to work towards a common goal and set expectations while becoming the standard against which changes to project scope and duration are identified and project success is evaluated. The project charter will be signed by the Project Executive Committee, Project Manager and Project Team once any final revisions have been completed as per Steering Committee and City Council direction.

A project update will be provided at the next meeting of the Environment and Transportation Standing Committee.

4. FINANCIAL MATTERS:

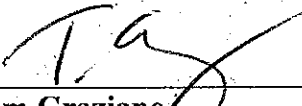
N/A

5. CONSULTATIONS:

Federica Nazanni, CEO & President Your Quick Gateway

6. CONCLUSION:

The MRO Project Charter will guide the project as it clearly identifies goals and responsibilities. It will be utilized by all project stakeholders.



Tom Graziano
Project Administrator



France Isabelle-Tunks
Senior Manager, Development & Geomatics



Onorio Colucci
City Treasurer



Mario Sonogo
City Engineer

TG/lp

APPENDICES:
MRO Project Charter Appendix A

DEPARTMENTS/OTHERS CONSULTED:
Name:
Phone #: 519 ext.

NOTIFICATION :

Name	Address	Email Address	Telephone	FAX

PROJECT CHARTER**Project Title:** Maintenance, Repair and Overhaul (MRO) Facility**Project Owner:** City of Windsor**Date Prepared:** May 3, 2011**Project Manager:** Tom Graziano**1.0 OVERVIEW****1.1 Introduction:**

This document defines the scope and establishes the framework and overall approach for the new MRO project. This Charter includes an overview of project goals, objectives and anticipated project risks, establishes the rationale for the project, and provides an assessment of risk. This document also provides an overview of the implementation strategy and deliverables, describes the project team structure, outlines roles and responsibilities, and defines the project environment.

The contents of this document must be reviewed and signed by the Project Executive Committee and Project Administrator to ensure all parties have a clear understanding of the goals of the implementation. The Charter allows all project participants to work towards a common goal and set expectations while becoming the standard against which changes to project scope and duration are identified and evaluated.

1.2 High Level Scope:

The project consists of a service hangar facility that will be a total of 140,825 ft² (13,087.8 m²) and site services. The building portion will be a design-build contract consisting of two main areas; the hangar area is 92,825 ft² (8,626.8 m²) and the attached 2-storey office/shop building will be 48,000 ft² (4,459 m²). The office space includes both administrative offices (mostly on second floor) and trade work areas (mostly on first floor). The site services include an access road from County Rd 42 at 8th Concession leading to the facility. A parking lot, taxiway, aprons, utilities (sewers, water, hydro, gas, etc.), fencing, etc. are also included in the site services.

The project will be partially funded by the federal government through the Community Adjustment Fund in the amount of \$4 million. In order to be eligible for the full funding, \$4 million must be completed or ordered and invoiced by March 31, 2011. The project is scheduled to be substantially complete by November 30, 2011. Section 3.0 lists the key construction milestones governed by this Project Charter.

3 Budget/Financials, Rules for Spending:

BUDGET ITEM	BUDGET \$
REVENUE	
Transfer from Reserve Funds (DRIC land sale + capital budget contingency)	\$ 18,041,945
Fed-Dev Grant (Community Adjustment Fund)	\$ 4,000,000
Grand Total Revenue	\$ 22,041,945
EXPENSES	
1. General	
Survey	\$ 2,000
Advertising (Tenders) and Miscellaneous	\$ 2,000
Financing for watermain attributable to project	\$ 375,000
Subtotal General	\$ 379,000
2. Professional Fees	
Consultant - Building - Design/Tender	\$ 95,000
Consultant - Building - Construction Management & Inspection	\$ 218,000
Consultant - Site Servicing - Design/Tender	\$ 258,000
Consultant - Site Servicing - Construction Management & Inspection	\$ 270,000
Consultant - Testing and Inspection	\$ 5,000
Subtotal Professional Fees	\$ 846,000
3. Construction Costs	
Building	\$ 15,237,430
Building Permit	\$ 250,000
Building Contingency	\$ 500,000
Site servicing	\$ 4,829,515
Subtotal Construction Costs	\$ 20,816,945
GRAND TOTAL EXPENSES	\$ 22,041,945
EXPENSES (O)/U REVENUES	\$

1.3.1 General

The existing water main on County Road 42 is 150mm dia. at the junction of this development. WUC-Water Administration determined that the current size of water main does not provide the pressure or flow to maintain fire suppression for the size and use of the proposed development.

