

Minutes Meeting Financial review of B771

Time and Place	23 Jan 2018 CERN 30-7-010
Agenda	https://indico.cern.ch/event/685150/
Minutes	M.Capeans (TE-PPR)

Meeting's Purpose	Budget review of the B771 project (TE-MSc POLYMER LAB), with a focus on remaining costs and their timeline till project completion foreseen June'18.
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Attendees List		Excused	
Name	Org Unit	Name	Org Unit
Mar Capeans Garrido	TE-PPR Chair		
Lisette Van Den Boogaard	TE-PPR		
Germana Riddone	TE-VSC (TE Space Manager)		
Luca Bottura	TE-MSc		
Gijs de Rijk	TE-MSc		
Sandra Tavares	TE-MSc		
Luigi Scibile	SMB		
Helena Botella	SMB/SE-CEB		
Christophe Martel	SMB/SE-HE		
Juan Gomez	SMB/SE-HE		
Maryse Da Costa	IT/CS-DO		
Melania Aversa	BE/ICS-AS		

Budget overview and review objectives

Lisette Van Den Boogaard, Mar Capeans (TE-PPR)

M. Capeans defines the purpose of the meeting: to verify the financial situation of each WP of the B771 project, with project leader and WP leaders reporting on current expenditures versus forecasted, and remaining works and their cost till project completion. The target is to know the project final cost and budget needs till building reception scheduled for June 2018.

Lisette lists the main budget lines, and mentions that indexation (CVI) and impact of E/CHF conversion rates are to be considered to compare budget vs final cost.

Budget overview:

B771 PROJECT	kCHF
Budget at IPP (Nov'14)	2993
Project Launch sheet budget (Nov'14)	3000 ± 450
New budget approved at Steering Committee (Jan'17)	3374
Charged in 2015 and 2016	1299
Budget available for completion (2017 and 2018)	1998

The objective of the review is therefore to make sure that today's available budget (1998 kCHF) is sufficient till project completion.

Project overview

Sandra Tavares (TE-MSc-MDT)

Sandra presented the project, budget, project structure and time plan at project kick-off (2015), and their evolution till 2017 and at the time of the review. Significant delays in the HVAC WP execution resulted in contract rupture and launching 3 new HVAC contracts in May'17, with the corresponding new baseline budget (~380 kCHF increase wrt IPP) and revised schedule (final reception target date: Dec'17) approved in the Steering Committee of January 2017.

Today's view:

Budget presented and to be reviewed:

B771 PROJECT	kCHF
Budget at IPP (Nov'14)	2993
New budget at Steering Committee - Jan'17	3374
Estimated final cost - Jan'18	3542

The estimated final cost includes expenditures as charged, the provision for few missing items at IPP (163k for e.g. parking spaces, transformer, access control, fire detection...), and it takes into account the cost of settlement of the old HVAC contract (56k) and modifications in new HVAC contract (230k).

Building reception is planned for 15.6.18 and prior to oven's reception.

Civil Engineering (WP1 and WP2) & Access Control (WP9)
Helena Botella (SMB-SE-CEB)

Status of work: proceeding as planned, planning for completion is clear.

Budget: Small overrun due to missing items (e.g. access control was originally not included) and additional minor works.

WP1, WP2 SMB	kCHF
Budget at IPP (Nov'14)	1455
New budget at Steering Committee - Jan'17	1261
Current expenditure (incl. committed)	1275 (+55 to be committed)
Expected Overruns (wrt to Jan'17 budget)	~ 70

Action: SMB to include the cost of FINAL cleaning before building reception in this budget.

HVAC, fluids (WP3) and sanitary installations (WP4)
C.Martel (SMB-SE-HE)

Status of work: all WPs are completed well above 90%, no showstoppers for completion identified.

Budget: Significant overrun (~220k) with respect to budget fixed at Steering Com of Jan'17. The extra costs, in addition to accounting for EU/CHF conversion rates in supplies, mainly come from:

- Settlement agreement to finish the contract with EMTE (+56k, not budgeted)
- Modifications of HVAC/fluids systems
- Additional acceptance tests due to the delay of ovens installation (+13k)

WP3, WP4 SMB	kCHF
Budget at IPP (Nov'14)	998
New budget at Steering Committee - Jan'17	1369
Current expenditure (incl. committed)	1586
Expected Overruns (wrt to Jan'17 budget)	~ 220

- Furthermore +34k are to be added to the WP cost due works wrongly charged to an internal SMB budget not related to this project.

Electrical installations (WP5)
J.Gomez (SMB-SE-HE)

Status of work: all heavy works are completed, installations in Lab, HVAC room and Hall are ongoing, with no showstopper for completion on time.

