

Subject: Ottawa Paramedic Service West Deployment Facility

File Number: ACS2026-EPS-OPS-0001

**Report to Finance and Corporate Services Committee on 3 February 2026
and Council 11 February 2026**

**Submitted on January 23, 2026 by Pierre Poirier, Chief Paramedic, Ottawa
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Ward: Citywide

Objet : Installation de déploiement des paramédics dans le secteur oues

Numéro de dossier : ACS NUMBER ACS2026-EPS-OPS-0001

Rapport présenté au Comité des finances et des services organisationnels

Rapport soumis le 3 février 2026

et au Conseil le 11 février 2026

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Finance and Corporate Services Committee recommend Council:

1. Receive this report for information and approve staff to proceed with a public-private partnership procurement process as per the City of Ottawa's P3 framework to deliver the Ottawa Paramedic Service West Deployment facility as described in this report and including as follows:

- a. Delegate the authority to the General Manager, Finance and Corporate Services and Chief Financial Officer to authorize staff to develop a procurement strategy
2. Approve the recommended procurement delivery model of a Design-Build-Finance-Maintain for the implementation of the new Ottawa Paramedic Service West Deployment Facility, as described in this report and including as follows:
 - a. Receive the Ernst & Young Business Case, Value-For-Money Assessment and Risk Analysis Strategic Assessment, attached as Document 1
 - b. Authorize the General Manager, Emergency and Protective Services to procure additional third-party consultants required to advance to the procurement phase of the Design-Build-Finance-Maintain model.

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil :

1. de prendre connaissance de ce rapport à titre informatif et de donner au personnel de la Ville l'approbation qui lui permettrait de lancer un processus d'approvisionnement fondé sur un partenariat public-privé, selon le cadre du PPP de la Ville d'Ottawa en vue de réaliser l'installation de déploiement des paramédics dans le secteur ouest, tel qu'il est décrit dans le présent rapport, y compris les éléments suivants :
 - a. déléguer au directeur général, Finances et Services organisationnels et au chef des finances d'autoriser le personnel à élaborer une stratégie d'approvisionnement.
2. d'approuver le modèle d'approvisionnement de type conception-construction-financement-entretien (CCFE) recommandé pour la mise en œuvre de la nouvelle installation de déploiement des paramédics dans le secteur ouest, telle qu'elle est décrite dans le présent rapport, y compris les éléments suivants :
 - a. prendre connaissance de l'analyse de rentabilité, de l'évaluation de l'optimisation des ressources et de l'évaluation stratégique de l'analyse des risques d'Ernst & Young ci-jointes (document 1);
 - b. autoriser le directeur général à retenir les services d'experts-conseils tiers supplémentaires en vue de faire progresser l'étape d'approvisionnement du modèle conception-construction-financement-entretien.

EXECUTIVE SUMMARY

The Ottawa Paramedic Service provides patient care and emergency medical coverage to more than one million residents across 2,800 square kilometres, supported by the Ottawa Central Ambulance Communications Centre, which receives emergency medical calls through 9-1-1 and dispatches paramedic resources across 10,000 square kilometres of eastern Ontario. As the provincially designated delivery agent for land ambulance service across Ottawa, the Service manages staffing, vehicles, equipment, and quality-of-service delivery while adapting to the community's evolving health care needs.

The current Ottawa Paramedic Service headquarters located at 2465 Don Reid Drive was built in 2005 for 330 staff and 80 ambulances and emergency response vehicles. The Service operational model is a hub-and-spoke wherein all resources (human, vehicle and equipment) are deployed from a single site. Staff start and end their shift at 2465 Don Reid Drive. The model maximizes resource management and deployment and reduces the requirement for physical satellite stations. The current headquarters is a Design-Build-Finance-Maintain Public-Private Partnership (P3) model with a 30-year (maintenance) term agreement.

Since 2005, population growth, an expanded scope of practice, and changes to service delivery have required the Service to adapt and expand its programs, significantly increasing space, logistical, and operational needs. Service demand (9-1-1 calls) has also grown faster than population projections, driven by an aging patient demographic, more complex medical patient presentation, and issues across Ontario's broader healthcare system. In response, City Council has invested more than 450 staff since 2005, including 141 this term of Council.

As a result, the current headquarters is over capacity and unable to safely support current or future operations. The facility faces critical constraints, including insufficient vehicle storage, limited medical supply and equipment space, inadequate training capacity, constrained staff parking, and operational health and safety challenges. The site cannot be expanded further, and additional leased space is not an operationally viable long-term solution.

The Ottawa Paramedic Service initiated an options analysis to address the requirement for additional space to accommodate staff and vehicle growth. The analysis determined that a new facility in the west end, with secondary logistics and training spaces, should be considered. A new facility would build upon the hub and spoke model and reduce the

operational and health and safety risks of the current headquarters. In addition, it would improve resource deployment in Ottawa's west and south.

