

**Subject: Ādisōke Project Update**

**File Number: ACS2023-IWS-IS-0001**

**Report to Finance and Corporate Services Committee on 5 December 2023**

**and Council 6 December 2023**

**Submitted on November 24, 2023 by Carina Duclos, Director, Infrastructure Services, Infrastructure and Water Services**

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**Ward: Citywide**

**Objet : Ādisōke Project Update**

**Numéro de dossier : ACS2023-IWS-IS-0001**

**Rapport présenté au Comité des finances et des services organisationnels**

**Rapport soumis le 5 décembre 2023**

**et au Conseil le 6 décembre 2023**

**Soumis le 24 novembre 2023 par Carina Duclos, directrice, Services d'infrastructure, d'infrastructure et des services de l'eau**

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**Quartier : Ā l'échelle de la ville**

**REPORT RECOMMENDATION(S)**

**That the Finance and Corporate Services Committee and Council receive this report for information.**

**RECOMMANDATION(S) DU RAPPORT**

**Que le Comité des finances et des services organisationnels et le Conseil municipal prenne connaissance du présent rapport.**

**BACKGROUND**

On June 13, 2018, Council approved the Implementation Plan for the Ottawa Public Library and Library and Archives Canada Joint Facility report ([ACS2018-PIE-IS-0007](#)). That report established that a new and modern Central Library would proceed as a design-bid-build facility under a tripartite agreement between the Ottawa Public Library (OPL), Library and Archives Canada (LAC) and the City of Ottawa (City).

The project partners (OPL, LAC and the City) executed a Governance Agreement in 2018, binding the partners to project objectives as well as funding obligations. The Governance Agreement also established the City as the Project Authority to manage and oversee project implementation through the creation of a Project Management Office (PMO). While the Ottawa Public Library Board receives semi-annual construction updates as part of OPL's executive reporting mandates, and Members of Council receive monthly status reports from Infrastructure Services at a high level, this report relates to the PMO's executive reporting requirements. It commits to providing more frequent updates to Council.

The purpose of this report is to update Members of Council on the progress to date of the Ādisōke (Ottawa Public Library and Library and Archives Canada Joint Facility) project. It is for information only, and there are no items for approval.

**DISCUSSION**

Recommendation 2b of report [ACS2018-PIE-IS-0007](#) directed the PMO to provide updates to Members of Council as major project milestones are achieved.

An update to Members of Council was provided via a memorandum dated October 8, 2020. This memo advised that site preparatory work had commenced. Given the considerable work associated with excavation and dewatering of the site, a tender was issued for this portion of the work, separate from the main construction contract. This allowed the site preparatory work to be completed in advance of the library construction itself, providing advancement in the overall project schedule. The memo advised that the procurement for this portion of the work was complete and had been awarded to one of the pre-qualified bidders, PCL Constructors Canada, Ltd.

A subsequent report dated October 27, 2021, Ādisōke Project Update and Procurement Tender Results ([ACS2021-PIE-IS-006](#)), provided Council with an update on the tender

bid results of the facility itself and sought additional funding for the project in response to increasing economic pressures. This report was approved by Council, allowing the project team to move forward with award of the construction contract to the lowest responsive bidder.

This current report aims to provide an update on additional project milestones, as it relates to contract award and construction commencement.

Upon approval of the recommendations in [ACS2021-PIE-IS-006](#), the construction contract was awarded to PCL Constructors Canada, Ltd. on November 8, 2021. Construction on Ādisōke has been ongoing since winter 2021 and is progressing very well. The team has celebrated several construction milestones since then, including the completion of the foundation of the facility and of the two underground parking levels.

Most recently, the project reached a significant milestone with the completion of concrete and reinforcing steel work for all five floors of the new facility. This was commemorated with an event on October 18, 2023, with the project partners, OPL, LAC and Host Nation representatives. With all five levels of Ādisōke now complete, the visibility of the structure is more prominent, and the building is beginning to resemble the renderings that have been created.

## **Communications and Engagement**

Public outreach, engagement and communications first began on this project in 2013. Ādisōke was co-designed with the public and Indigenous communities through the most comprehensive engagement on a building in Canada, with more than 7,000 people taking part. That outreach and engagement were instrumental in shaping Ādisōke's design.

Ādisōke is a result of extensive collaboration with the Anishinābe Algonquin Nation, and other First Nations, Inuit and Métis individuals and organizations from across the country. This collaboration and relationship-building has been a meaningful commitment to reconciliation. The outreach and partnerships that have been established with Kitigan Zibi Anishinābeg and the Algonquins of Pikwakanagan First Nation is a strong statement reflecting the depth and sincerity of the on-going working relationship on this project.

