

Report to / Rapport au:

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

29 April 2019 / 29 avril 2019

Submitted by / Soumis par:

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SUBJECT: SOUTH CAMPUS PHASE 1 AND 2 INTEGRATION, CONSOLIDATION OF PROJECT FUNDS, INCREASE TO CONTRACTS AND REQUEST FOR DELEGATED AUTHORITY

OBJET: INTÉGRATION ET MISE EN COMMUN DES FONDS DU PROJET DES PHASES 1 ET 2 DU CAMPUS SUD, HAUSSE DES MONTANTS DE CONTRATS ET DEMANDE DE DÉLÉGATION DE POUVOIR

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve:

- 1) the consolidation of South Campus Phase 1 funds (\$76,415,000) and South Campus Phase 2 funds (\$16,792,000 existing and \$16,000,000 in 2020) into a single project number 903447 in recognition of the modified project delivery strategy to construct one integrated building instead of two stand- alone facilities;**
- 2) an increase of \$1,182,500 to Moriyama & Teshima's and CS&P Architects' contract (including contingency and excluding HST) for additional design, engineering and construction administration for the increased scope of services for a total contract value of \$5,038,000;**
- 3) an increase of \$190,588 to Collier's Project Leaders Inc. contract (including contingency and excluding HST) for additional Project Management services for the increased scope of services in the design development phase for a total contract value of \$601,408;**

- 4) **delegated authority to the Chief of Police to award a contract for Project Management services to a maximum upset limit of \$1,400,000 to support the construction and fit-up stage of the South Campus Phase A project.**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve ce qui suit :

- 1) **la mise en commun des fonds destinés au projet de la Phase 1 du Campus Sud (76 415 000 \$) et de ceux destinés au projet de la Phase 2 du Campus Sud (16 792 000 \$ actuellement et 16 000 000 \$ en 2020) sous un seul et unique numéro de projet 903447, tenant ainsi compte de la modification de stratégie de réalisation des travaux, qui consiste maintenant à construire un seul bâtiment intégré plutôt que deux installations autonomes;**
- 2) **une hausse de 1 182 500 \$ du montant du contrat attribué à Moriyama & Teshima's and CS&P Architects (comprenant les frais pour imprévus, mais à l'exclusion de la TVH) couvrant les coûts supplémentaires de conception, d'ingénierie et d'administration des travaux de construction liés à la portée élargie des services, pour une valeur de contrat totale s'élevant à 5 038 000 \$;**
- 3) **une hausse de 190 588 \$ du montant du contrat attribué à Collier's Project Leaders Inc. (comprenant les frais pour imprévus, mais à l'exclusion de la TVH) couvrant les coûts supplémentaires d'administration du projet liés à la portée élargie des services lors de la phase d'élaboration de la conception, pour une valeur de contrat totale s'élevant à 601 408 \$;**
- 4) **une délégation de pouvoir au chef de police, lui permettant d'attribuer un contrat, jusqu'à concurrence de 1 400 000 \$, pour des services de gestion de projet associés à l'étape de construction et d'aménagement prévue dans le cadre de la Phase A du projet du Campus Sud.**

BACKGROUND

In June of 2017, the Police Services Board approved the Facilities Strategic Plan (FSP) – Update #1 (2017-2033) which outlines the acquisition, disposal and re-fit of Ottawa Police Services (OPS) facilities. This \$206.2 M plan includes the commitment of reducing the overall original cost of the program by 25% by introducing innovative real-estate approaches and a modernized work environment. One of the real-estate strategies included the development of a multi-functional campus on a 15 acre City owned site located at 55 Lodge Rd, with the development occurring in three phases.

In September 2017, staff returned to the Board to share the proposed South Campus Master Plan. The campus approach is a key strategy to reduce the cost of the FSP as it offers OPS the opportunity to share infrastructure amongst several buildings while addressing growth and overcrowding in existing facilities. Phase 1 was identified as a 120,000 sq.ft. facility to house Frontline Operations and Specialized Support Services with a project value of \$75M. Phase 2 was identified as an additional 35,000 sq.ft. facility to house a portion of Corporate Services and the Communications Center for a total project value of \$32.7 M. And finally, the remainder of the property was identified for undefined future development, known as Phase 3. Phase 1 and 2 also support the de-population of Leitrim and Greenbank Facilities, allowing for their eventual return to the City.

As a result of this plan, a Letter of Intent (LOI) was signed between the City's Corporate Real Estate Office (CREO) and OPS in January 2019. As part of the agreement, a sum of \$6M will be transferred to the City in 2024 to compensate for the lost opportunity of allocating 55 Lodge Road for OPS' long term use.