Staff from multiple departments have since worked to examine site options, delivery models, technical requirements and specifications, and risks. Successful experience with Design-Build-Finance-Maintain (DBFM) public-private partnership model used for the existing headquarters informed further analysis. In accordance with the City's Public-Private Partnership Policy and Procedures, staff initiated the required strategic assessments. Ernst & Young completed a comprehensive business case, value-for-money assessment and risk analysis. These evaluations concluded that a DBFM approach provides alignment with market capacity, project complexity, and the City's objectives for cost and schedule certainty, lifecycle performance, and risk transfer, as described in this report. Accordingly, staff are seeking Council approval to proceed with a public-private partnership approach to deliver the West Deployment Facility, specifically a Design-Build-Finance-Maintain (DBFM) procurement delivery model.

The recommendations brought forward aim to enhance public safety and support Council's strategic objective of aligning emergency response with community needs and ensure that the Ottawa Paramedic Service can meet increased community service demand. Approval to proceed with a public-private partnership procurement process will enable the City to advance the project to its next phase and ensure the Ottawa Paramedic Service remains equipped to meet growing service demand and deliver high-quality emergency medical care across the city.

Financial Implications

To date, Ottawa City Council has approved an investment of \$4 million in capital funding for the West Deployment Facility project through previous years capital budgets to advance project requirements and pre-construction activities.

The capital funding will support various activities including the value for money assessment, business case and risk assessment, design requirements and specifications, and procurement and engineering services.

The proposed Design-Build-Finance-Maintain model spreads capital costs over a 30-year term through fixed operating payments with final project costs confirmed through the completion of the procurement process. The City is also eligible for Land Ambulance Service Grant (LASG) funding, which reimburses 50 per cent of eligible costs, including capital amortization, DBFM interest, and operating expenses.

RÉSUMÉ

Le Service paramédic d'Ottawa prodigue des soins aux patients et assure des services médicaux d'urgence à plus de 1 million de résidents sur un territoire de 2 800 kilomètres carrés, appuyé par le Centre de répartition des paramédics d'Ottawa, qui reçoit des appels d'urgence médicale passés au 9-1-1 et assure la répartition des paramédics dans l'est de l'Ontario, sur un territoire dont la superficie est de 10 000 kilomètres carrés. En tant qu'agent désigné par la province pour la prestation des services ambulanciers terrestres à Ottawa, le Service assure la gestion du personnel, des véhicules et du matériel ainsi que la prestation de services de qualité, tout en s'adaptant aux besoins en soins de santé en constante évolution de la communauté.

L'actuel quartier général du Service paramédic d'Ottawa, situé au 2465, promenade Don Reid, a été construit en 2005 en vue d'y accueillir 330 membres du personnel et 80 ambulances et véhicules d'intervention d'urgence. Le modèle d'exploitation des services est un modèle de déploiement en étoile, selon lequel toutes les ressources (le personnel, les véhicules et le matériel) sont déployées à partir d'un seul et même lieu. Les membres du personnel commencent et terminent leur quart de travail au 2465, promenade Don Reid. Ce modèle optimise la gestion et le déploiement des ressources et réduit la nécessité d'avoir des stations satellites physiques. L'actuel quartier général est un partenariat de type conception-construction-financement-entretien public-privé (P3) qui comprend une entente d'entretien de 30 ans.

Depuis 2005, en raison de la croissance démographique, du champ de pratique élargi et des modifications apportées à la prestation des services, le Service paramédic a dû s'adapter et élargir ses programmes, ce qui a considérablement augmenté les besoins logistiques, opérationnels et en matière d'espace. L'augmentation de la demande de services (appels au 9-1-1) a également été plus rapide que les prévisions démographiques, principalement en raison du vieillissement des patients, des troubles médicaux plus complexes des patients et de problèmes affectant le système de santé général de l'Ontario. En réponse à cette nouvelle réalité, le Conseil municipal a investi en vue d'ajouter plus de 450 employés depuis 2005, y compris 141 employés au cours du présent mandat du Conseil.

Par conséquent, l'actuel quartier général a dépassé sa capacité maximale, et n'est plus en mesure d'assurer de façon sécuritaire les activités actuelles et futures. L'installation est confrontée à d'importantes contraintes : espace d'entreposage des véhicules insuffisant, espace limité pour stocker les fournitures et le matériel médicaux, capacité

de formation inadéquate, stationnement limité pour les employés, et défis liés à la santé et à la sécurité opérationnelles. Il n'est plus possible d'agrandir le site, et la location d'espace supplémentaire ne constitue pas une solution viable sur le plan des opérations à long terme.

Le Service paramédic d'Ottawa a lancé une analyse des options en vue de répondre au besoin d'espace supplémentaire pour appuyer l'augmentation du nombre d'employés et de véhicules. L'analyse a déterminé que l'on devrait envisager l'aménagement d'une nouvelle installation de déploiement dans le secteur ouest, qui serait dotée de locaux secondaires pour la logistique et la formation. On procéderait à l'aménagement d'une nouvelle installation selon un modèle de déploiement en étoile, ce qui permettrait de réduire les risques pour la santé et la sécurité au travail de l'actuel quartier général. L'installation permettrait également d'améliorer le déploiement de ressources dans les secteurs ouest et sud d'Ottawa.

