

Report to / Rapport au:

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

25 September 2023 / 25 Septembre 2023

Submitted by / Soumis par:

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

Contact Person / Personne ressource:

**Deputy Chief Steve Bell, Chief Administrative Officer / Agent Administratif
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**SUBJECT: SOUTH FACILITY PROJECT – GENERAL CONTRACTOR
CONSTRUCTION CONTRACT AWARD**

**OBJET: PROJET D'INSTALLATION SUD – ATTRIBUTION DU CONTRAT À
L'ENTREPRENEUR GÉNÉRAL**

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve:

- 1. The reallocation and advancement of Facilities Strategic Plan project funding from Central Assessment and Elgin-C for the value of \$8,669,000, to the South Facility Project to support the execution of Phase B.2, for a total project value of \$193,715,193.**
- 2. The award of a construction contract in the amount of \$115,452,850 (including construction contingency; excluding HST) to Contractor Broccolini Construction Inc. for the main construction of the South Facility.**
- 3. The delegation of authority to the Chief of Police to award contracts and execute payments for all remaining project related activities required to deliver the South facility project for an amount not to exceed the approved project budget.**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve:

1. La réaffectation et l'avance de 8 669 000 \$ en fonds du Plan stratégique des installations provenant du projet d'évaluation de l'installation Centre et d'Elgin-C au projet d'installation Sud en vue de la réalisation de la phase B.2, projet qui totalisera 193 715 193 \$;
2. L'attribution d'un contrat de construction de 115 452 850 \$ (incluant les sommes pour les imprévus; TVH en sus) à l'entrepreneur Broccolini Construction Inc. pour les travaux principaux de l'installation Sud;
3. La délégation, au chef de police, du pouvoir d'octroyer des contrats et de faire des versements pour le reste des activités du projet d'installation Sud, tant que le montant ne dépasse pas le budget approuvé.

BACKGROUND

The South facility is the foundational project in the Ottawa Police Service's (OPS) Facilities Strategic Plan (FSP). Located at 3505 Prince of Wales Drive, the South Facility Project (SFP) will develop approximately half, or 8 acres, of the full 15-acre site. The new South facility is critical to support necessary and evolving operations of the OPS.

2018

Design of the South facility began with the award of contracts to the Prime Architects – joint venture with Moriyama Tashima and CS&P Architects – and Project Management support from Colliers Project Leaders.

2020

The design was completed in mid-summer to support the initial construction tender. The Phase A tender package was released towards the end of the year to three pre-qualified General Contractors.

2021

In February 2021, the Phase A tender closed. However, in April 2021 the Board supported the OPS's recommendation to pause and reassess the SFP. The direction at the time also included cancelling the initial construction tender of Phase A due to impacts to the construction industry borne from the ongoing COVID 19 pandemic. At that time, the Board also supported keeping the project design teams engaged to advance the design of Phase B.1, leveraging existing contracts already in place.

2022

Design of Phase B.1 was completed in February 2022, creating a shelf-ready single tender package that encompassed both Phases (A and B.1). The OPS was also directed to engage in discussions with various City services to explore synergies and gauge interest in partnering and co-locating within the same facility. Simultaneously, and while the project remained paused, the OPS pursued a refresh to the FSP.

2023

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 SFP. As part of the restart, the OPS worked to update consultant contracts, which were presented to and approved by the Board in April.

With the re-start of the South Facility Project, the OPS immediately began to package and advance work that would leverage favourable weather conditions. This was possible given the 'shelf-ready' status of the design. In July, the Board approved the contract award for the construction of the Road Modifications on Prince of Wales Drive. This construction is currently ongoing and anticipated to be complete in the coming months.

Through City Procurement processes, the main construction tender was released in July to three pre-qualified bidders. The tender closed in early September.