Communications and engagement activities related to building delivery are ongoing. Recent communications and engagement activities include:

- Media and Milestone event on October 18, 2023, to celebrate the completion of the pouring of the floors, as well as the unveiling of the official Ādisōke branding
- Launch of updated website, [Adisoke.ca](https://adisoke.ca) to reflect new branding
- Advertising on City buses with new branding
- Site tours for elected officials and community partners
- Launch of the Ādisōke “storey-telling” series on Adisoke.ca
- Anishinābemowin language series for social media
- Regular outreach to residents through monthly construction progress updates and seasonal newsletter, distributed by email and published on Adisoke.ca

This level of outreach and collaboration will continue for the remainder of the project.

### **Project Governance**

At the highest level, the Governance Agreement states that the City owns the site and will continue to do so until the facility is completely constructed. At that point, a share of ownership will be transferred such that 61 per cent will be City-owned and 39 per cent owned by Library and Archives Canada. Project costs will be shared on this basis, and as further described in the budget section, with the exception of the parking garage, which will be solely the responsibility of the City. Revenues generated from the underground parking garage directly go to the City.

The Governance Agreement, signed by all three parties in December 2018, further determined that:

- The City would provide all project management services to the project through a Project Management Office (PMO).
- A Joint Project Team would be established with representatives of all three parties to address day-to-day operational decision-making.
- Strategic oversight and key decision-making would be made by an Executive Steering Committee. The appointees to the Executive Steering Committee were the City’s General Manager of Planning, Infrastructure and Economic Development, the Chief Executive Officer of the Ottawa Public Library and the Librarian and Archivist of Canada on behalf of Library and Archives Canada.

The decision-making process for both the Executive Steering Committee and the Joint Project Team requires unanimity. This model ensures equal representation among all three partners and provides for an equal voice for all decision making.

Dispute resolution provisions provide for relatively swift settlement of any disputed matters through a tiered approach first at the Joint Project Team, followed by negotiations at the Executive Steering Committee. If those two steps fail to resolve the dispute, the final steps are optional mediation and binding arbitration. There have been no disputes that required mediation or arbitration. All major decisions to date have been made by consensus amongst all three partners.

The Governance Agreement will shortly be undergoing some minor amendments. One amendment will suggest that the signatory for the Executive Steering Committee be changed from the General Manager of Planning and Real Estate Development to the General Manager of Infrastructure and Water Services. Other amendments will aim to update the Governance Agreement to reflect the additional project budget that was approved as part of [ACS2021-PIE-IS-006](#). Any amendments made to the Governance Agreement will be reported back to Members of Council in 2024, per the recommendations of the report [ACS2018-PIE-IS-0007](#).

### **Schedule**

The new Ādisōke facility is expected to be open to the public in summer 2026. This has been widely communicated to the public and remains the intended inauguration date. The project is currently on schedule.

Another key date in Ādisōke's timeline is the facility's Substantial Completion. This can be defined as the moment the building is ready for occupancy, but there remains minor or corrective work that needs to be completed by the contractor. The contract's original Substantial Completion date was November 11, 2025, and has been extended twice since contract award. The first contract extension was to account for the two industry labour strikes witnessed in the summer of 2022. Labour strikes are considered force majeure events in the City's standard construction contract documents and is something outside of the City's and contractor's control. In response to this, the contractor was awarded an additional 31 days, which amended the substantial completion date to December 24, 2025.

The second contract extension was in response to adverse winter weather conditions between the periods of December 2022 and March 2023. Adverse weather can also be considered a force majeure provided they can be substantiated as outlier events in

comparison to historical weather data. For this request, a due diligence exercise of reviewing historical weather data from the past ten years supported an extension of four working days. This puts the new contract Substantial Completion date at January 2, 2026. With a plan from the contractor that re-sequences work activities inside the facility, the targeted inauguration date of summer 2026 is not compromised.

Once Substantial Completion has been reached, there are several activities which need to occur before Ādisōke can be open to the public. This will include the functional testing and final commissioning of the mechanical systems, fitting up the building with furniture and equipment, moving in of collections by our partners OPL and LAC, relocating and training staff, and the final installation of Public Art.

### **Budget**

Below is a summary of the overall project budget as of October 31, 2023 and also illustrates partnership contributions.

	<b>City/OPL</b>	<b>LAC</b>	<b>Total</b>
Budget	\$200,595,585	\$132,653,863	\$333,249,448
Actual	\$75,525,790	\$45,645,283	\$121,171,073
Committed	\$109,731,623	\$73,299,572	\$183,031,195
Available Project Budget	\$15,338,172	\$13,709,008	\$29,047,180

The “Actual” line item represents funds that have been spent to date, whereas “Committed” are funds that are secured against purchase orders for planned work but have not yet been spent. There rests a total of \$29,047,180.00 in “Available Project Budget”, however it should be noted that while these funds have not been committed formally, some have been identified for future planned work. The project remains on budget.

### **Risk Assessment**

Risks exist on all types of projects. Being able to identify key risks, assess their probability, and to mitigate against those risks, are key elements when planning for the success of a project.

