

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

24 April 2023 / 24 avril 2023

Submitted by / Soumis par:

Chief of Police, Ottawa Police Service / Chef de police, Service de police d'Ottawa

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SUBJECT: SOUTH PROJECT INCREASE TO CONTRACTS

OBJET: HAUSSES CONTRACTUELLES RELATIVES AU PROJET SUD

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve:

- 1. An increase to Moriyama & Teshima's (M&T) and CS&P Architects' contract in the amount of \$3,210,265 (including contingency and excluding HST) for additional services to re-tender and to replenish construction administration fees for execution of the construction phase of the South Facility project for a total contract value of \$9,438,265.**
- 2. An increase to Colliers Project Leaders Inc. contract in the amount of \$1,285,438 (including contingency and excluding HST) for additional Project Management services to re-tender and to replenish construction administration fees for execution of the construction phase of the South Facility project for a total contract value of \$2,364,153.**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve:

- 1. Une hausse au contrat avec Moriyama & Teshima's (M&T) et CS&P Architects de l'ordre de 3 210 265\$ (y compris les dépenses imprévues et TVH non comprise) pour services additionnels, soit l'émission d'un nouvel**

appel d'offres et le réapprovisionnement des frais administratifs de la phase construction du projet d'installation Sud, une valeur contractuelle globale de 9 438 265\$.

- 2. Une hausse au contrat avec Colliers Project Leaders Inc. de l'ordre de 1 285 438\$ (y compris les dépenses imprévues et TVH non comprise) pour services de gestion de projet, soit l'émission d'un nouvel appel d'offres et le réapprovisionnement des frais administratifs de la phase construction du projet d'installation Sud, une valeur contractuelle globale de 2 364 153\$.**

BACKGROUND

The South Facility is the foundational project in the Ottawa Police Services' (OPS) Facilities Strategic Plan (FSP). Master Campus Planning for the site began in 2017, and the design of the South facility began in 2018 when the Ottawa Police Services Board (Board) approved the award of contract for the architectural and design services.

Located at 3505 Prince of Wales Drive, the South site encompasses approximately 15 acres; the current FSP includes the development of approximately 8 acres through the execution of the new South facility, leaving 7 acres for future development. The new South building will be approximately 218,000 square feet in size, over three levels.

The South facility is critical to support necessary and evolving operations for the OPS, while improving service for growing communities in the south end of Ottawa. Perhaps more importantly, the South facility creates critical square footage needed due to the upcoming disposal of various facilities.

- Leitrim – to be returned to the City
 - Has reached end of life and operations will be compromised by roadworks that will see the Bank & Leitrim intersection increased and travel corridors widening.
- Greenbank – to be returned to the City
 - Has reached end of life and no longer supports operations appropriately
- Fairmont – disposal through lease termination
- Concourse – disposal through lease termination

From Q4 2019 to Q1 2020, the OPS and the City of Ottawa's Procurement Office executed a public release of a "Request for Qualifications" (RFQ) to general contractors. The results of the formal evaluation process identified a short-list of three reputable general contractors to receive the initial construction tender.

The design was completed to support the initial construction tender release of Phase A in December 2020. In April 2021 the Board supported OPS's recommendation to pause and reassess the South facility project. The direction at the time also included cancelling the initial construction tender of Phase A, due to on-going impacts to the construction industry resulting from the Pandemic, in favour of providing a refresh to the FSP that would capture the changing needs of the community and operational evolutions.

At this time, the Board also supported keeping the design project teams engaged to advance the design of Phase B, leveraging existing contracts already in place. Design was completed in February 2022, creating a shelf-ready single tender package that encompassed both Phase A and B. For the balance of 2022, OPS pursued discussions with City services for partnership opportunities, and reviewed the go-forward funding strategy for the South facility project as part of the FSP Refresh development.

In January 2023, the Board approved the FSP Refresh, providing approval to the OPS to execute projects as sequenced in the plan, including the restart of the South project. With the approval of the South project re-start, the OPS has conducted assessments of M&T/CS&P and Colliers contracts to determine the increased scope of work and values required to be adjusted and replenished to complete the construction phase of the South facility project Phase A and B.

DISCUSSION

By delivering this report, the OPS is seeking Board approval for an increase to the value of existing Prime and Project Management contracts for the joint venture of Moriyama Teshima and CS&P Architect's, and Colliers Project Leaders Inc. respectively.

The contract increases are needed to account for labour market escalations as well as:

- Additional services required by the Prime Architect and Project Management teams,
- Previous reallocation of fees to support Phase B design, and
- Replenish contract contingencies.

Additional work includes executing a new pre-qualification of General Contractors, conducting a re-tendering process, executing a minor early tender package, and construction administration for Phase B. Contract values need to be replenished as previous fees attributed to the construction administration of Phase A were reallocated to support the Phase B design development. As well, contract contingencies are important to maintain to ensure unforeseen minor project events can be addressed

swiftly. Service rates have also increased since award of the original contract as a result of standard and Pandemic labour market escalations over time.

