

**Agenda – Standing Policy Committee on Finance and Economic Development –
July 5, 2024**

REPORTS

**Item No. 4 North District Police Station (NDPS), Project ID: 6322003016,
Quarterly Project Status Report No. 23 For the Period Ended April
30, 2024**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the financial status of the North District Police Station (NDPS), as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: North District Police Station (NDPS),
Project ID: 6322003016,
Quarterly Project Status Report No. 23
For the Period Ended April 30, 2024

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

| Author | Department Head | CFO | CAO |
|-------------|-----------------|-----------|-----------------------|
| B. Erickson | G. Patton | T. Graham | M. Geer Acting CAO |

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The North District Police Station project budget, financial status and procurement schedule have been updated to reflect current project status.

Expenditures to date total \$27.030 million and \$1,094,509 in contract over-expenditures have been approved. \$481,491 remains in the contingency allocation to cover any forthcoming/additional contract extras in the project. The approved funding and forecasted total cost for the North District Police Station remain at a value of \$31.730 million.

Contract adjustments to reconstruct the Old Ex Community Garden (\$142,010) and to address a contractor delay claim (\$173,765) have been approved and are to be funded through the existing approved project budget. Furniture, fixtures and equipment for the new station were budgeted for separately but were included in the construction contract; these costs will be charged to the Council-approved project and accounted for separately from construction.

Construction of the new station is nearing completion. Some site work including landscaping is to be completed in the spring. The project is currently on-budget and construction is tentatively expected to conclude on-schedule on July 15, 2024.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance and Economic Development.

RECOMMENDATIONS

That the financial status of the North District Police Station (NDPS), as contained in this report, be received as information.

REASON FOR THE REPORT

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at \$25 million. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

IMPLICATIONS OF THE RECOMMENDATIONS

No implications.

HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

Current Project Phase: Construction (Update from last report)

In the current reporting period the contractor advanced work such that the building is nearly complete except for final mechanical installations and systems commissioning.

The NDPS Advisory Committee approved funding in the amount of \$142,010 utilizing monies allocated within the existing project budget, to reconstruct the former Old Ex Community Gardens including new planter boxes, composters and benches which were previously removed to make way for the new station; the relocated facilities will be constructed by the Public Works Department in the summer of 2024 on site and adjacent to Sergeant Tommy Prince Place.

Furniture, fixtures and equipment for the new station were budgeted separately from the construction project however for security and logistical reasons were included in the construction contract. These costs will be charged to the Council-approved project (Project No. 2206000021) and accounted for separately from the construction of the station.

Construction of North District Police Station is tentatively expected to conclude on-schedule on July 15, 2024. A facility opening date has not been established.

Table 1 – Contracts

| Contracts | | | | | | | |
|--------------------------|--------------------------------|---|--|---|---------------|--------------------------|----------------------|
| Bid Opportunity # | Company Name | Description | Original Contract Award Value (GST & MRST extra as applicable) | Total Approved Over-Expenditures (Over-Expenditure amount only) | Date of Award | Date of Total Completion | Estimated % Complete |
| N/A | Number Ten Architectural Group | Consultant Services - Stakeholder & Development Site Metrics Analyses | \$ 223,400.00 | Nil | 28-May-18 | 26-Nov-20 | 100% |
| 902-2020 | Number Ten Architectural Group | Consultant Services - Design & Contract Administration Services | \$ 1,249,458.24 | \$ 62,863.22 | 20-May-21 | | 86% |
| 441-2021B | Penn-Co Construction | Construction of North District Police Station | \$ 26,760,100.00 | \$ 1,031,645.38 | 26-Jul-22 | | 88% |
| N/A | WSP Canada | Environmental Site Assessment | \$ 10,250.00 | Nil | 15-May-21 | 23-Aug-21 | 100% |
| N/A | Number Ten Architectural Group | Consultant Services - Building Assessment-Evidence Archive | \$ 53,750.00 | Nil | 3-Jun-20 | 3-Oct-20 | 100% |
| N/A | 1x1 Architecture | Consultant Services - Building Assessment-Old Ex | \$ 53,450.00 | Nil | 20-Nov-19 | 30-Sep-20 | 100% |
| N/A | Phillips & Stevens | Site Survey | \$ 1,652.50 | Nil | 23-Sep-19 | 31-Dec-19 | 100% |
| Total Value of Contracts | | | \$ 28,352,060.74 | \$ 1,094,509 | | | |