In March 2018, the PSB approved the procurement of the Prime Architect, including engineers and subject matter experts to design and deliver Phase 1 of the project. The joint venture firms of Moriyama Teshima & CS& P Architects were selected based on their demonstrated experience designing police and other high security facilities and a contract was awarded for \$3,855,500. As part of the RFP evaluation process, the firm brought forward alternative site development options for Lodge Rd with the goal to increase operational efficiencies and economies of scale. Once the Prime Architect was on board, OPS staff agreed to further explore these options and a modified plan was brought forward for consideration.

Concurrently, the OPS prepared and hosted a "Public Engagement Session" in June 2018 to raise awareness of the development of the South Campus, inform the public of contemplated OPS design principles and to consult and seek input from the community. The session addressed topics such as architecture, sustainable buildings, enhanced green spaces, public art, site access and public services. The outcome was enthusiastic and generally supportive for the proposed uses for the site. Specific comments were made commending the OPS for its community-focused approach and efforts to engage early. The session also advanced the OPS objectives of having a facility better integrated with the community. It nurtured positive relationships with stakeholders and obtained fresh ideas that will contribute to a better campus design. The community will have an opportunity to see how their input informed the design during the public open house which is part of the Site Plan approval process, scheduled in June of 2019.

The size, complexity, and significant financial investment require external project management services to support Facilities staff in the successful delivery of the project. To that end OPS worked collaboratively with the City Supply Management Division to bring in a 3rd party consultant to provide project management services during the design development stage through the City's standing offer for professional services. The intent is to undertake a separate Request for Proposals (RFP) for project management services to support the construction and fit-up phases of the project. Based on the above agreement with Supply Management, Collier's Project Leaders Inc. was engaged in September 2018 for a 10 month period for the sum of \$ 410,820.

In the 2019 budget process the Police Services Board approved \$1,400,000 for the procurement of a 3rd party Project Management firm to support the construction execution and fit-up phase of the project. This contract will be procured through the City's competitive process using a "Request for Proposal" (RFP) in the summer of 2019.

DISCUSSION

The South campus is located at 55 Lodge Road on a 15 acre city-owned parcel of land. The property is being developed to enhance police service and support significant growth in the south end of the city. The public will have access to front desk services, a collision reporting centre, a community police centre and a community boardroom. Patrol will deploy from the site into their assigned zones and Front Line Specialized Support Services will be consolidated under one roof to achieve operational efficiency. In addition, the Communications Centre and Corporate Services Directorate will also be co-located on site. The consolidation of Phase 1 and Phase 2 stand-alone facilities into one integrated building will streamline project delivery; reduce costs and space which will allow us to offset emerging cost pressures. The two projects can be built for \$109,207,000 which is the total identified funding for Phase 1 and Phase 2. The project will be delayed until Q2 – 2022 (approximately 3 months) to allow for an integrated facility; the Communication Centre and Corporate Services move may be delivered in Q3 – 2023 which is 6 to 8 months earlier than originally proposed.

Recognizing a revised approach to site plan development and an integrated facility solution, this report seeks to: consolidate funds into one project; obtain authority for existing contracts to support the increased scope to existing contracts; and to obtain delegated authority for the remaining project management contract for the duration of the project.

In Q4 - 2018, as part of the design development process, the architects reviewed the building massing proposed in the master plan. As a result of this review, the Phase 1 building was rotated on the property to address the site's sloping topography. The

massing was also compressed to reduced travel distances and building infrastructure distribution resulting in a two level building for the phase 1 program and a very functional site design that demonstrated construction savings, efficient fleet and staff vehicular circulation and a better location for the Phase 2 shell space.

As part of this exercise, the architects also brought forward an alternative facility solution for OPS consideration. This option was to take the stand alone Phase 2 building and incorporate it on top of the 2 storey Phase 1 facility, making a third floor, thus completely eliminating the need for a separate building for Phase 2. Adjustments to the massing, building envelope and distribution strategies were required to integrate the Phase 2 space into the Phase 1 building. The site plan was further refined to maximize vehicular circulation within the property limits.

These recommendations were presented to the Facilities Executive Steering Committee demonstrating economies of scale and the benefits of one facility vs. two; by reducing the repetition of lobbies, sharing amenities, mechanical and electrical rooms; and reducing capital and operating costs for OPS. A one facility solution also supported the organization's goals of increased integration and collaboration between members. The committee recognized and agreed with the efficiencies of a building design that works with the topography of the land; the advantages of a reduced footprint by stacking 3 floors; the potential to accelerate occupancy of Phase 2; and leaving more acreage remaining for future development.

