

Minute - Standing Policy Committee on Finance - March 12, 2015

REPORTS

**Item No. 6 Winnipeg Police Service Headquarters Redevelopment Project –
Financial Status Report No. 8 for the Period Ending December 31,
2014**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received the report as information.

Minute - Standing Policy Committee on Finance - March 12, 2015

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

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

Carried

David Sanders submitted a communication dated March 12, 2015, with respect to Winnipeg Police Service Headquarters Redevelopment Project – Financial Status Report No. 8 for the Period Ending December 31, 2014.

ADMINISTRATIVE REPORT

ISSUE: WINNIPEG POLICE SERVICE HEADQUARTERS REDEVELOPMENT PROJECT – FINANCIAL STATUS REPORT NO. 8 FOR THE PERIOD ENDING December 31, 2014

Critical Path: STANDING POLICY COMMITTEE ON FINANCE

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Dibley/J. Ruby	Art Stannard/Marc Pittet	Mike Ruta	M. Jack A/CAO

RECOMMENDATIONS

That the financial status of the Winnipeg Police Service Headquarters Redevelopment Project as contained in this report be received as information.

REASON FOR REPORT

Administrative Standard No. FM-004 requires quarterly reporting to the Standing Policy Committee on Finance.

IMPLICATIONS OF THE RECOMMENDATIONS

This report is required to comply with the requirement of quarterly reporting.

Since the last reporting to SPC Finance in November 2014, the following is an update as to the status of the WPS Headquarters project:

- In December, Council approved the delegation for contract extension negotiations to the CAO for the remediation work from the water damage caused by the August 21, 2014 rain storm. The agreements for professional engineering services (AAR, GRC, Nova3), construction services (Caspian Projects Inc.) and commissioning services (Integrated Designs Inc.) have been extended and fully executed. Change Orders have been issued to the contractor for the remedial construction work.
- The high voltage transformers (HVT) supplying power to the WPS Headquarters (2 new ones) and the Office Tower (3 existing ones) were compromised, along with fire and life

safety systems and other electrical components. The electrical equipment and systems have to be inspected and tested before they can be recertified. The two new HVTs for WPS Headquarters recently passed the electrical test and were able to be recertified. The three older HVTs for the Office Tower are still to be tested.

- The claims adjuster is working cooperatively with the City to review the invoices (construction costs, professional services, delay claims) prior to submitting them to the insurance company. However, there is a possibility that the insurers will not cover all the costs associated with the water damage. If this is the case, the Insurance Reserve Fund has funds set aside for interim/ bridging costs and for any uninsured costs.
- The project is forecasted to be within budget as costs related to the water damage, caused by the August 21, 2014 rain storm, are being submitted as an insurance claim under the City's Course of Construction policy.

EXECUTIVE SUMMARY

This report provides an update on the status of the Winnipeg Police Service (WPS) Headquarters redevelopment. Investing in the relocation of the WPS to the former Canada Post building at 266 Graham Avenue commenced in 2009, to consolidate the core WPS functions that are currently dispersed at several locations throughout the City, to increase police presence and improve public safety in the downtown, and to provide the men and women of the police service with the ability and resources required to reduce crime across Winnipeg. Current and anticipated needs of the WPS cannot be achieved in the antiquated Public Safety Building at 151 Princess Street.

On July 20th 2011, Council approved the "Over expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building" which included:

The contractor has presented a guaranteed maximum price (GMP) of \$137.750 million. The contractor's submission includes several conditions involving remediation construction costs (caissons/piles, slab flooring, fire stopping/fire proofing, etc.) that may impact the final cost of redevelopment.

Council delegated authority to the CAO to enter into a Guaranteed Maximum Price (GMP) contract which was signed in November 2011. Although the design was not 100% complete, the City proceeded with construction to:

- mitigate the risk introduced by the long wait to complete the design (work would not have proceeded for 2 years);
- prevent cost increases due to construction inflation during two-year wait to commence work;
- prevent labour and tradesperson shortages during heightened construction project work availability during stadium, museum and airport projects ongoing simultaneously.

The GMP Contract allowed for re-pricing based on 100% design.

A GMP transfers part of the total risk; however, it does not provide absolute protection from cost escalations where risk belongs to the City. Responsibility for unanticipated requirements,

design and scope change remained with the City. The final 100% design was completed in April 2013, at which time the contractor began to calculate costs based on the 100% design. The contractor provided the Project Director with an adjusted contract price in late August 2013. The detailed supporting documentation to allow the City's consultant engineers to evaluate the final pricing was received from the contractor in late September 2013.

A Council seminar reporting the financial status of the project was held on November 1, 2013.

On December 11, 2013, Council approved an "Over expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building" which increased the project budget by \$17.2 million.

On February 21, 2014, the City signed a Supplemental Agreement with Caspian Projects Inc. establishing a Total Contract Price of \$156,374,911.67, which is within the funding authorized by Council.

On December 10, 2014, Council approved the Insurance Recovery Report which delegated authority to the Chief Administrative Officer to approve contract over-expenditures with Caspian Projects Inc., Adjeleian Allen Rubeli Ltd. and Integrated Designs Inc. for remedial work related to water damage from the August 21, 2014 rain storm.

On February 12, 2015, the City signed a Second Supplemental Agreement with Caspian Project Inc. for remedial work related to water damage from the August 21, 2014 rain storm.