Phase B.2

The OPS was advised in May 2023 of the City's intended development in the Pinecrest and Greenbank area that would likely impact the site and facility located at 2670 Queensview Drive. Currently two-thirds of this facility is occupied by OPS support operations, with the balance of the facility vacant and assigned to the OPS for future expansion; awaiting the execution of the FSP Queensview Expansion project to up-fit the space. The OPS was advised by the City of the likely need for the Service to relocate current and future planned functions from its Queensview facility to support city development being planned for the surrounding area in the coming years. The City has indicated that it anticipates annexing the Queensview location within the next five to ten years.

Given the impact on the Queensview facility where the OPS will no longer be able to occupy this site in the coming years, it became unwise for the OPS to execute any strategic Capital projects at this location. As such, the OPS informed and received approval from the Board in June 2023 to redirect the project funding and objectives of the Queensview Expansion project to the South Facility Project, now known as Phase

B.2. The OPS now occupies 100 percent of the South facility, with Phase B.2 intended to be fit-up with standard corporate office space and support functions.

The timing of redirecting the Queensview Expansion project to the SFP also presented an opportunity to advance the design development of Phase B.2 alongside the construction of Phase A & B.1, with a possible integration of interior construction into the general contractor's scope of work at a future date. While the \$7.05 million funding from the Queensview Expansion project was redirected to the SFP, the OPS early estimates to complete all of Phase B.2 were calculated at approximately \$16 million.

DISCUSSION

By delivering this report, the OPS is seeking Board approval to proceed with the Phase B.2 funding strategy, award the main construction contract to Broccolini Construction Inc. for the sum of \$115,452,850 (including contingency, net of HST), and provide Delegated Authority to the Chief for the remaining balance of the approved project budget to address remaining project related activities.

Phase B.2 Funding Strategy

Over the summer, the OPS worked to refine the estimate associated with the full design, interior construction, and tenant fit-up of Phase B.2. A more detailed analysis of the program and floor area in the South building realised a forecast that aligned to early calculations of approximately \$16 million. Where the Queensview Expansion project was intended to up-fit approximately 19,000 square feet, the Phase B.2 area is double that at 38,000 square feet.

To bridge the gap between the approved funding of \$7.05M and the forecast to complete Phase B.2, the OPS looked to projects in the FSP where it was anticipated that the project may no longer be required or where the program was not fully developed and was scheduled to initiate after 2030. Two projects were identified as likely funding sources:

- Central Assessment \$3,313,000 – The OPS anticipates that a new Central facility will no longer be required. Therefore, completing an assessment is no longer required.
- Elgin-C \$5,356,000 – This project is scheduled to be initiated in 2035 but the program and square footage for realignment is yet to be defined. The FSP will also undergo several updates before 2035 where the strategic objectives related to operations at 474 Elgin will be further developed.

Combined, the value of these projects addresses the funding shortfall necessary to complete Phase B.2.

Main Construction Award and Chief's Delegated Authority

In May 2023, the City of Ottawa's Procurement Office and the OPS executed a formal public release of a "Request for Qualifications" (RFQ) to short-list general contractors to receive the anticipated main construction tender. Seven submissions were received and three highly reputable and experienced general contractors were short-listed after an evaluation process that followed City Procurement regulations.

The OPS project team prepared and released the main construction package to the three pre-qualified contractors on July 6, 2023. The tender closed on September 6, 2023 with three compliant bid submissions received. The lowest bidder meeting all necessary procurement criteria is Broccolini Construction Inc.

To protect against unknown conditions that may arise during construction, the OPS has applied a 7.5% contingency (\$8,054,850) to arrive at a total contract value of \$115,452,850 (excluding HST).

As main construction begins, the project team will also begin to focus on various activities associated with tenant fit-up. These activities include, but are not limited to, furniture validation and preparing multiple contracts for the planning and purchase of furniture, fixtures, and equipment. As well, contracts will be required to award services related to staff and equipment moves. Chief's Delegated Authority is required to support awarding these various contracts associated with goods and services.

CONSULTATION

Consultations with the public were not required to confirm the funding strategy for Phase B.2 or complete the main construction tender process. However, the OPS did inform the Finance and Audit Committee of its intentions regarding funding Phase B.2. on September 7, 2023. In addition, activities noted below have been completed as part of the SFP and in preparation for the main construction tender.