Upcoming Procurements:

| Description | Anticipated Award Date |
|-------------|------------------------|
| N/A | |

Schedule (Update from last report)

'NDPS Construction' Deliverable (Table 2, Item 6) has been updated to reflect percentage of work complete to the end of the current reporting period.

Table 2 – Milestones

| | Deliverable | Original Targeted Completion Date | Revised Targeted Completion Date | Actual Completion Date | Estimated % Complete |
|---|---|-----------------------------------|----------------------------------|------------------------|----------------------|
| 1 | NPDS Development Site Selection | 2017 Q4 | 2020 Q4 | 2020 Q4 | 100% |
| 2 | NDPS Development Site Acquisition | 2017 Q4 | 2021 Q2 | 2021 Q1 | 100% |
| 3 | NDPS Building Design | 2018 Q2 | 2022 Q1 | 2022 Q2 | 100% |
| 4 | NDPS Zoning/Subdivision/Variance Approval | 2021 Q4 | 2022 Q1 | 2022 Q2 | 100% |
| 5 | NDPS Construction Tender Process | 2021 Q3 | 2022 Q2 | 2022 Q3 | 100% |
| 6 | NDPS Construction (commences 2022 Q3) | 2018 Q3 | 2024 Q2 | | 92% |
| 7 | NDPS Facilities Commissioning, Opening | 2019 Q4 | 2024 Q2 | | 0% |

Risk (Update from last report)

No new risks identified. Ongoing risks are being managed as per the risk mitigation management plan.

Table 3 – Significant Risks and Mitigations Strategies

| Significant Risks and Mitigation Strategies | |
|--|---|
| Risk Statement and Explanation | Risk Mitigation Management Plan |
| Ongoing: | |
| Police Station No. 13 shuttered unexpectedly prior to relocation to new facility (NDPS) | Winnipeg Police Service to redeploy staff, assets and operations as warranted to maintain policing of the community |
| Global influences on cost & schedule while construction is in progress (procurement issues arising beyond the control of contractor) | 1. Assess and prioritize materials ordering/ acquisition immediately upon contract award 2. Evaluate alternative construction methods/materials where warranted & satisfactory to City |
| Mitigated: | |
| Environmental liabilities attributed to pre-existing site conditions | Confirmed that no documented liabilities exist. Monitor site conditions during construction |
| Site selection delayed | Development site approved in 2020 Q4 |
| Potential delay to complete rezoning process (RE: appeal respecting adoption by Council on February 24, 2022) | Rezoning process concluded in 2022 Q2 with no impact to the project |

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

No contracts were awarded within the reporting period.

Expenditures to date total \$27,030,390. \$1,094,509 in contract over-expenditures have been approved and are funded by contingency monies previously approved by Council (\$1,576,000) as part of the project capital budget. \$481,491 remains in the contingency allocation to cover any additional contract extras that arise in the project.

Funding (Update from last report)

No update

Table 4 – Project Funding Forecast

| Funding Source | Adopted Budget (in millions) | Amended Budget (in millions) | Committed (in millions) |
|--------------------------|---|---|------------------------------------|
| Class of Estimate | Class 5 | Class 1 | |
| External Debt | 20.0 | 28.3 | |
| Cash-to-Capital | 3.4 | 3.4 | |
| Total | 23.4 | 31.7 | |

Property Acquisition (Update from last report)

No update

Stakeholder Engagements/Communications (Update from last report)

Stakeholder Assessment

No stakeholder assessment activities were undertaken in the current reporting period.