Des employés de plusieurs directions générales ont depuis procédé à l'examen d'options d'emplacement, de modèles de prestation, d'exigences et de spécifications techniques, et de risques. L'expérience concluante de l'utilisation du modèle de partenariat de type conception-construction-financement-entretien (CCFE) à l'actuel quartier général a permis d'orienter une analyse plus approfondie. Conformément à la politique et aux procédures de la Ville en matière de partenariats publics-privés, le personnel a entamé les évaluations stratégiques nécessaires. Ernst & Young a réalisé une analyse de rentabilisation et d'évaluation de l'optimisation des ressources, ainsi qu'une analyse des risques. Ces évaluations ont permis de conclure qu'une approche de type CCFE est cohérente avec la capacité du marché, avec la complexité du projet et avec les objectifs de la Ville en ce qui concerne la certitude des coûts et du calendrier, le rendement du cycle de vie et le transfert des risques, comme le décrit le présent rapport. C'est pourquoi le personnel demande l'autorisation du Conseil en vue de mettre en place une approche de partenariat public-privé pour la réalisation de l'installation de déploiement du secteur ouest, plus précisément, un modèle d'approvisionnement de type conception-construction-financement-entretien (CCFE).

Les recommandations formulées visent à améliorer la sécurité publique et à appuyer l'objectif stratégique du Conseil en vue d'assurer l'adéquation entre les interventions d'urgence et les besoins de la population, et de veiller à ce que le Service paramédic d'Ottawa puisse répondre à l'augmentation de la demande de services de la population. L'approbation pour aller de l'avant avec la mise en place d'un processus d'approvisionnement selon un modèle de partenariat public-privé permettra à la Ville de faire passer le projet à l'étape suivante, et fera en sorte que le Service paramédic

d'Ottawa demeure en mesure de répondre à l'augmentation de la demande de services et d'assurer la prestation de soins médicaux d'urgence de haute qualité à l'échelle de la Ville.

Répercussions financières

À ce jour, la Ville d'Ottawa a approuvé un investissement de 4 millions de dollars en financement d'immobilisations pour le projet de l'installation de déploiement du secteur ouest, grâce aux budgets d'immobilisations des années précédentes pour faire avancer les exigences du projet et les activités préalables à la construction.

Le montant du financement des immobilisations appuiera diverses activités, notamment l'évaluation de l'optimisation des ressources financières, l'analyse de rentabilité et l'évaluation des risques, les exigences et spécifications de conception, et les services d'approvisionnement et d'ingénierie.

Le modèle de type conception-construction-financement-entretien proposé répartit les coûts en immobilisation sur une période de 30 ans au moyen de paiements de fonctionnement fixes, et les coûts définitifs du projet seront confirmés une fois le processus d'approvisionnement terminé. La Ville est également admissible à la Subvention pour les services ambulanciers terrestres, qui rembourse 50 % des coûts admissibles, y compris l'amortissement des immobilisations, les intérêts du modèle CCFE et les coûts de fonctionnement.

BACKGROUND

The Ottawa Paramedic Service provides patient care to more than one million residents and visitors of the nation's capital. The Service provides land ambulance and emergency medical coverage across approximately 2,800 square kilometres. The Ottawa Paramedic Service is a team of dedicated, qualified professionals who deliver high quality care and services to the individuals and communities they serve. This team includes paramedics, communications officers, equipment and supply technicians, educators and trainers, quality assurance staff, and support staff.

The Service utilizes a hub and spoke service deployment model, where emergency response vehicles and staff deploy from the single location at the start of each shift and return to that location at the end of the shift at 2465 Don Reid Drive. The Service currently has over 900 staff and 160 vehicles operating out of Don Reid Drive which was constructed in 2005 for 330 staff and 80 ambulances and emergency response

vehicles. There are also nineteen additional paramedic posts across the City available for rest and eating periods once deployed from headquarters.

Ottawa Paramedic Service Delivery Impacts

Since 2005, Ottawa Paramedic Service has experienced significant growth in staff, fleet, and clinical programs. The paramedic scope of practice has expanded from providing basic urgent and emergent care to include health promotion, illness prevention, chronic disease management, and community care.

The Service provides an integrated advanced life support system delivering high quality clinical services. The Service has continued to adjust and refine service delivery to improve overall effectiveness and efficiency through several strategic initiatives designed to mitigate increasing demand and meet response time performance standards. Programs such as Paramedic Response Units, patient Fit2Sit, Targeted Engagement Diversion, the Mental Wellbeing Response Team, marine paramedics, tactical paramedics, the Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) task force and bike paramedics support diverse and evolving service needs. Additionally, the Service delivers public education and injury prevention programs for City of Ottawa staff and partners, and manages medical equipment purchase and inventory for the city.

The paramedic profession has evolved significantly over the past two decades. Paramedics now provide urgent and non-urgent care in non-traditional environments including hospitals, long term care facilities and homes. Community paramedicine programs have integrated paramedics into primary care and the broader healthcare system.