City Councillor

In July 2023, the OPS project team met with Councillor Wilson Lo (Ward 24, Barrhaven East) for an onsite tour of 3505 Prince of Wales to provide an overview of the future building location and envision construction activities. Councillor Lo offered support related to communications and engagement with residents surrounding the site. Discussions with Councillor Lo will be ongoing as the project progresses.

Carleton Lodge – 55 Lodge Road

In August 2023, the OPS project team communicated with Carleton Lodge on the current Road Modifications construction impacts as well as the upcoming tender completion and anticipated main construction award. The OPS will be maintaining an open line of communication with the administrator of Carleton Lodge and the Director of Long-Term Care as the SFP progresses.

City Procurement

The OPS worked with a dedicated City Procurement officer to prepare and release the Request for Qualification in May 2023 and the main construction tender in July. City Procurement provided process oversight to ensure Procurement Bylaw compliance from tender documentation, release, addenda, through to identifying the winning bidder.

Project Consultants

The OPS leveraged the project costing experts and Prime Architects and Project Management services to provide a current market financial analysis based on active projects that are underway in the city as well as those about to tender, prior to releasing the main construction tender. These project consultants were also engaged in and supported the tender process.

FINANCIAL IMPLICATIONS

In June 2023, the board approved the funding transfer for the sum associated with the Queensview Expansion project of \$7,046,193 from Capital Order #908707 to the South Facility Project budget. This funding transfer was related to the additional scope of Phase B.2 and now forms part of the total South project funding.

As noted above, additional funding was required to support the balance of Phase B.2 scope, estimated at approximately \$16M, and creating a project funding deficiency of approximately \$8.9M.

The OPS recommends re-directing the budget base from the Central Assessment and Elgin-C projects to the SFP to address the financial pressures associated with Phase B.2. The OPS is requesting that budgets of \$3.313M and \$5.356M respectively, for a total of \$8.669M, be reassigned to the SFP. The \$8.669M balance is required to fully fund Phase B.2 and exists within the FSP program.

General Contractor Main Contract Award

Funding exists within Capital Order #903447 – South Facility to support the award of the main construction contract.

FINANCIAL STATEMENT

| | | |
|-----------------------|---------------|----------------------------------|
| Project Budget | \$179,046,193 | South Facility 903447 |
| Land cost | \$ 6,000,000 | |
| Subtotal | \$185,046,193 | |
| Budget Re-assigned | \$ 725,000 | Central Assessment #908718 |
| Budget Re-assigned | \$ 2,588,000 | Central Assessment - Advancement |
| Budget Re-assigned | \$ 5,356,000 | Elgin-C Advancement |
| Subtotal | \$193,715,193 | |
| Less: Spent/Committed | \$ 16,936,209 | Update September 7, 2023 |
| Sub-Total | \$176,778,984 | |

Less: This Request(*) \$117,484,820

Available \$ 59,294,164

(*) Includes non refundable portion of the HST

Delegated Authority

As part of the recommendations, the OPS is asking that the Board delegate authority to the Chief of Police to amend existing contracts and award new contracts required to complete the South project, not to exceed the approved project budget.

CONCLUSION

The OPS immediately began the re-start and execution of the SFP upon the Board's approval of the FSP Refresh in January 2023. In the proceeding months, the OPS advanced Road Modification work, executed a pre-qualification process to short-list three reputable General Contractors, released the main construction tender, and developed a funding strategy to address the cost pressures with completing all work for Phase B.2.

With the main construction tender closing on September 6, the OPS received three eligible bids and is now seeking Board approval to award the contract. As well, the OPS developed a funding strategy to reallocate the budget base of select FSP projects to ensure the design, construction, and tenant fit-up of Phase B.2 can be advanced in the coming months and possibly integrated into the main construction contract.

With approved Chief's Delegated Authority, the SFP is also well positioned to amend existing contracts and award new as may be required to complete all aspects of the South Facility Project, primarily focused on Tenant Fit-Up activities.

Going forward, the OPS is committed to providing updates to the Board on a quarterly basis to report on project progress and financial status.