Public Engagement

No public engagement activities were undertaken in the current reporting period.

Subsequent Events after Report Period End Date

The contractor’s work has focused on building commissioning and furniture installation inside the new station. Outdoor work has resumed with the return of fair weather, including landscaping, plantings and paving.

The contract administrator approved a delay claim initiated by Penn-Co Construction related to issuance of the building permit relative to the implied start date of the contract. A contract adjustment of \$193,765.77 is forthcoming and will be paid out of the project’s contingency funding.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 30, 2024

Project Name:

North District Police Station (NDPS), Project ID: 6322003016, Quarterly Project Status Report No.23 - For the Period Ended April 30, 2024

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn May 30, 2024

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:
Winnipeg Police Service

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance

- **Objective:** Establish and implement priority actions through evidence-informed decision-making processes.
- **Policy 1.7 Equitable Service Access** – Identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships. Remove systemic barriers to participation, based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, physical or mental ability, official language used, citizenship status, socio-economic status, geographic location or climate change vulnerability.

Goal: Environmental Resilience

- **Objective:** Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.
- **Policy 2.1 Climate Action Targets** – Meet and exceed greenhouse gas emissions reduction targets of 20 percent by 2030, relative to 2011, and net zero by 2050, by working towards partnerships with the community, businesses, and government bodies including Indigenous, Federal and Provincial governments.
- **Objective:** Promote low-carbon, energy efficient buildings through low-energy building design, construction and retrofitting.
- **Policy 2.12 Eliminate Fossil Fuel Dependence** – Reduce greenhouse gas emissions from existing and new buildings, including municipally-owned buildings and facilities, and associated infrastructure, through the promotion of renewable energy sources; energy efficiency use and performance measures; and low-carbon construction, retrofit and demolition methods that maximize the lifecycle of buildings.

Goal: Good Health and Well-Being

- **Objective:** Proactively identify and address threats to community safety and well-being.
- **Policy 4.6 Community Safety** – Facilitate a culture of safety and crime prevention across the City and community, by building trusting relationships to enable collaborative action.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Directions (Short-Term Implementation):

1.3 Implement Low Carbon and Energy Efficient City Facilities and Buildings - p.6

5.2 Improve Energy Performance of New Buildings - p.8

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The development of the North District Police Station aligns with the following Goals and Objectives of the Winnipeg Poverty Reduction Strategy (2021 – 2031), including:

Goal 1: Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change

Related 10-year Objectives:

- C. Equity and a Culture of Caring are factored into all service planning and budget decisions, resulting in City-wide systems change.

Goal 6: All City Services are Equitable, Inclusive and Accessible:

Related 10-year Objectives:

- A. Residents have equitable access to City services, in particular demographic groups who experience marginalization.

SUBMITTED BY

Department: Assets & Project Management

Division: Municipal Accommodations

Prepared by: B. Piniuta

Date: May 30, 2024

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

| Appendix A – Key Project Facts | |
|---|--------------------------------------|
| Project Name | North District Police Station (NDPS) |
| Business Owner (Department) | Winnipeg Police Service |
| Project ID | 6322003016 |
| Project Sponsor | M. Jack |
| Department Responsible for Project Delivery | Assets & Project Management |
| Consultant Engineer (Company Name) | Number Ten Architectural Group |
| Adopted Budget | \$23,379,000.00 |
| Class of Estimate (Adopted) | Class 5 |
| Range of Estimate (Adopted) | \$11,689,500 - \$46,758,000 |
| Amended Budget | \$31,730,000.00 |
| Class of Estimate (Amended) | Class 1 |
| Range of Estimate (Amended) | \$30,143,500 - \$34,903,000 |
| <u>Project Scope</u> | |
| Identify and procure a project development site (project location) | |
| Construct new civic assets: North District Police Station | |
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| | |
| Major Capital Projects Advisory Committee Membership: | |
| M. Jack, Chief Administrative Officer (Chair) | |
| C. Kloefer, Chief Financial Officer | |
| S. Halley, Deputy Chief, WPS (Business Owner Department Representative) | |
| G. Patton, Director, Assets & Project Management | |
| D. Tooth, Manager Capital Projects, Assets & Project Management | |