WUC-Water has confirmed that the construction of a 900mm dia. water main is scheduled in 2018 per WUC-Water's Master Plan. Until such time as this water main is replaced, many developments in this area will require an on-site storage tank and pump system. The cost to install such a system for the MRO

was quoted at \$750,000.

Rather than supply and install an on-site water storage tank and pump system, the City will facilitate the current installation of the larger water main by picking up the financing costs over the next 7 years. This would provide the required water flow and pressure to the entire area which would eliminate the need for the on-site storage tank and pump in this and future developments in this area. The associated financing cost over the next 7 years is in the range of \$750,000 – \$1,100,000 (subject to fluctuation due to interest rate changes). Because the installation of the water main will serve the greater good of the area and future development, only \$375,000 of the financing cost was attributed to the project.

1.3.2 Professional Fees

The Professional Fees will encompass consulting fees to prepare the building performance specifications and Request for Proposal, the complete design of the site services, site supervision, and geotechnical investigations. Testing and inspection will include quality assurance, analysis and reporting of construction materials and finished products.

1.3.3 Construction Costs

The construction costs are based on a design and construction of the service hangar facility and the construction of all site services.

The contract was divided into two parts; building and site services. The building portion will be a design-build contract consisting of two main areas; the hangar area and the attached 2-storey office/shop building. The office space includes both administrative offices (mostly on second floor) and trade work areas (mostly on first floor).

The site services include an access road from County Rd 42 at 8th Concession leading to the facility. A parking lot, taxiway, aprons, utilities, fencing, etc. are also included in the site services.

1.3.4 Rules for Spending

The project has limited contingency within the construction contract. The rules for spending that would be strictly adhered to are summarized below:

- City Council will approve all additional funding requirements with respect to total project budget.
- The Executive will review and recommend changes to City Council as needed in respect of the total project budget
- The Project Sponsor can approve changes in budget allocation within the overall project budget and in case of emergency can approve changes over the overall budget. In such cases, a report will be submitted to council to allocate funding.
- The Project Administrator can approve change orders within the building contingency budget for items up to \$150,000.

2.0 PROJECT ORGANIZATION AND CONTROLS

2.1 Goals/Benefits, Critical Success Factors, Out of Scope and Risks:

2.1.1 Goals/Benefits

At the completion of this project, the Corporation of the City of Windsor (CCW) will have a new hangar facility. The building will be owned by the City of Windsor and leased to Premier Aviation to operate a Maintenance, Repair, and Overhaul (MRO) facility to service large aircraft.

This project will be considered successful by the degree to which the CCW's conditions of success (see objectives below) are met. It should be noted and understood that these conditions rely on the assumption that sufficient resources and funding are assigned both corporately and externally.

Once a project has been migrated into production there are always changes needed in an operational environment. These changes unless formally approved in the project through the change of scope process, are not deliverables of the project but rather operational items to be handled by the tenant.

To ensure the project meets its objectives, below is a chart detailing each objective and measurable criteria, which will be used to determine if the objective has been met by the project. These objectives are to be considered the means by which the projects' success will be evaluated, and therefore must be measurable.