The Infrastructure and Water Services Department has a proactive approach to risk management. While a risk register is developed at the outset of a project, a regular review is required as some risks will fall away, others can become issues and new risks can arise. The objective of the PMO's risk management plan is to increase the probability and impact of positive events and decrease the probability and impact of negative events on the project. To this end, understanding, monitoring, controlling and mitigating risk must be identified as a critical project success factor.

Sufficient attention is dedicated to the regular and on-going review of risks. Given the scale and scope of this project, risk review is done frequently, at all levels of the project team, and may involve key stakeholders, such as OPL, LAC, consultant teams, contractor and others. Regular focus meetings on risk are extended to the project partners, OPL and LAC, for full transparency and further discussion, and escalated to the project's Executive Steering Committee, if required.

Some examples of key risks being closely monitored include:

1. Project Schedule

Given the complexity and scope of this project, the schedule is being very closely monitored. In addition to monthly schedule submissions on behalf of the contractor, PMO also performs an in-depth review with the assistance of a third-party specialist. These reviews report on critical path items, breaks down key tasks, tracks each key tasks' progress, and asks questions on sequencing of activities. These reports help to identify gaps in scheduling activities and to find efficiencies that can be recommended to the contractor. They present an excellent overview of planned versus completed work, and form the basis of much of the schedule discussions at regular project check-ins.

2. Budget

The biggest risk to budget, as seen across the entire construction industry, is cost escalation. Ādisōke was tendered under a fixed-price contract, meaning much of the risk associated to cost escalation within the base contract is not transferable to the City. Changes to the base construction contract are inevitable on a project of this size and scope, and those changes are priced and reviewed by the Contract Administrator to ensure they are fair and equitable.

3. District Energy System

Following a positive business case prepared during the design of the project, Ādisōke will be connected to the Government of Canada's District Energy System. This system modernizes the way in which buildings are heated and cooled, using hot and chilled water. This system provides heating and cooling to the building in an environmentally conscious way and helps the federal government meet its goal of being carbon neutral by 2030. This connection also plays a significant part in Ādisōke achieving its Net Zero Carbon designation.

Timing on the implementation is key to the success of Ādisōke. The facility requires heating and cooling for temperature control during interior construction. Timing of the District Energy System does not perfectly align with Ādisōke's needs, and temporary heating and cooling infrastructure will need to be installed in order to meet the commitments made by the Government of Canada. This is being done in collaboration with the PMO and is at no cost to the City. To date, discussions and design meetings have been productive with Government of Canada for the implementation of the District Energy System.

## **Workplan for 2024**

### **Construction**

Over the winter months, work will take place on the façade of the building. This will include the installation of stonework, the bird-friendly glazing, and other elements that will make the building water-tight. Inside the facility, work will start on building many of the interior walls and will continue with mechanical, electrical and plumbing work.

The installation of Ādisōke's iconic roof with solar panels will commence and will become another key milestone in the facility's construction journey.

### **Updates to Council**

Per the June 2018 report [ACS2018-PIE-IS-0007](#), the PMO will continue to report back to Council as major milestones are achieved. While Members of Council are circulated monthly project status reports from Infrastructure and Water Services, and the OPL Board receives project updates bi-annually, moving forward, the PMO endeavors to provide more fulsome project updates on Ādisōke on a bi-annual basis as well.

In 2024 the PMO will also provide updates to Council on the following:

- **District Energy System:** Underground infrastructure required to service Ādisōke is expected to be installed by the end of 2023. The next step is establishing legal

servicing agreements, a requirement for the long-term implementation of the District Energy System.

- **Social Procurement:** Ādisōke will house a ground floor café, a restaurant and a commercial catering kitchen to support food services within the facility. The partners are in the process of assessing the viability of a Social Enterprise to undertake the food services contract for the new facility. A review of the proposal and business plan is intended to be completed by early 2024, the outcome of which will be reported back to Council as part of the next update.

This reporting is over and above the recommendations in the June 2018 report and is part of our commitment to keep Council informed, and in light of the significant financial investment the City has made in Ādisōke.

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

### **LEGAL IMPLICATIONS**

There are no legal impediments to receiving this report for information

### **COMMENTS BY THE WARD COUNCILLOR(S)**

This is a City-wide report.

### **CONSULTATION**

Consultation and engagement activities have been described in the discussion section above. No consultation was undertaken as part of this information report.

### **ACCESSIBILITY IMPACTS**

There are no accessibility impacts associated with this report.

### **ASSET MANAGEMENT IMPLICATIONS**

The information documented in this report is consistent with the City's Comprehensive Asset Management (CAM) Program objectives.

### **RISK MANAGEMENT IMPLICATIONS**

There are risk implications. These risks are outlined throughout the report and being proactively tracked and managed.

**DISPOSITION**

Following Council receiving this report, as outlined, the project team will provide regular updates to Council, including a fulsome update in 2024.