New programs have different operational requirements that were not contemplated when the current headquarters was opened in 2005. These include:

- Paramedic Response Unit (PRU) deployment requiring additional space: PRUs are staffed by a single paramedic who can respond to emergency calls. The paramedic can assess the patient, initiate care, and determine whether an ambulance is required. They provide additional coverage and optimize the paramedic crew in an ambulance for patient transport. A Paramedic Response Unit does not replace an ambulance but rather supplements the existing service delivery. The PRU vehicle requires additional indoor garage space.

- Community Paramedicine program administration. Community Paramedicine was introduced in Ottawa in 2014 and continues to expand its suite of programs. Community paramedics require additional training and are equipped with specialized equipment. The community paramedic requires space for training, administrative space to perform patient follow-up, space for remote patient monitoring, and space for specialized equipment including temperature-controlled refrigerators.

The Service has not invested in a new satellite post in over a decade. The headquarters facility is overcapacity due to growth which can no longer be managed effectively at 2465 Don Reid Drive. Growth pressure on the Service includes:

- The Ottawa Paramedic Service employs Equipment and Supply Technicians to sanitize and process medical equipment and vehicles to maximize paramedic resource (paramedic) availability. The COVID-19 pandemic required enhanced cleaning processes and procedures which remain current and require additional space. The growth in equipment and vehicles requires additional physical space.
- New equipment and technology: over the past 20 years, new technologies have improved patient care delivery, increased paramedic safety, and enhanced operational efficiency. New equipment utilized in the delivery of care includes the automated CPR device, a power stretcher for safer patient handling, and point-of-care diagnostic devices (ultrasound, blood and urine analysis). While these technologies improve service delivery and patient experience, they require space for maintenance and storage.

Currently, 900 staff can no longer operate safely and effectively in the facility. A work environment that is free of hazards and is accessible is a crucial component of business continuity, supports staff health and safety, minimizes operational risk and supports service delivery resilience. Diminished space issues include:

- Limited storage for essential gear and equipment,
- Limited training space for education and professional development,
- Congested staff parking particularly at shift changes,
- Operational safety and accessibility issues.

Vehicle storage capacity is also insufficient. Climate controlled storage is required to ensure the efficacy of pharmaceuticals and temperature sensitive equipment. Current limitations include:

- Limited space for medical supply storage,
- Lack of space for cleaning and disinfection, restock and inspection,
- Insufficient storage and electrical charging space for radios, mobile data terminals, and medical device equipment,
- Inadequate storage space for vehicles ready for deployment.

The new Official Plan projects 402,000 new residents in Ottawa by 2046, and demand for paramedic service often outpaces population growth. The Ottawa Paramedic Service 2024-2026 Investment Plan ([ACS2023-EPS-OPS-0002](#)), identified new staff over this term of Council. The Service expects the ongoing need for staff, vehicle and equipment growth to continue, which is not sustainable within the existing headquarters.

The Service has already expanded the staff parking lot and emergency vehicle return lane, reduced the size of staff lockers, and moved public education to a leased facility. Regularly, staff training also occurs at off-site rented facilities. Future growth cannot be accommodated with the existing headquarters. The physical space (parcel of land) is fully used. There is no ability to build upwards (a third floor) and the ability to rent or lease adjacent or nearby space is not operationally feasible. The Ottawa Paramedic Service has always planned for expansion to a west and south facility.

Ottawa Paramedic Service West Deployment Facility Project

Since 2017, staff determined that a second hub deployment facility should be evaluated.

A project was initiated with (then) Planning, Infrastructure, and Economic Development department to complete an options analysis. Identified needs included:

- A future west and south end hub facility within 10 to 15 years
- Improved response times to meet provincially legislated and Council approved response time performance plan targets
- Additional physical space for staff to meet existing City standards
- Additional physical space for growth vehicles and equipment
- Post-disaster construction and operational redundant infrastructure to maintain business continuity.

The Ottawa Paramedic Service retained GRC Architects to complete a feasibility study to confirm that the current headquarters was over capacity for staff and vehicles. Following the study, staff determined that a west and south location would be ideal from a service delivery perspective. Staff then explored options for site location, design, construction and funding.

City Council approved the investment of \$4 million in capital funding for West Deployment Facility project initiatives. The Service created a preliminary list of project functional requirements to meet operational and legislated requirements including;

- Indoor space to clean, process and store all vehicles and equipment,
- Level III disinfection and decontamination capability,
- On-site refueling (if gasoline) area,
- Medical supply stores,
- Paramedic briefing (start of shift batch) rooms,
- Paramedic operational control centre,
- Mechanic bay for light vehicle repairs,
- Training room and fitness area,
- Peer support room,
- Secure storage for confidential documents, pharmaceutical, and biohazardous materials
- High efficiency heating, ventilation and air conditioning systems
- Post disaster construction standards (seismic)
- Redundant operating systems
- Compliance with the corporate Green Building Policy.