	Objective	Measurement
1	Design and construct a MRO facility adhering to timelines, quality and budget	<ul style="list-style-type: none"> • The design in accordance with the expectations of the end user, outlined in the RFP. • Regular monitoring of budget and timeline to completion • Mitigation or funding of budget variances approved
2	Project communications and public relations	<ul style="list-style-type: none"> • Quarterly communications to the Steering Committee • Milestone updates to media as to project progression
3	Project documentation and accounting	<ul style="list-style-type: none"> • Monthly updates to Executive Committee • Variances identified and mitigating actions approved

2.1.2 Critical Success Factors

Critical Success Factor	Plan to Achieve
Adherence to project budget	Ongoing monitoring of budget to actual amounts spent with report to Executive Committee. Action taken when needed if forecasted amounts indicate problems. Resources available and the ability to draw on interdepartmental resources as needed.
Adherence to project timeline	Regular project health checks to evaluate work completed to date. Notification of any possible delays to Executive Committee on a timely basis.
Timely resolution of issues	Procedure for issue resolution and scope change defined in the Charter.
Project support from stakeholders and other City departments	Issue milestone updates as project progresses and evaluate feedback received. Ongoing meetings and discussions with stakeholders.
Accessibility	Identify accessibility needs and build them into project plans.
Post Construction Operations and Maintenance	Identify all the new systems and materials that require specific training for both operation, servicing and maintenance. Facilitate training of Tenant staff by General Contractor and turn over facility.

2.1.3 Out of Scope

Fit-up of the facility will be by the tenant (Premier Aviation).

2.1.4 Risks

Risks are inherent in any project. The risks for this project have been documented by: category, type, and probability of occurrence, impact to project, risk response, controls, responsible party and mitigating strategies. The impact a risk will have to a project, as well as the probability of occurrence is evaluated on a scale of 1 – 10. These factors are multiplied together for an overall scoring of the risk. Risks with a score of +60 are considered critical; 30-59 high; 16-29 medium; and 1-15 low. Refer to Appendix B for the MRO Risk Matrix.

2.2 Project Organization Structure:

Appendix A provides a pictorial view of the project's organizational structure. This diagram includes all levels of participation from CCW. Section 2.3 identifies the roles and responsibilities of each major element of the project structure.

2.3 Resources, Roles and Responsibilities:

Roles and responsibilities in a project clarify decision-making responsibilities, sources of authority, communication to appropriate individuals, accountability for project deliverables and objectives, as well as commitment to the project.

The project organization for the MRO project is composed of teams, each operating in specialty areas. It is expected that all team members will be identified and available for the duration of the project. All team members are involved for the duration of the project in a part-time capacity. It is imperative that each individual is available to the project as required to ensure the project's success. Necessary replacement of individual team members is to be done promptly.

Role	Responsibility
<p>Project Sponsor</p>	<p>The Project Sponsor oversees the business management and project management issues that arise outside the formal business of the Executive Committee. The Sponsor also provides support and ensures that the necessary resources both financial and human are available to the project. Specific responsibilities include:</p> <ul style="list-style-type: none"> • Call and chair Executive Committee meetings • Demonstrate corporation's overall commitment to the project • Secure project funding/ financing • Remove major barriers to progress • Approval of all reports to Executive Committee and City Council through the Environmental & Transportation Standing Committee • Review monthly project account analysis prepared by the financial analyst. • Approves changes to budget allocation within the total project budget • Ensure monthly reports to Executive Committee, Steering Committee, and City Council on progress and budget are delivered
<p>Arbitrator</p>	<ul style="list-style-type: none"> • Settle disputes and act as final arbitrator should the Executive Committee not reach a resolution • Provide guidance to Project Sponsor

Steering Committee	<p>The Environment and Transportation Standing Committee will act as the Steering Committee for the project.</p> <ul style="list-style-type: none"> • Receive quarterly progress reports on construction activity and to monitor performance • Receive quarterly financial report of budget versus actual expenditures • Review and recommend changes to City Council as needed in respect of the total project budget • Address any issue that has major implications to the success of the project • Recommend to City Council the financing strategy for the project • Recommend to City Council the overall operating strategy - post completion • Ensure all City by-laws including the Purchasing By-Law are adhered to • Ensure project direction is consistent with City and Airport needs
Executive Committee	<ul style="list-style-type: none"> • Receive progress reports on construction activity and to monitor performance • Receive monthly financial report of budget versus actual expenditures • Review and recommend changes or additional budget approvals to Steering Committee as needed in respect of the total project budget • Address any issue that has major implications to the success of the project • Recommend to Steering Committee the financing strategy for the project • Recommend to Steering Committee the overall operating strategy - post completion • Ensure all City by-laws including the Purchasing By-Law are adhered to • Approve and recommend to Steering Committee a comprehensive public relations/ communications plan • Ensure project direction is consistent with City and Airport needs • Maintain minutes of all meetings, general records and other resources
Project Administrator	<ul style="list-style-type: none"> • The Project Administrator is responsible for organizing the project into one or more sub-projects, managing the day-to-day aspects of the project, developing the detailed work plan, responding to media requests for information, resolving planning and implementation issues, and monitoring progress

