

**Report to / Rapport au:**

**FINANCE AND AUDIT COMMITTEE  
COMITE DES FINANCES ET DE LA VERIFICATION**

**7 April 2025 / 7 avril 2025**

**Submitted by / Soumis par:**

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

**Contact Person / Personne ressource:**

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principal**

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**SUBJECT: SOUTH FACILITY PROJECT UPDATE: FIRST QUARTER 2025**

**OBJET: MISE À JOUR DU PROJET D'INSTALLATION SUD : PREMIER  
TRIMESTRE 2025**

**REPORT RECOMMENDATIONS**

**That the Ottawa Police Service Board's Finance and Audit Committee receive this report for information.**

**RECOMMANDATIONS DU RAPPORT**

**Que le Comité des finances et de la vérification de la Commission de service de police prenne connaissance du présent rapport à titre d'information.**

**BACKGROUND**

The South facility is the foundational project in the Ottawa Police Service (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.

Since the January 2023 Ottawa Police Service Board (Board) approval of the FSP Refresh, the SFP has achieved various milestones that include:

- Project re-initiation in February 2023.

- Board-approved re-assignment of the top floor for OPS occupancy in light of the future disposal of the Queensview facility and overall Facilities portfolio space shortfall.
- Road modification completion in the summer and early fall of 2023.
- Re-release of the main construction tender package and Board-approved award in September 2023 to Broccolini Construction Inc. (BCI).
- Board approval for delegated authority to the Chief of Police to amend existing contracts and award new contracts to complete the SFP, not to exceed the approved project budget, in September 2023.

As has been the case since inception of the project, the OPS remains committed to updating the Finance and Audit Committee on project progress, with an emphasis on financial commitments under the Chief's delegated authority, on a quarterly basis.

## **DISCUSSION**

Since the November 2024 update to the Finance and Audit Committee, construction at the South site has progressed well; 45% of construction activities are complete. Construction activities in Q1 2025 have included completion of structural walls and columns, and construction of the building super structure. 95% of the steel work is complete and roof assembly construction is in progress.

Project risks and issues are being continuously monitored. The addition of phase B.2 (second floor on the South portion of the facility) and unfavourable soil conditions extended the overall duration of project construction. Specifically, the unfavourable soil conditions extended work associated with pile foundations at the start of construction. The extension of the sub-structure work created direct and indirect impacts in other areas of construction, in effect pushing back construction completion to May 2027. Broccolini and the project team are focused on mitigating any further impacts to the construction completion timeline. Financial pressures extending from the soil conditions are also being carefully monitored due to their impact to the construction contingency.

The cost associated with the interior construction of the top floor interiors is being negotiated and expected to be finalized and integrated into the project in April 2025.

More recently, and collectively with the General Contractor, the project team is assessing and monitoring the impact of tariffs. In fact, the team is focused on upcoming procurement of furniture and equipment goods and managing any tariff-related cost pressures.

Beyond construction, Tenant Fit Up (TFU) activities continue and include: the finalization of the sub-schedule to align with construction, and developing strategies for furniture

procurement and move services. In addition to this, activities are underway to establish existing furniture and equipment inventory with the intention of reusing as much of this furniture and equipment at the South facility as possible.

## **CONSULTATION**

Public consultation was not required, nor undertaken, in Q1 2025. However, activities noted below have been completed as part of the overall SFP and in preparation for contract amendments.

### **Adjacent Neighbours**

In December 2024, the OPS provided a status update and communication to surrounding neighbours, as well as to Councillors Lo and Hill, regarding upcoming site activities.

Lines of communication are being maintained and regular updates are provided to immediate neighbours of the facility as construction proceeds.

### **City Councillors**

Discussions with Councillors Lo and Hill will be ongoing as the project progresses. Councillors will be kept abreast of project activities and notified any time outreach to local residents is required.

### **Carleton Lodge – 55 Lodge Road**

The OPS is 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**

City Procurement continues to provide direction and support in the procurement of services, as may be required.

### **City Legal**

City Legal is available to provide input and direction on any matters that require legal oversight.

## **FINANCIAL IMPLICATIONS**

The Chief of Police has been provided with delegated authority by the Board to award new contracts and amend existing contracts as required, within the approved budget envelope, to complete the SFP.

Two contracts were awarded in Q1 of 2025:

- The SFP awarded a contract to Revay and Associates who are providing subject matter expert advice in the management of direct and indirect schedule and cost implications of the poor soil conditions and piling extension.
- The SFP awarded a contract for the procurement of IT cabling services.

In February 2025, Finance processed a budget adjustment to reduce the overall project budget by \$6 million, returning funds to the General Reserve. This reduction was identified and approved in the OPS 2025 Draft Operational and Capital Budget (Recommendation 6 in the Draft 2025 Budget Report). The revised budget assigned to the SFP is identified in the Financial Statement below.

The construction contingency is now at effectively ~\$14 million versus the approved \$8.05 million. Approximately \$10 million of this ~\$14 million is directly attributable to the unforeseen soil conditions and indirect impacts of such. Setting aside the impact of the unforeseen soil conditions, the OPS is working within the approved contingency budget. It is also important to note that the increase to the construction contingency is manageable within the existing Project Budget.

#### **FINANCIAL STATEMENT**

Project Budget as of Q1 2025	\$187,715,193	South Facility 903447
Less: Spent/Committed	<u>\$138,231,119</u>	At March 14, 2025
Available	\$ 49,484,074	

#### **Q1 2025 Spending update**

South Facility - Capital Order # 903447

Project spending (including commitments) in Q1 increased by \$50,300.

Balance as at November 18, 2024	\$138,180,818
Balance as at March 14, 2024	\$138,231,119

One purchase order (Revay and associates) was issued in Q1 2025 that exceeded \$100k with a value of approximately \$111K.

The increase in spending is due to a combination of recovery of approximately \$81k from procurement services, and issuance of a new contract of approximately \$20k to an IT contractor for cabling services.

The OPS is committed to ensuring value for money and eliminating any discretionary project costs.

**CONCLUSION**

Throughout Q1 2025, the South Facility Project saw important progress and milestone achievements in various areas of the building's super structure, including: completion of steel erection, foundation pours, and erection of roof assemblies.

As part of the approved Chief's Delegated Authority, the SFP will continue to amend existing contracts and award new ones as may be required to complete all aspects of the South Facility Project. Going forward, these contracts will be focused around Tenant Fit-Up services and activities.

The OPS will continue to provide updates to the Finance and Audit Committee on a quarterly basis, reporting on construction and project progress, and associated financial status.