Staff oversaw a Request for Expression of Interest (REIO) to determine the interest of respondents willing to participate in the development of the proposed West Deployment Facility. There were seven respondents to the REIO. A Fairness Commissioner (PSC The Public Sector Company Ltd.) was retained to monitor the REIO process and the Service retained Colliers to evaluate responses. The respondents identified an interest in various procurement methodologies, including a public private partnership (P3) on City property.

The Service proceeded to work with the (then) Corporate Real Estate Office (CREO) and Recreation, Cultural and Facility Services (RCFS) on a site selection process. Since the Service program of requirements were highly specialized, the preferred option was to locate a suitable parcel of land and develop it internally or include the land in a public private partnership. Staff developed site suitability requirements which included:

- Access to reliable power, water, sewer, natural gas, and internet services.
- Access to redundant services (secondary power, internet).
- City property or city land purchase.
- Appropriate site size (acreage) to allow for future expansion.

- Avoid seismic fault lines, flood plains, potentially hazardous areas.
- Appropriate site access, potential for secondary ingress and egress.

CREO identified several City properties against the suitability requirements and completed a site evaluation matrix. Based on nine mandatory requirements and 21 optional requirements, 4061 Strandherd Drive was identified as the most suitable City owned land.

In accordance with City of Ottawa P3 Guidelines, staff completed the mandatory initial screening to assess the project's potential within a P3 model. Ottawa Paramedic Service and Supply Services (Finance and Corporate Services) staff determined that the project could be considered for a P3 model and qualified for a strategic assessment, measured against the City's Strategic Assessment Criteria.

Ernst & Young (EY) was retained through a Request for Proposals (RFP) process to undertake a value for money (VFM) assessment and develop a Business Case for the West Deployment Facility (WDF) project on behalf of the Ottawa Paramedic Service.

A Business Case (Document 1) was developed and submitted to the City that documented funding models considered under a P3 and summarized the assessment undertaken to determine the recommended procurement delivery model for the WDF Project.

DISCUSSION

The City of Ottawa defines a P3 as an infrastructure or services project where the City and a private-sector partner share the risks of finance, design, construction, operation, maintenance, and lifecycle renewal such that the City realizes a net benefit. In return for assuming project risk, the partner receives payments from the City over an extended period, subject to deductions for failing to meet contractually defined performance standards. In bundling the deliverables for the finance, design, construction, operation, maintenance, and lifecycle renewal the City receives, in effect, an "extended warranty" over the term of the contract.

Throughout the assessment of the WDF Project, the City of Ottawa has aligned its work with the Public Private Partnership Guidelines (2019), Policy (2023) and Procedures (2023).

Qualitative Delivery Model Options Assessment

A list of project delivery models including traditional public sector delivery models, collaborative models and alternative models were assessed by EY in the business case for the project. Models were identified and selected based on industry accepted definitions. These definitions and model structures were further aligned with the City's established definitions and understanding of delivery models. The delivery models considered included the following:

- Design-Bid-Build (DBB)
- Construction Management (CM)
- Construction Management At-Risk (CM-AR)
- Integrated Project Delivery (IPD) Alliance
- Design-Build (DB)
- Progressive Design-Build (P-DB)
- Progressive P3s
- Design-Build-Finance (DBF)
- Design-Build-Maintain (DBM)
- Design-Build-Finance-Maintain (DBFM).

Qualitative assessment criteria were developed to support the evaluation of delivery model options. These criteria aligned with the City's project objectives, including, schedule certainty, construction cost certainty, maximizing market competition and ensuring asset quality and longevity. Each of the criteria were weighted based on relative importance to the City. Each of the viable long-listed delivery models were assessed against the criteria.

EY facilitated the qualitative options assessment with participation from the Paramedic Service, Emergency and Protective Services, Supply Services, Treasury, Finance, Recreation, Culture and Facility Services, and Infrastructure and Water Services staff. Each delivery model was assessed on a scale of 0 (option fails to meet the basic requirements) to 5 (option provides a highly efficient and effective delivery solution). The

assessments resulted in a weighted score for each identified delivery model option, with the highest scoring options being carried forward as the shortlist for further review and analysis. The Design Bid, Build (DBB), Design, Build (DB) and Design, Build, Finance, Maintain (DBFM) procurement delivery models were identified as the shortlisted options for the WDF project based on the results of the assessments.

A market assessment was undertaken to gauge the business level of interest, capability, and capacity to deliver the project using an alternative delivery approach. A total of eight parties were identified as potential market sounding participants across various service areas, including investors, developers, construction companies, technology providers, operators, and owner-operators. Seven organizations participated. Participants indicated that both the DBFM and DB models provided advantages related to the integration of design and construction under one contract for efficiency in project delivery.

All participants indicated that the WDF project is an attractive opportunity. They all emphasized the strong interest in the project due to its scope, size and significance to the City.

Shortlisted Procurement Delivery Model Options

Three delivery models were shortlisted for consideration for the Project: Design-Bid-Build (DBB), Design-Build (DB) and Design-Build-Finance-Maintain (DBFM).