	<p>and budget. Various functional controls need to be reviewed and monitored on a regular basis. This includes cost, time, conflict and quality controls. Specific responsibilities include:</p> <ul style="list-style-type: none"> • Call and chair working team meetings • Present detailed work plan/ timeline for all elements of the project to the Executive Committee for approval • Responsibility for the overall execution of the project and co-ordination of all activities • Ensure all project components are in compliance with the City of Windsor's Purchasing By-law • Coordinate work on legal agreements • Plan each phase to ensure project team members work effectively • Monitor progress to ensure successful completion of each phase and milestone • Identify and manage project risks and scope and escalate to the Executive Committee, if required • Ensure proper communication with project team and external communications • Establish relationship with vendors and co-ordinate • Responsible for day to day activities • Approval of change orders or instructions to contractors up to \$150,000 within the project building contingency • Approval of progress draws for payment release • Approval of all project invoices • Report writing as assigned by Executive Committee
<p>Financial Analyst</p>	<ul style="list-style-type: none"> • Provide fiscal responsibility for the project including tracking project expenditures • Report on budgets • Provide monthly account analysis to Project Administrator and Project Sponsor • Review account allocations for appropriateness • Review invoices for appropriate approvals • Track holdbacks
<p>Project Legal Resource</p>	<ul style="list-style-type: none"> • In conjunction with Project Administrator, advise and structure all project contracts • Ensure all conditions lifted and contracts are presented for approval of appropriate parties with Council approval as needed • Track all contracts ensuring appropriate adherence to contractual commitments

Project Purchasing/Risk Resource	<ul style="list-style-type: none">• Provide immediate advice on purchasing by-law requirements• Assist in expediting these processes placing high priority on the timing requirements of this project• Manage insurance certification (Builders Risk/WSIB etc)• Ensure appropriate adherence to the Purchasing By-law
Project Communication	<ul style="list-style-type: none">• Event planning• Media releases• General communication

4 Scope Change:

The scope change process is used to clearly define requests for project and work plan changes. An issue may trigger the scope change control process if it causes an impact to the project's critical path (duration of the project); it requires a change to deliverables (content, cost); or it requires a change in project resources. Changes in project scope are documented on a case-by-case basis in the minutes of the Executive Committee.

Activity	Responsibility	Activity Description	Timing
Changes to overall project budget	City Council	All requests for increases to the project budget will be brought before City Council through the Steering Committee	As identified
Changes within the budget allocation greater than \$150,000	City Council	All requests for items valued greater than \$150,000 will be approved by the City Council through the Steering Committee	As identified
Draws from Project Building Contingency	Project Administrator	The Project Administrator will approve all draws from the project building contingency	As identified
Request for change in scope	Executive Committee / City Council	All scope change requests will be brought before the Executive Committee for approval. In case where there are budgetary impacts, will be recommended to Council for decision.	As identified

2.5 Assumptions and Constraints:

Assumptions

The following assumptions are deemed to be factual during the project:

- Sufficient funds are budgeted and have been approved to cover objectives of the project;
- Those involved in decision-making and issue resolution on the project will do so in a timely manner to prevent delays in project progression;
- Decisions and recommendations made during the project will be based on information available at the time and are subject to modification during the project;
- Competent staff with required expertise are available or can be hired;
- Purchases and contracts will be executed in compliance with the Purchasing By-law;
- Project initiatives are fully supported by the Corporate Leadership Team of the City of Windsor;

Constraints

Are any known limitations or ground rules of the project that will not change and will have an impact on the project's performance?