Budget: work carried out within budget defined at Steering Committee of Jan'17, despite some deviations from IPP and some additional requests.

WP5 SMB	kCHF
Budget at IPP (Nov'14)	490
New budget at Steering Committee - Jan'17	614
Current expenditure (incl. committed)	451 (+153 to be committed)
Expected Overruns (wrt to Jan'17 budget)	~0

IT installations (WP6)

M.Da Costa (IT-CS-DO)

Status of work: no showstopper for completion on time.

Budget: work carried out within budget. To note that the cable trays were taken by the SMB-SE WP.

WP6 IT	kCHF
Budget at IPP (Nov'14)	50
New budget at Steering Committee - Jan'17	90
Current expenditure (incl. committed)	37 (+5 to be committed)
Expected Overruns (wrt to Jan'17 budget)	~0

Fire detection installations (WP7)

M.Averna (BE-ICS-AS)

Status of work: no showstopper for completion on time identified. Commissioning planned for end Feb/March'16.

Budget: work carried out within budget.

WP7 Fire	kCHF
Budget at IPP (Nov'14)	0
New budget at Steering Committee - Jan'17	40
Current expenditure (incl. committed)	40
Expected Overruns (wrt to Jan'17 budget)	~0

Process Equipment (WP8)

S.Tavares (TE-MSC-MDT)

Process equipment refers to the procurement of fume cupboards and ovens. Costs are not included in the project budget, but these items are part of the review because of impact on infrastructures and building commissioning.

Fume cupboards: contract awarded to Laborial (PT) in Oct'16 for 85.6 kE. Installation is scheduled for weeks 9-10 2018 consisting of 3 non-ATEX and 4 ATEX FCBs. CERN-HVAC provides ventilation. *The information presented at the review was slightly different, but a visit to the firm confirmed this scenario.*

Ovens: contract awarded to SAT (FR) in Dec'17 for 137 kE. Installation foreseen May 2018 and it has an impact on other WPs (CE, EL, IT, HVAC) but this has already been covered budget-wise in the corresponding WPs.

M&O plan and needs for integration of specialized TE infrastructure

S.Tavares (TE-MSC-MDT)

In addition to the cost mentioned above for ovens and fume cupboards, about 220kCHF have been estimated to refurbish and procure equipment needed to operate the Lab. The yearly cost to maintain the lab is estimated to 50 kCHF/y.

Wrap-up and Summary

M. Capeans thanks all the reporters and the effective coordination and execution of the project.

This project has been marked by the need to stop the HVAC contract in Sept'16, and the launch of 3 replacing orders in May 2017. As a result, a revised schedule targeting project completion in Dec 2017 and re-baselined budget of 3.3 M (instead 2.9 at IPP) was approved in Jan 2017.

At the time of the review we observe:

- Possible budget overrun of ~230 kCHF with respect to the re-baselined budget of Jan'17.
- +6m delay for building completion, but no showstoppers have been identified to comply with this new date (June 2018).
- After hand-over from SMB to TE, TE-MSD will continue to equip the facility and in parallel prepare safety files to achieve gradual clearance of the infrastructure, for full-fledged operation from October 15th.

The total cost expected till the building is handed over to TE in June 2018 has been summarized in the table below, based on estimated amounts reported during the meeting. It should not be taken as firm.

WP Owner	WP Nb	Service	Budget code	Budget at IPP (Nov'14)	Re-baseline Budget (Jan'17)	ESTIMATE Cost at hand-over (June'18)
SMB-SE	WP1	Civil Engineering	76191	1455	1261	1330
SMB-SE	WP2	Internal fit-out	76192			
BE-ICS	WP9	Access Control				
SMB-SE	WP3	HVAC and Fluids	76619	948	1318	1536
SMB-SE	WP4	Sanitary		50	50	50
SMB-SE	WP5	Electricity	76629	490	614	604
IT-CS	WP6	IT		50	90	43
BE-ICS	WP7	Fire detection	72590	0	40	40
TE-MSD	WP8	Process equipment	N.A.	N.A.	N.A.	N.A.
		Total		2993	3373	3603

Taking into account that 1299 kCHF have been charged in 2015/2016 and that the remaining available budget for 2017/ 2018 is 1998 kCHF, the balance shows -306 kCHF, to which one has to add the transfer of 34k from TE to SMB in WP3, **resulting in about -340k that need to be found to complete the project.**

Summary of actions:

- SMB to include the cost of FINAL cleaning before building reception in their budget.
- TE-PPR and TE-MSD to agree on funding source to fund the cost of commissioning, maintenance and operation of the lab.