Appendix B – Financial Forecast- Project ID 6322003016

As at April 30, 2024

| Project Component Deliverables | Budget (in 000's) | | | Expenditure Forecast (in 000's) | | | Surplus (Deficit) From Amended Budget | Variance Last Report | Change in Variance |
|---|-------------------|-------------------------|------------------|---------------------------------|-----------------|------|---------------------------------------|----------------------|--------------------|
| | Adopted Budget | Council Approved Change | Amended Budget | Actual Costs To 04/30/2024 | 2024 | 2025 | | | |
| Engineering, Design and Other | \$ 460 | \$ 1,180 | \$ 1,640 | \$ 1,706 | \$ 220 | | \$ 1,926 | \$ (286) | \$ (286) |
| Construction | \$ 18,650 | \$ 8,910 | \$ 27,560 | \$ 24,409 | \$ 3,960 | | \$ 28,369 | \$ (809) | \$ (809) |
| Land Acquisition | \$ 3,130 | \$ (3,130) | | | | | \$ - | \$ - | \$ - |
| Internal Financing/Overhead Costs | \$ 486 | \$ 468 | \$ 954 | \$ 915 | \$ 39 | | \$ 954 | \$ - | \$ - |
| Contingency | \$ 653 | \$ 923 | \$ 1,576 | | \$ 481 | | \$ 481 | \$ 1,095 | \$ 1,095 |
| Total Project Budget | \$ 23,379 | \$ 8,351 | \$ 31,730 | \$ 27,030 | \$ 4,700 | | \$ 31,730 | 0 | |
| % of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget) | 116% | | 85% | | | | | | |

Appendix C – Key Project Events (History)

On July 23, 2003, Council approved implementation of the WPS Four District Model. The current WPS six district service delivery model is based on a municipal structure which existed prior to 1971. Contemporary policing issues led the WPS to review this service delivery structure and recommend realignment from six to four districts. The Four District Model encompasses replacement of five existing police stations with three (3) newly constructed police stations within realigned service districts.

On February 21, 2006, Council approved the 2006 Capital Budget and the 2007 to 2011 Five-Year Forecast and recommended, along with the budget, that the Administration identify, investigate, and recommend Private – Public Partnerships (P3's) for the Four District Model project.

East District Police Station (EDPS) located at 1750 Dugald Road was substantially completed in September 2007.

West District Police Station (WDPS) located at 2321 Grant Avenue followed with substantial completion occurring in November 2013.

The Downtown District Station opened as part of the new Police Headquarters facility, 245 Smith Street, in October 2016.

Upon adoption of the 2017 Capital Budget on December 13, 2016, Council approved funding for the North District Police Station (NDPS) in the amount of \$20M for the facility build plus \$3.13M for land assembly, thereby enabling the NDPS project to proceed.

On June 21, 2017, Council ruled automatic referral of the following motion to the Standing Policy Committee on Property and Development, Heritage and Downtown Development:

WHEREAS the city's Old Exhibition Grounds has been used for recreation and leisure purposes for over one hundred years;

AND WHEREAS there is a shortage of sport fields in the Lord Selkirk West Kildonan Community Committee area;

AND WHEREAS whether crime prevention is achieved through sport or other measures, prevention needs to be facilitated to reduce the load on the Winnipeg Police Service;

AND WHEREAS the City of Winnipeg needs to play a role in crime prevention;