Design, Bid, Build (DBB):

- The City is fully responsible for the engineering and design of the facility.
- The City retains ownership of the facility.
- Design is contracted to a private design firm.
- The City invites bids from qualified bidders and the contract is awarded to the most suitable evaluated bidder.
- Following the completion of construction, the facility is commissioned and handed over to the City for operation and maintenance.
- DBB is the most common method of infrastructure development and delivery applied by the public sector.
- The City is responsible for financing of the project.

Design, Build (DB):

- The City solicits a single bid for the integrated design and construction of the facility from qualified bidders.
- The City retains ownership of the facility.
- The successful bidder develops a design in accordance with the output specifications and functional program. Following design approval, the bidder proceeds with construction of the asset.
- The City assumes operation and maintenance responsibilities at completion.
- DB combines the design and construction schedules, thus streamlining the procurement process and allowing innovation. This approach is well suited to complicated projects.
- The City is responsible for financing of the project.

Design, Build, Finance, Maintain, (DBFM):

- The DBFM model combines a DB contract with financing and long-term maintenance under a single contract.
- The City retains ownership of the facility (either outright or at the end of an agreed upon agreement).
- A private sector partner is procured through a competitive process to design, build, finance and maintain the facility according to output specifications and functional program requirements.
- Facility operations may be transferred to the private sector or retained by the City.
- Maintenance services are defined by the City and included in the agreement.
- This approach is common for large public infrastructure and municipal facilities because it transfers risk to the private sector and ensures maintenance standards maintained through a contractual agreement.

Risk Assessment of Shortlisted Procurement Delivery Models

A risk assessment was completed for the three shortlisted delivery model options, DBB, DB, and DBFM, to evaluate risk transfer and estimate the potential cost impact on the project if individual risks were to occur. EY used findings from the initial business case workshop, as well as information from comparable Ontario healthcare and emergency services projects of similar capital value completed within the past two years, to design the quantitative risk assessment workshop. The workshop was conducted in September 2024. The assessment was updated in July 2025 to incorporate new information, with

minor adjustments made to reflect revisions to the project timeline in accordance with P3 policy and procedures.

The outcomes of the quantitative risk assessment workshop were applied to develop an expected risk value. DBB model carries the highest risk value across all models, primarily due to high construction, design, site condition, and maintenance risks. The DB model has a moderate risk reduction of 38%, however still retains significant maintenance risks.

The DBFM model has the lowest risk value, 67% lower than the traditional DBB model. Under the DBFM model, a higher proportion of the risk is shifted to the private sector reflecting private sector's responsibility for project financing, construction, and maintenance.

Financial Analysis of Shortlisted Procurement Delivery Models

A Value For Money (VFM) analysis was conducted to determine whether there are cost savings for the public sector in delivering this facility using alternative delivery models as compared to the traditional models. Value for Money is achieved if the selected alternative delivery model results in a lower overall net present value cost to the City.

An updated financial model was developed in collaboration with the Project Team and Finance Team through a series of working sessions. The City provided feedback to better align the model with considerations related to project timing, eligibility for available provincial funding, updated costs and escalation factors.

The updated financial model served as the basis for the financial analysis. Key inputs of the financial analysis included:

- Consideration of a “base-case” scenario assuming that the City would be able to fund the project.
- Consideration of an “alternative scenario” where the City would borrow or secure additional funding from outside sources.
- Capital Cost Estimates (as provided by the City).
- Operations and maintenance costs benchmarked against the existing Don Reid Facility.
- Expected value of risks retained by the City (based on the risk assessment).
- Assumption of a 30-year operating period.
- Application of the Land Ambulance Service Grant (applicable to eligible costs).

The City is eligible to receive financial assistance towards eligible Council approved operating costs through the Land Ambulance Service Grant (LASG). All delivery models under consideration would qualify to varying degrees for this provincial funding. The LASG provides reimbursement for 50% of qualifying costs, which include capital amortization, interest expense (only in the DBFM model), and operating expenses.

Based on information provided by the City, the financial analysis resulted in the following outcomes:

Value for Money Analysis Outcomes (DBB: Base Case Scenario) *

Delivery Model	VFM (%)
DB	10.69%
DBFM	22.60%

*the VFM is calculated by comparing the net present value of the traditional (DBB) to the alternative (DB and DBFM) models.

Compared to the DBB, the DBFM model results in a VFM or cost reduction of 22.60%, and the DB model results in a VFM or cost reduction of 10.69%. The VFM analysis assumes the approval and receipt of LASG funds to cover 50% of eligible costs.

The positive VFM benefit of the DBFM model is attributed to potential efficiencies in consolidation of scope for design, construction and maintenance under a single contract, inclusion of interest expense under the LASG, as well as significant risk transfer to the contracted partner. DBFM includes financing costs associated with private sector involvement. Of note, the private sector cost of borrowing is typically higher than the of the public sector, and as such, this factor increases the overall cost of the project, when compared to the DBB model, due to higher interest rates and financing fees. The City structures the DBFM model as a capital lease or license arrangement with the respondent. Under the proposed structuring for the DBFM model, the net construction costs (including innovation factor), interest expense and applicable returns are accounted for in the capital portion of payments.

