

Minutes – Standing Policy Committee on Finance – April 12, 2021

REPORTS

Item No. 1 North District Police Station (NDPS) and Archival and Exhibit Building

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and receive the financial status of the North District Police Station (NDPS), as contained in the report, as information.

Minutes – Standing Policy Committee on Finance – April 12, 2021

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: North District Police Station (NDPS),
Project ID: 6322003016,
Quarterly Project Status Report No. 15
For the Period Ended January 31, 2022

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	C. Kloepfer	M. Jack

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. Design work advanced through the reporting period and is expected to conclude in 2022 Q1. The forecasted total project cost of \$27.870 million remains unchanged from the previous reporting period. Subsequent to this reporting period, a Class 1 cost estimate was received in February, 2022, and is currently under review by the Public Service.

Construction costs remain volatile as Covid-19 and global supply chain issues continue to impact some development projects procured by the City of Winnipeg, including the North District Police Station. The Public Service recommends deferral of decision-making in matters concerning the project budget, to post-conclusion of the construction tender process.

Tendering of the construction contract for North District Police Station is anticipated in Spring 2022 pending completion of the development land rezoning process.

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

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

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$25 million (2022) or more report quarterly to the Standing Policy Committee on Finance. This threshold is adjusted annually for construction inflation as part of the annual Capital Budget approval. The Standing Policy Committee on Finance 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: Design (Update from last report)

No update.

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	Nil	20-May-21		57%
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	03-Jun-20	03-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	\$ 1,591,960.74				

Upcoming Procurements:

Description	Anticipated Award Date
N/A	

Schedule (Update from last report)

The project schedule remains unchanged from the last report, except that the NDPS Building Design (Table 2, Item 3) is extended to 2022 Q1 from 2021 Q4 to allow for value engineering and scope reduction activities to be undertaken prior to construction tender. Subsequent project milestones are unaffected.

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		99%
4	NDPS Zoning/Subdivision/Variance Approval	2021 Q4	2022 Q1		90%
5	NDPS Construction Tender Process	2021 Q3	2022 Q2		40%
6	NDPS Construction (commences 2022 Q3)	2018 Q3	2023 Q4		0%
7	NDPS Facilities Commissioning, Opening	2019 Q4	2024 Q1		0%

Risk (Update from last report)

Ongoing risks are being managed as per the risk mitigation management plan (Table 3).

Global influences, such as Covid-19 and supply chain issues, continue to pose risk to the NDPS project in terms of potentially impacting construction cost and schedule. In response, the Public Service has engaged the design consultant to perform a value engineering and scope reduction exercise to identify cost saving opportunities, whereby a reduction of specific facility program elements can be accepted in compromise as a means of achieving project delivery in the midst of price escalation.

Risk mitigation must also be managed through conclusion of the tender process wherein a definitive bid price and pertinent materials and labour cost information is provided to the City by prospective bidders, and then subsequently assessed relative to prescribed budget allocations. The tender evaluation process affords the City with the opportunity to affirm budget sufficiency for award, or, to identify and manage budget adjustment requirements prior to contracting with a prospective vendor for procurement.

A risk concerning the condition of Winnipeg Police Station No.13, located at 260 Hartford Avenue and servicing the North End community, has been added to the project risk register. This facility is currently operating well beyond its intended service life, and the building is considered to be in poor condition. The new North District Police Station will replace it once commissioned. An abrupt, unexpected closure of Station No.13 prior to this relocation poses an operational risk to the Winnipeg Police Service. In the event this were to occur, the Police would cease operations at 260 Hartford Avenue and redeploy its staff, assets and policing activities as warranted.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
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
Ongoing:	
Global influences on cost & schedule	1. Perform value engineering/scope reduction assessment to identify cost reduction opportunities; 2. Reassess market conditions at time of construction tender (establish fixed cost)
Environmental liabilities attributable to pre-existing site conditions	Confirmed that no documented liabilities exist. Monitor site conditions during construction
Potential delay to complete rezoning process (Re: appeal respecting adoption by Council on February 24, 2022)	Ensure close coordination with Authority; adjust scheduling of concurrent activities to minimize net project delay
Mitigated:	
Site selection delayed	Development site approved in 2020 Q4

Financial (Update from last report)

The forecasted total project cost of \$27.870 million remains unchanged from the previous reporting period. A Class 1 cost estimate was received in February, 2022 and is currently in review/analysis by the Public Service.

Funding (Update from last report)

No update – see Table 4

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 5	Class 5	
External Debt	20.0	22.3	-
Cash-to-Capital	3.4	3.4	-
	-	-	-
	-	-	-
Total	\$ 23.4	\$ 25.7	\$ -

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

A Class 1 cost estimate for the NDPS project was received on February 8, 2022.

Plan of Subdivision and Rezoning File DASZ 44/221 was approved by Council on February 24, 2022. On February 22, 2022, an appeal was made to the Authority Having Jurisdiction by a private party in relation to the subdivision and rezoning public hearing which occurred on January 31, 2022; the matter of appeal is pending a hearing scheduled for March 17, 2022.

FINANCIAL IMPACT

Financial Impact Statement

Date: [March 4, 2022](#)

Project Name:

**North District Police Station (NDPS), Project ID: 6322003016, Quarterly Project
Status Report No. 15
For the Period Ended January 31, 2022**

COMMENTS:

There are no financial implications associated with this report.

[Mike McGinn Mar. 4, 2022](#)

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Winnipeg Police Service

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1: Provide efficient and focused civic administration and governance. This report supports demonstration of accountability through service performance measurement and reporting.

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 information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy (2021-2031) as follows:

They embody the following Guiding Principles:

- We will Uphold Human Rights
- We will Honour Relationships and Reconciliation with Indigenous Peoples

They align with the following Goal and Objectives:

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

Related 10-year Objective:

- 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: March 4, 2022

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	Planning, Property and Development
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	\$25,675,000.00
Class of Estimate (Amended)	Class 5
Range of Estimate (Amended)	\$12,837,500 - \$51,350,000
<u>Project Scope</u>	
Identify and procure a project development site (project location)	
Construct new civic assets: North District Police Station	
Major Capital Projects Advisory Committee Membership:	
M. Jack, Chief Administrative Officer (Chair)	
C. Kloepfer, 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 January 31, 2022

Project Component Deliverables	Budget (in 000's)			Actual Costs To 01/31/2022	Expenditure Forecast (in 000's)				Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget	Council Approved Change	Amended Budget									
					2022	2023	2024	2025				
Engineering, Design and Other	\$ 460	\$ 790	\$ 1,250	\$ 1,049	\$ 296	\$ 296	\$ 15	\$ -	\$ 1,656	\$ (406)		\$ (406)
Construction	\$ 18,650	\$ 4,461	\$ 23,111		\$ 10,341	\$ 13,079	\$ 2,140	\$ -	\$ 25,560	\$ (2,449)		\$ (2,449)
Land Acquisition	\$ 3,130	\$ (3,130)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Internal Financing/Overhead Costs	\$ 486	\$ 75	\$ 561	\$ 175	\$ 215	\$ 260	\$ 4	\$ -	\$ 654	\$ (93)		\$ (93)
Contingency	\$ 653	\$ 100	\$ 753		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 753		\$ 753
Total Project Budget	\$ 23,379	\$ 2,296	\$ 25,675	\$ 1,224	\$ 10,852	\$ 13,635	\$ 2,159	\$ -	\$ 27,870	\$ (2,195)		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	5%		5%									

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 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; 3

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 Property, Planning and Development leases buildings to the Winnipeg Police Service as Municipal Accommodations basically 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 SPC 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.