AND WHEREAS the North District police station needs to provide the same functionality as the other district stations to the public;

AND WHEREAS Winnipeg's perception of what area makes up the North End has grown to encompass West and old Kildonan;

AND WHEREAS Winnipeg Transit's north garage has come to its end of life, and the east rapid transit BRT corridor has a new bus garage in its plans on city owned property;

AND WHEREAS unlike the other district stations, there was no RFP put out to the private sector to identify privately owned property and to build the stations;

AND WHEREAS Assets and Project Management leases buildings to the Winnipeg Police Service as Municipal Accommodations owns the assets under their portfolio of city assets;

THEREFORE BE IT RESOLVED that the Winnipeg Public Service undertake the needed activities to find a different property than the Old Exhibition Grounds for the North District Police Station.

On July 4, 2017, the Standing Policy Committee on Property and Development, Heritage and Downtown Development recommended to Council that the Council Motion of June 21, 2017 be referred to the Winnipeg Public Service for report back to the Standing Committee within 180 days, and be forwarded to the Executive Policy Committee and Council.

On July 19, 2017, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development Committee and directed the Winnipeg Public Service to undertake the needed activities to find a different property than the Old Exhibition Grounds for the North District Police Station and report back to Standing Committee in 180 days.

Stakeholder assessment and public engagement activities were undertaken by the Public Service during the summer and fall months of 2017. Results were compiled and received as information by Standing Policy Committee on Property and Development, Heritage and Downtown Development on June 8, 2018.

As part of the 2018 Capital Budget planning/development process, the 'Archival and Exhibit Building' project was consolidated with the pre-existing 'North District Police Station' project.

At its February 2, 2018 meeting, the Standing Policy Committee on Property and Development, Heritage and Downtown Development granted an extension of time to its meeting on June 8, 2018, for the Winnipeg Public Service to report back on the June 21, 2017 Council Motion.

At its June 8, 2018 meeting, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred with the recommendations of the Public Service:

- That the Real Estate Branch of Planning, Property and Development Department undertake to issue a Request for Proposal (RFP) to solicit private land sale opportunities as a means of identifying a preferred development site for the North District Police Station project.
- That the Public Service perform an evaluation of proposals received to validate the project program of requirements at alternate site(s), prepare associated development cost estimate(s) and assess capital funding requirements, and report back to convey results and provide recommendation as to a preferred project development site.

Per direction received from the Standing Policy Committee on Property and Development, Heritage and Downtown Development on June 8, 2018 a public Request for Proposal (RFP) was issued by the City to solicit private land sale opportunities as a means of identifying a development site for the project. The RFP was posted November 2, 2018 and closed January 31, 2019.

The City received RFP submissions and performed a score-based evaluation for the purpose of identifying shortlisted proponents; this phase is complete. A second phase of evaluation to verify program and technical development conformance at the prospective sites and prepare associated capital cost estimates, was completed in August 2020.

At its November 26, 2020 meeting, Council adopted the Public Service's recommendation (referred by the Executive Policy Committee on November 18, 2020) to construct North District Police Station at the Old Ex Grounds site using an optimized development plan, and to increase the project budget to \$25.675 million from the previously approved \$23.379 million. The Winnipeg Police Service Archival and Exhibit Building was also separated out from the North District Police Station project for standalone procurement.

On September 20, 2021, Request for Qualification (RFQ) No. 442-2021A was posted to qualify prospective vendors for the construction of the North District Police Station. On April 21, 2022, construction Tender 442-2021B was issued to the qualified vendors, and subsequently closed on June 2, 2022.

On July 21, 2022, Council approved a contract to Penn-Co Construction Canada (2003) Ltd. in the amount of \$26,760,100.00 to build the North District Police Station. Council also approved increasing the project capital budget from \$25,675,000 to \$31,730,000 to account for inflation, market conditions at the time of tender and the lowest construction bid price received from the identified pre-qualified vendors.