The base case assumes that the City would have the means to fully deliver the project without any borrowing or additional funding from outside sources. This case is used for comparison purposes only. The base case does not reflect a current plausible option as it has not been deemed feasible to allocate such a significant amount of capital without the issuance of debt.

The alternative case scenario includes City borrowing (issuing debt). The VFM outcome for the DB model (11.76% cost reduction) and DBFM model (10.04% cost reduction) compared to the DBB model is shown below.

Value for Money Analysis Outcomes (Alternative Scenario) *

Delivery Model	VFM (%)
DB	11.76%,
DBFM	10.04%,

*the VFM is calculated by comparing the net present value of the traditional (DBB) to the alternative (DB and DBFM) models.

Currently, no additional funding has been identified for the construction phase of the project.

Selection from Shortlisted Procurement Delivery Models

Following a multi-criteria analysis, a risk assessment, a financial analysis, and input from City subject matter experts, the Design, Build, Finance, Maintain model is the preferred model which provides a high degree of alignment with the City and the Service objectives for the WDF project.

The probability and potential impact of risks associated with the DBFM model was assessed and it was determined that in combination with all other factors, this option had the lowest potential risk-adjusted cost retained by the City. Under the DBFM model, the asset that is constructed has quality standards that are required to be maintained through a termed contract, along with rigorous hand back requirements, ensuring that asset is in a high-quality condition years after the Substantial Completion (SC) of the asset. The P3 payment mechanism puts maintenance service payments at risk if performance is not compliant with requirements. This model would require that maintenance related specifications are well established and aligned with the needs of the City over the long-term, and that there is monitoring of the performance of the private sector partner in delivering on these requirements and specifications.

A DBFM delivery model will also ensure lower upfront costs and predictable future costs for the project. In this model, the private sector partner is responsible to secure the funding required to build this facility. The private sector partner costs are recovered in the form of payments from the City. Maintenance costs would be partially funded under the Land Ambulance Services Grant Agreement (LASG). The project will result in an additional operating budget pressure over the term of the agreement.

The overall rationale for selecting the DBFM delivery model for procurement in this project is based on risk reduction for the City, efficiency, internal expertise concerns, resource capacity, and financial value. In addition, the overall success of DBFM model

at the current headquarters on Don Reid Drive allows the Service to incorporate lessons learned in the new facility.

Key Conclusions and Recommendations

The proposed Ottawa Paramedic Service West Deployment Facility addresses operational strain at Don Reid Drive. The Service followed the City's P3 guidelines, policies, and procedures and worked with Finance and Corporate Services and Infrastructure and Water Services to determine the financial and operational suitability of the procurement model and the Strandherd Drive location.

The Design, Bid, Build (DBB), Design, Build (DB) and Design, Build, Finance, Maintain (DBFM) procurement delivery models were identified as the shortlisted options for the WDF project based on a multi-criteria analysis. The Design, Bid, Build (DBB) model received the highest overall score in the multi-criteria analysis however, the Design, Build, Finance, Maintain (DBFM) model also provided a high degree of alignment with the City and the Service objectives. Private Sector partners interested in the DBFM model noted that it allows for greater efficiency and alignment of project scope elements when combining design, construction and maintenance activities. Private Sector partners did not foresee any challenges in raising the required financing for a project of this size/capital value.

A full risk assessment was performed on the three shortlisted delivery model options (DBB, DB, and DBFM) to compare the extent of risk transfer between the options, as well as estimating the potential cost impacts and implications on the overall project should the individual risks materialize. Risks were identified and assessed across the project lifecycle, including but not limited to, strategic, policy and planning risks, tendering risks, design and construction risks and operating and maintenance risks. The DBFM model transfers the most amount of risk to the private sector including design, construction and long-term maintenance risks and the risks associated with financing these activities.

The project is eligible for provincial funding through the LASG. The LASG provides reimbursement for 50% of qualifying costs, which include capital amortization, interest expense, and operating costs. The City structures the DBFM model as a capital lease or license arrangement with a selected partner. Under the DBFM model, the net construction costs (including innovation factor), interest expense and applicable returns are accounted for in the capital portion of lease payments. As a result, the DBFM model qualifies for a broader range of LASG-eligible costs than the DBB and DB models.

While the DBB and DB models are viable options for the delivery of the WDF project, the DBFM model allows the City to access a greater proportion of provincial funding to support annual project payments. The DBFM model has been successfully applied to the current Ottawa Paramedic Service headquarters on Don Reid Drive, providing benefits such as the transfer of project scope and risk to the private sector, as well as predictable maintenance and lifecycle (asset renewal) costs. This financial advantage, combined with over twenty-years of positive experience with the DBFM model, supports its selection for the new facility.