The OPS proposes consolidating both the original South Campus Phase 1 and Phase 2 projects into one building per the architects recommendation to achieve economies of scale and efficiencies; and to deliver the project using a phased implementation approach. Phase A will include complete construction of all building elements and infrastructure, site works and fit-up of the original Phase 1 program for Frontline Operations and Specialized Support Services for a total of \$ 91,129,000. Phase B will include interior construction and fit-up of the remaining 75,000 square feet of space for Corporate Services and the Communication Centre for a total of \$18,078,000. Phase B work will be done by a separate prime consultant team that will be contracted through the City's procurement process. The team will assume responsibility for all remaining aspects of the project.

To enable this option to proceed, the City's Supply Management Division was consulted about the design strategy to combine the two buildings into one facility and the associated professional services for the increased scope. The Supply Services Senior Policy & Purchasing Officer supported the increase of the Prime Architect's contract for a fixed fee of 8.5% against the estimated value of designing and constructing the

additional space including the related building infrastructure and site development. Support was also received for the increase of fees for Collier's Project Leaders Inc. to extend their services for the design development portion of the expanded scope.

An additional contract for Project Management services will be required throughout the construction and fit-up stage of the project. This contract will be procured following OPS finance and accountability procedures through City Supply Management. Staff is recommending delegated authority to the Chief of Police to award this contract for a maximum upset limit of \$1,400,000.

As a result of the modified project delivery strategy, the design schedule of Phase A must be extended by 6 months to incorporate the changes outlined above. However, an extensive review of the construction schedule by the design team estimates the overall project schedule may only be extended by 3 months if we can take advantage of a spring construction award date.

CONSULTATION

In advance of the Public Engagement session in June of 2018, the communications expert from PACE consulting met with a number of internal and external project stakeholders to learn about community concerns and expand the consultation. Meeting included OPS Staff (Director of Community Development, Superintendent of Community Relations and Frontline Support Services, Superintendent of Frontline Services and Emergency Services Unit), the local Councillor, the Administrator for Carleton Lodge for Long Term Care and representatives of the Chapman Mills Community Association. The Public engagement session was held the evening of June 26th at the Rideau Valley Conservation Authority Headquarters. Thirty four (34) members of the public attended, representing residents, community groups from Ottawa south and surrounding areas, as well as City and OPS stakeholders.

Consultations with OPS's City partners is on-going; the Corporate Real Estate Office (CREO) is updated regularly on project progress; and the City's Supply Management Division is consulted prior to and during the procurement of professional services and construction services. Consultations have also been on-going with City Planners and Traffic Engineers within the Infrastructure Approvals Department regarding site development and city requirements. Site plans have been developed seeking guidance from the City to ensure that site plan approval is achieved. A second consultation was done with CREO in January 2019 to provide an update on the site development plan and to keep our City partners informed.

The next step in public consultation will be the site plan application in mid-May. The site plan, building elevations and site related reports will be posted shortly after on the City's web site as part of the Site Plan Approval process with a public open house occurring in June 2019.

The Administrator of Carleton Lodge and the Director of Long term care were consulted a second time in February 2019 to review the updated site plan which also demonstrated the changes to the overall Master Plan for the South Campus.

Cooperative exchanges provided the necessary assurances regarding noise and traffic control after occupancy and during the construction stage. Upgrades to Prince of Wales Drive and the impacts to the Carleton Lodge staff parking access were also discussed to reach an agreement on an appropriate solution.

OC Transpo's Transportation Services Department was consulted in January 2019 regarding the future plans for public transportation on Prince of Wales. It was confirmed that the only bus stop close to the site is at Strandherd and Prince of Wales, a 700M walk from the Vimy stop. OC Transpo has no future plans to have bus service extended further south on Prince of Wales. Discussions regarding alternatives were explored. A chartered bus or shuttle for visitors or employees was very expensive, schedules and routes would be difficult to plan. The costs for an "open service" to extend a bus route to the OPS facility was estimated at \$113 per hour, an unaffordable yearly cost for OPS.

Councillor Meehan was consulted in February 2019 and provided a comprehensive overview of the South Campus master plan, the Phase 1 project background and objectives including a full review of the site plan and a discussion on Prince of Wales future road widening and public transportation concerns. Discussions with the local Councillor will be ongoing throughout the project.

FINANCIAL IMPLICATIONS

The project funding for South Campus is being realigned to reflect the integration of Phase 1 and Phase 2 into one project. This is not a request for additional funds but rather a consolidation of funds that were originally identified as two separate projects that should now be combined to reflect the revised project delivery strategy.

Constructing one integrated facility will result in a minimum cost saving of \$3.5M, efficiencies in construction and project delivery, and improved collaboration for OPS members through collocation. These savings will be used to offset unforeseen project costs associated with: 1) unknown site conditions; 2) increases in escalation costs related to local market conditions and forecasted man power availability; 3) HST originally not accounted for in project budget; and 4) additional costs associated with the construction of a post disaster building.