- Weather can be unpredictable, and it must be noted that any inclement weather could affect the progression of the project timeline.
- Any utility work, required to service the property, will have to be scheduled with the respective utility company and the project schedule will have to accommodate, and may be affected, by their availability.

3.0 MILESTONES

Item	Task	Date
1	Issue Request for Proposal	January 22, 2011
2	Proposals Due	February 8, 2011
3	Project Award	March 1, 2011
4	Complete \$4 million worth of work for FedDev Funding	March 31, 2011
5	Structural Steel	July 15, 2011
6	Site Services and Access Road	August 25, 2011
7	Substantial Performance of work	November 30, 2011

4.0 PROJECT STRUCTURE

See Appendix A.

5.0 RISK MATRIX

See Appendix B.

0 PROJECT CHARTER SIGN-OFF

Title Name	Signature	Date
Project Sponsor: Mario Sonego		
Chief Administrative Officer: Helga Reidel		
City Solicitor: George Wilkki		
Chief Financial Officer & City Treasurer: Onorio Colucci		
Senior Representative of Service Area or Agency (YQG): Federica Nazzani		
Senior Manager, Development & Geomatics France Isabelle-Tunks		
Project Administrator Tom Graziano		

Appendix A
Project Structure for MRO

STEERING COMMITTEE

(Environment and Transportation Standing Committee)

Mayor Eddie Francis
Councillor Hilary Payne
Councillor Alan Halberstadt
Councillor Percy Hatfield
Councillor Fulvio Valentinis
Councillor Ed Sleiman

ARBITRATOR

Chief Administrative Officer – Helga Reidel

EXECUTIVE COMMITTEE

Project Sponsor/Chair – City Engineer – Mario Sonogo

City Treasurer – Onorio Colucci
City Solicitor – George Willki
President YQG – Federica Nazzani
Senior Manager of Development & Geomatics – France Isabelle-Tunks

WORKING TEAM

Project Administrator – Tom Graziano
Director of Operations; YQG – Phil Roberts
Financial Analyst – Carolyn Nelson

Consultants

EBA Engineering Consultants Ltd.
Project Legal Resources – as required
Project Communication – as required
Purchasing & Risk Management – as required
Other resources as required



PROJECT CHARTER

Appendix B - MRO Facility Risk Matrix

Date: April 13, 2011

- I - Impact Assessment risk on scale of 1 to 10 (low to high)
- P - Probability of occurrence on scale of 1 to 10 (low to high)
- I x P
 - 60+ Critical
 - 30 to 59 High
 - 16 to 29 Moderate
 - 1 to 15 Low

Risk Description	Risk / Impact assessment				LSP	Priority (Critical, High, Moderate, Low)	Risk Response (Tolerate, Transfer, Treat, Terminate)	Controls	Responsible Party	Mitigating Strategy
	Impact (I)	Probability (P)	I x P	Priority						
External Risks - risks that originate outside of the organization										
1 Poor weather conditions that will cause delays to the project	6	7	42	High		Tolerate		Project Administrator	Onsite monitoring and adjustments (when needed) with General Contractor (GC)	
2 Acts of God (earthquake, flood, etc)	9	1	9	Low		Tolerate		Project Administrator	Onsite monitoring and adjustments (when needed) with General Contractor (GC)	
3 Political impact	5	5	25	Moderate		Treat		Steering Committee Executive Project Administrator Project Sponsor	Employ good reporting practices and strong communication standards when releasing information. Have onsite reviews and tours and open communications with the public/media	
4 Economic risks (rising gas or steel prices)	5	8	40	High		Transfer Treat Tolerate	Financial reporting and monitoring	Steering Committee Executive Project Administrator CFO & City Treasurer	Transfer some of the risk through a fixed contract with GC for certain materials/resources. Build contingency amounts into the project budget to treat price fluctuations. Adjust the timing of some things, if applicable, to coincide with better or lower prices.	
5 Unidentified land conditions	7	5	35	High		Treat		Project Administrator	Conduct site surveys, environmental assessments, soil testing and archaeological surveys.	