As a result, this report is recommending that Council

- Approve staff to proceed with a public-private partnership procurement process as per the City of Ottawa's P3 framework to deliver the Ottawa Paramedic Service West Deployment Facility as described in this report and including as follows:
 - Delegate the authority to the General Manager, Finance and Corporate Services and Chief Financial Officer to authorize staff to develop a procurement strategy.
- Approve the recommended procurement delivery model of a Design-Build-Finance-Maintain for the implementation of the new Ottawa Paramedic Service West Deployment Facility, as described in this report and including as follows:
 - Receive the Ernst & Young Business Case, Value-For-Money assessment and Risk Analysis Strategic Assessment, attached as Document 1.
 - Authorize the General Manager, Emergency and Protective Services to procure additional third-party consultants required to advance to the procurement phase of the Design-Build-Finance-Maintain model.

If approved, per the City of Ottawa's P3 framework, staff will then report back to Council through an additional three reports to secure the following:

- Approval of the procurement strategy
- Approval of the preferred partner
- Approval for authority to finalize the business agreement

FINANCIAL IMPLICATIONS

The recommended Design-Build-Finance-Maintain (DBFM) procurement model defers significant upfront capital expenditures. This is achieved through fixed payments to the proponent over a 30-year term. Funding for these payments will be allocated through Ottawa Paramedic Service future operating budget submissions.

The City is eligible to receive financial assistance for operating costs under the provincial Land Ambulance Service Grant (LASG). The LASG provides reimbursement for 50% of council approved qualifying costs, which include capital amortization, interest expense, and operating costs.

LEGAL IMPLICATIONS

There are no legal implications in approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments from Ward Councillors as this report is city-wide in nature.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments from Advisory Committees.

CONSULTATION

Public consultations were not required for this report.

ACCESSIBILITY IMPACTS

The proposed procurement model and process as described in the report, meet all necessary accessibility-related requirements within the City's accessibility legislative framework, including City of Ottawa accessible procurement guidelines and Accessibility Policy.

The corporation will ensure that City purchases include accessible design, criteria and features as prescribed by section 5 of the *Integrated Accessibility Standards Regulation*, O.Reg. 191/1, of the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11, the City's Accessibility Design Standards, and federal legislation, where applicable.

ASSET MANAGEMENT IMPLICATIONS

The report impacts the City's physical asset portfolio by recommending delivery of a new Ottawa Paramedic Service West Deployment Facility through a Design-Build-Finance-Maintain public-private partnership. The facility will add a purpose-built operational asset to address capacity constraints, operational risks, and service delivery limitations associated with the existing headquarters, while supporting projected growth in staff, fleet, and service demand. The DBFM model assigns responsibility for design, construction, financing, maintenance, and lifecycle renewal to the private-sector partner,

providing cost certainty and transferring key lifecycle and performance risks away from the City.

From an asset management governance perspective, the DBFM model increases the City's ongoing oversight responsibilities. Asset management staff will be required to review, assess, and approve annual lifecycle and maintenance submissions to confirm compliance with contractual performance requirements. This role is critical to ensuring that lifecycle investments are appropriately timed, risks are managed proactively, and the facility is returned to the City in the required condition at the end of the agreement term. The recommendations are consistent with the City's Comprehensive Asset Management Program objectives by supporting sustainable lifecycle management, risk mitigation, and reliable emergency service delivery in a financially responsible manner.

DELEGATION OF AUTHORITY IMPLICATIONS

Recommendation one is for Council to delegate authority to the General Manager, Finance and Corporate Services and Chief Financial Officer to authorize staff to develop a procurement strategy.

Recommendation two authorizes the General Manager, Emergency and Protective Services to procure additional third-party consultants required to advance to the procurement phase of the selected procurement model. The General Manager, Emergency and Protective Services reports annually to the Emergency Preparedness and Protective Services Committee on the use of delegated authority, as described in Section 17 of Schedule F of the Delegation of Authority By-law (2025-69).

ECONOMIC IMPLICATIONS

There are no economic implications associated with this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

Staff in Finance and Corporate Services have identified a variety of opportunities to adapt procurement processes, to support and advise departmental staff on the integration of social impacts into their business operations and objectives and to empower and encourage potential vendors to participate in City procurement.

All City of Ottawa procurement policies, procedures and processes were followed.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report.

RURAL IMPLICATIONS

There are no rural implications as this report is city-wide in nature

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

Council has deemed “a city that has affordable housing and is more liveable for all” as a priority in the [2023-2026 Term of Council Priorities report](#). The recommendations in this report directly align with strategic objective 7.

- Strategic objective 7: improve emergency response times - align emergency response times with community needs (7a)

Desired results of Strategic Objective 7 include meeting demand with population growth, events, and aging demographics across Ottawa (resources, dispatch, and infrastructure). A key performance indicator of this Strategic Objective is aligning emergency response times with community needs.

SUPPORTING DOCUMENTATION

Document 1 – Ernst & Young Business Case, Value-For-Money assessment and Risk Analysis Strategic Assessment.

DISPOSITION

The Ottawa Paramedic Service will action any direction received as part of consideration of this report.