As part of the Board's direction to pause the project, it was determined that the design should advance through to completion. All design work was completed in February 2022, making the project shelf-ready to tender when direction was given to proceed with the project.

To prepare for the construction tender, the OPS and project team will be working with the City's Procurement Branch as the contract authority for the work related to the new pre-qualification of general contractors prior to going out for the construction tender later this year. Prime Architect and Project Management services are required to complete the new pre-qualification activity.

As part of the South project re-start, the OPS reviewed the delivery strategy and determined there could be advancement of some construction work on site. The OPS intends to prepare and tender a minor Road Works and Site Services package in the next few months. This tender package will allow for work to advance while OPS and City procurement coordinate the release of the remaining construction tender later this year. Consultant services associated with an early, minor tender to allow for road and site services work have been incorporated as part of the additional fees.

CONSULTATION

Consultations with the public were not required to determine project services or fees, however, activities noted below have been completed as part of larger FSP and South facility project efforts.

Board consultation

Prior to approval of the FSP refresh in Q1 2023, the OPS provided the Board with the background and history, highlights, and the funding strategy for the South facility project.

South Facility and City Partnership

In Q3 2022, the OPS South facility project team met with various City services to explore the opportunity to co-locate and create a partnership in the development of the new building. The OPS engaged with City leaders with the goal of information sharing on the South project and exploring opportunities for strategic alignment between the groups.

The OPS completed introductory discussions, presenting the South facility background, building highlights and specifications, timelines, and the potential for partnerships.

Following these preliminary discussions, the OPS continued dialogue to determine level of interest of City services in partnering on the facility.

Discussions between the OPS and the City were productive as the nature of policing and the noted City services present some logical alignments that could provide efficiencies across organizations.

The CAO and the OPS project team met with the City Manager and other City representatives in Q1 2023 to continue discussions related to partnership opportunities. While the City has not opted to co-locate at the new facility at this time, the City and OPS have agreed to continue discussions as the project progresses into the construction phase where potential opportunities exist for the City to re-consider its decision at a later date.

City Procurement

The City Procurement branch was informed by the OPS project team of the re-start of the South project. The OPS coordinated with City Procurement on project strategy and fee validity of contract increases to ensure sound reasoning and procurement requirements are met and constraints adhered to.

Consultants

The OPS will continue to leverage the Project Cost experts, the Prime Architects and Project Management services to provide updated, current market financial analysis based on active projects that are underway in the area, as well as those about to tender, prior to releasing the construction tender.

FINANCIAL IMPLICATIONS

Funding to support increases to the Prime Architect (M&T/CS&P Architects) and Project Management services (Colliers Project Leaders) contracts is provided within the OPS Facilities Strategic Plan (FSP) - South Facility Capital Order #903447.

The contracts identified in the chart below require amendment due to the project being paused pending reassessment.

Work continued in the background on the design and development of Phase B using funds originally identified for construction administration of Phase A, for both the Prime Architect and Project Management contracts.

This has resulted in the OPS needing to replenish the funds associated with construction administration services to complete the construction of the South facility project.

Fees are also required to account for additional services noted in the Discussion section above.

The current request also includes contingencies and considers labour market escalations.

Consultant	Purchase Order	Approved to date	Current Request	Amended Contract Value*
M&T/CS&P Architects (Prime Architect)	45086438	\$6,228,000	\$3,210,265	\$9,438,265
Collier's Project Leaders Inc. (Project Management Support)	45088916	\$ 1,078,715	\$1,285,438	\$2,364,153

*Excludes HST

FINANCIAL STATEMENT:

Project Budget (*)	\$172,000,000	South Facility 903447
Less: Spent/Committed	<u>\$ 10,816,777</u>	
Sub-Total	\$161,183,223	
Less: This Request(**)	<u>\$ 4,574,827</u>	
Available	<u>\$156,608,396</u>	

(*) The total project budget for design, construction & fit-up for the South Facility, as identified in the FSP Refresh, is \$172M. The current funding in SAP stands at \$159M as the budget adjustment identified to come from IT/Comms 2 (\$13M), could not be processed before budget approval which occurred in March 2023. This budget adjustment is planned to be completed before April 2023 month end.

(**) Includes rebated HST

CONCLUSION

With the Board approval of the FSP Refresh in January 2023, the OPS immediately began to execute the projects contained within the program. The South facility project is a foundational piece of the FSP and allows other projects to be executed in sequence.

With all design work complete, the OPS is well positioned to immediately prepare and release a minor tender package that will see some site development as early as this

summer, and the release of the construction tender later this year. To prepare these packages and provide appropriate construction administration services, M&T/CS&P and Colliers teams require an increase to their contracts, taking into account escalations to labour rates.

This report seeks the Board's approval of the increase to the Prime Architect and Project Management service contracts to support the continuation of the South facility project.

The OPS intends to return to the Board in the next few months to advise on the tender of the early works package.