Project Charter - May 3, 2011

PROJECT CHARTER

Item #	Risk Description	Impact (I)	Probability (P)	V/P	Priority (Critical, High, Moderate, Low)	Risk Response (Treat, Transfer, Tolerate, Terminate)	Controls	Responsible Party	Mitigating Strategy
6	Risks arising from aggressive construction schedule	7	8	56	High	Treat Tolerate		Project Administrator	Regular meetings, follow up through out the project and regular health checks. Advanced notice of possible delays.
<p>Compliance Risks - risks that originate from the requirement to comply with a regulatory framework, policies, directives or legal agreements</p>									
7	Non compliance of GC	6	3	18	Moderate	Treat		Steering Committee Executive Committee Project Administrator Project Sponsor	Securing a bonding agreement with GC. Monitoring of site progress and contract adherence by Project Administrator. Legal recourse if breach of contract develops.
8	Non compliance with City's Purchasing By-law	5	1	5	Low	Treat		Executive Committee Project Administrator Project Sponsor	Regular contact with Purchasing Representative from Purchasing and Risk Management on Executive Committee. Communication with all stakeholders. Review of all purchasing activities to ensure adherence to by-law.
9	Health & Safety concerns (reportable)	4	5	20	Moderate	Transfer		GC	GC health and safety training for all City staff entering site. WSIB Insurance.
10	Legislation changes that may not be picked up	4	2	8	Low	Treat		Project Sponsor Executive Committee Project Administrator	Multidisciplinary team on project who are familiar with all new and emerging legislation.
<p>Financial Resources Risk - risks that relate to the levels of capital and operating funding and insurance as well as financial decisions made</p>									
11	Budget overruns or shortfalls	8	7	56	High	Treat	Monitor building contingency. Regular and timely financial updates to the Executive and Steering Committees.	Steering Committee Executive Committee Project Administrator Project Sponsor Tenant	Monitor building contingency. Regular and timely financial updates to the Executive and Steering Committee.

PROJECT CHARTER

Risk Description	Impact (I)	Probability (P)	LxP	Priority (Critical, High, Moderate, Low)	Risk Response (Treat, Transfer, Tolerate, Terminate)	Controls	Responsible Party	Mitigating Strategy
13 Cost creep if project extends past completion date	6	7	42	High	Treat Tolerate	Regular financial reporting to Executive and Steering Committees as well as project status updates, cost containment strategies, and long range planning.	Steering Committee Executive Committee Project Administrator GC	Regular financial reporting to Executive and Steering Committees as well as project status updates, cost containment strategies, and long range planning.
14 Interest Rate Risk (increase in interest rates)	4	3	12	Low	Treat Tolerate	Review investments with longer maturity. Utilize internal financing as cash flows as cash flows warrant. Adhere to project completion schedule.	Project Sponsor CFO & City Treasurer Steering Committee Executive Committee Project Administrator GC	Review investments with longer maturity. Utilize internal financing as cash flows warrant. Adhere to project completion schedule.
15 Theft of City equipment	3	3	9	Low	Treat	Ensure proper security and insurance are in place, bring material in Just-In-Time, work with GC on secure storage for materials.	Steering Committee Executive Committee Project Administrator GC	Ensure proper security and insurance are in place, bring material in Just-In-Time, work with GC on secure storage for materials.
16 Increase in insurance rates (Contractor)	2	2	4	Low	Treat		Executive Committee Project Administrator GC	Design Build fixed contract with GC to mitigate possible risk for add ons to project.
17 Not maintaining an accurate financial record keeping system	7	2	14	Low	Treat	Assignment of financial analyst. Regular health checks to ensure accuracy of records, regular meetings between Finance and Project Administrator to identify potential record keeping issues.	Project Sponsor CFO & City Treasurer Executive Committee Project Administrator GC	Assignment of financial analyst. Regular health checks to ensure accuracy of records, regular meetings between Finance and Project Administrator to identify potential record keeping issues.
Risk Description	Impact (I)	Probability (P)	LxP	Priority (Critical, High, Moderate, Low)	Risk Response (Treat, Transfer, Tolerate, Terminate)	Controls	Responsible Party	Mitigating Strategy