The budget analysis is on-going, as part of the project's monitoring and controls to ensure the project costs remain within the Board approved funding. The project's Cost Consultant recently executed a class "C" estimate to validate that the project is within established funding limits. The estimate measured the Phase 1 design and forecasted the value of the Phase 2 shell addition including related infrastructure elements required to combine the two buildings together. The cost to incorporate Phase 2 shell into the Phase 1 building is \$14,714,000 including contingencies and HST.

Table 1 demonstrates the anticipated cost of the project when the original Phase 1 and 2 are combined into one building and shows the phased and modified delivery strategy, now called "South Facility" Phase A and B.

Table 1: South Campus Phase 1 and 2 Integration - Realigned Project Costs

Item Description	South Facility Phase 1	South Facility Phase 2		Total Project Costs
		Additional Shell	Interior Fit-up	
Professional Services	\$ 7,070,000	\$ 1,383,000	\$ 1,557,000	\$ 10,010,000
Project Administration	\$ 842,000	\$ 119,000	\$ 240,000	\$ 1,201,000
Permits & Approvals	\$ 360,000	\$ 55,000	\$ 98,000	\$ 513,000
Construction	\$ 60,479,000	\$ 12,714,000	\$ 10,309,000	\$ 83,502,000
Fit-up & Contingency	\$ 6,342,000	\$ 188,000	\$ 5,561,000	\$ 12,091,000
HST (1.76%)	\$ 1,322,000	\$ 255,000	\$ 313,000	\$ 1,890,000
Totals	\$ 76,415,000	\$ 14,714,000	\$ 18,078,000	\$ 109,207,000
Total	\$91,129,000		\$18,078,000	\$109, 207,000
New Phase Name	Phase A		Phase B	

OPS identified a budgetary requirement of \$16,000,000 in 2020 in capital order #909309 to complete South Campus Phase 2. This will be allocated to the South Project in capital account #903447 and will provide sufficient funding to complete Phase

B. Funding will be used for interior construction and fit-up of furniture, fittings, equipment and move costs.

Table 2 identifies the existing and forecasted funds to complete the original projects. Consolidation of project # 903447 and 909309 will create one project fund totalling \$109,207,000 to deliver the consolidated project. This aligns directly with the anticipated project costs outlined in Table 1. Expenditures to date are also provided.

Table 2: Funding Availability and Commitments

Project #	Description	2019 Approved	2020 Anticipated	Total
903447	South Facility Phase 1	\$76,415,000		76,415,000
909309	South Facility Phase 2	\$16,792,000	\$16,000,000	32,792,000
903447	South Facility Consolidated Budget	\$93,207,000	\$16,000,000*	\$109,207,000
	Expenditures to Date	(\$5,536,500)		
	Available Budget	\$87,670,500		
	Amend Architect Contract**	(\$1,182,500)		
	Amend Project Management Contract**	(\$190,588)		
	Remaining Budget	\$86,297,412		

(*)Future Year Budget Requirement

(**) excl HST

Staff will report on a quarterly basis on the use of the delegated authority for Project Management services during the construction of Phase A.

SCHEDULING IMPLICATIONS

The project schedule has evolved through the design process and has been extended as a result of the modified project delivery strategy. Construction is expected to be completed for Phase A by the end of February 2022 with Frontline Operations and Specialized Support Services occupying the building at the end of Q2 - 2022.

Combining the two projects into a single building may allow for accelerated occupancy

of Phase B by 8 months which could see Corporate Services and the Communication Centre move into the South Facility in September 2023 instead of the original date of Q2 - 2024. Project schedules will be updated regularly as part of project monitoring and control.

SUPPORTING DOCUMENTATION

No supporting documents required.

CONCLUSION

The development of an integrated South Facility is the largest project within the Facilities Strategic Plan. Once completed, it will add a total of 170,000 sq.ft. of operational and administrative space and a 35,000 sq.ft garage for specialty vehicles to the OPS real-estate portfolio. It will provide workspace for Frontline Operations and facilitate collocation of Frontline Specialized Support functions into one facility, promoting operational effectiveness. Corporate Services and the Communication Centre will benefit from an integrated building strategy that promotes collaboration for all OPS members to better serve the community. In addition, Front Desk and Collision Reporting services will be available to the Ottawa South community once the building is complete.

By combining South Campus Phase 2 within the Phase 1 building footprint there are significant operational effectiveness and project savings to be realized.

The South Project enables some functions at Leitrim and Greenbank to be moved to South, continuing the eventual process of handing over those facilities to the City.

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