HISTORY

In July 2011, Council approved an increase to \$162 million for the redevelopment of the WPS Headquarters building comprised of \$155 million for construction and construction period interest charges of \$7 million. The total approved budget for the project as approved by Council in July 2011 and disclosed in the 2012 Capital Budget is \$193.567 million, which included \$31.567 million for the purchase cost of the building. The purchase cost of the building is not included in this report as it is not within the responsibilities of the Project Director and Project Team. The purchase cost of the building has been recorded in the City's financial statements with \$12.6 million being allocated to the Mail Sorting Plant at 245 Smith Street and \$18.967 million being allocated to the Office Tower at 266 Graham Avenue.

In July 2011, Council also delegated authority to the CAO to enter into a Guaranteed Maximum Price (GMP) contract. On November 18, 2011, the City entered into a GMP contract with Caspian Projects Inc. for \$137.1 million.

In December 2013, Council increased the project budget by \$17.2 million bringing the total redevelopment cost to \$178.2 million and total project value (including purchase of the building) to \$209.8 million.

On February 21, 2014, the City signed a Supplemental Agreement with Caspian Projects Inc. establishing a Total Contract Price of \$156,374,911.67, which is within the funding authorized by Council.

On December 10, 2014, Council approved the Insurance Recovery Report in which a \$2,000,000 reservation of funds has been set aside within the Insurance Reserve Fund and is available for interim/bridging costs and for uninsured costs which may be required in order to proceed with repairs in a timely fashion. The IRF currently has sufficient funds available for this purpose.

On February 12, 2015, the City signed a Second Supplemental Agreement with Caspian Project Inc. for remedial work related to water damage from the August 21, 2014 rain storm.

MAJOR PROJECT STEERING COMMITTEE

The project team reports to an Oversight Committee on a regular basis (bi-weekly). The Committee has been formed and its members are:

Michael Jack, Acting Chief Administrative Officer (*)
Mike Ruta, Chief Financial Officer
Devon Clunis, Winnipeg Police Service Chief
Marc Pittet, Acting Director of Planning, Property and Development (PPD) (**)
Jason Ruby, Manager of Capital Projects – Corporate Finance

Reporting to the Committee are:

Jeff Dibley, PPD, Project Director (***)
Abdul Aziz, Project Team Member – Winnipeg Police Service

(*) – Michael Jack has replaced Deepak Joshi on the Committee

(**) – Marc Pittet has replaced Barry Thorgrimson on the Committee

(***) – Jeff Dibley has replaced Iain Day as the Project Director.

The Committee has reviewed this report and recommended that the report be submitted to the Standing Policy Committee on Finance.

PROJECT STATUS

The WPS Headquarters is 99.9% complete. The furniture, fixtures and equipment has largely been ordered and installed. The new firearms training facility at Wyper Road is open and in service. The remaining balance outstanding on the WPS Headquarters is largely a holdback to address any deficiencies. The remedial work from water damage caused by the August 21, 2014 rain storm continues to be coordinated with the contractor with the cooperation of the City's insurers.

DESCRIPTION OF PROJECT

This project is for the redevelopment of the former Canada Post Mail Sorting Plant (which is now known as 245 Smith Street) and the construction of a new firearms training facility at Wyper Road. For clarity, the following activities are not within the responsibility of the Project Director and Project Team:

- o Purchase of the Mail Sorting Plant and Office Tower from Canada Post Corporation.
- o Management of the Office Tower at 266 Graham Avenue.
- o Disposal of the Public Safety Building.

When completed, the new WPS Headquarters will house 14 divisions and approximately 1,250 staff. All 6 floors, plus two below-grade parking levels, at 245 Smith Street will have been redeveloped and provide approximately 630,925 square feet of space. The building is being redeveloped to 'as-new' condition and has an estimated useful life of 50 years.

The new firearms training facility at Wyper Road includes a 9,000 sq. ft. building for classroom training and an outdoor shooting range comprised of 36 shooting lanes and 12 shotgun shooting lanes.

The project budget for redevelopment is \$178.2 million, comprised of \$172.2 million for redevelopment plus \$6.0 million of corporate charges that are meant to represent construction period interest.

PROJECT SCHEDULE

The following is a summary of key project milestones.

Key Milestones	Target	Actual
Firearms Training Facility - occupancy	Summer 2012	September 24, 2012
WPS Headquarters Building – WPS occupancy	Fall 2015 (estimated)	-

Note that the key milestone for the WPS Headquarters building being available for occupancy by the WPS has been revised from last report to reflect the time required to perform the remedial work related to the August 21, 2014 rain storm.

Construction commenced on the Firearms Training Facility at Wyper Road in the late fall of 2011. The facility reached substantial completion in fall 2012 and is now being used by the WPS. Construction on the WPS Headquarters building (245 Smith Street) started in summer 2012. However, due to the water damage from the August 21, 2014 rain storm, the remedial construction work is now estimated to be completed in the summer of 2015.

The WPS Headquarters passed all life and safety testing on July 29, 2014. Following Final Inspection on August 20, 2014, the building was to be handed over to the City the week of August 25, 2014. However, due to water damage from the rain storm that occurred on August 21, 2014, the electrical equipment and life and safety systems on the lower levels have to be recertified and/or replaced before the occupancy permit can be issued.

Once the occupancy permit has been issued and Total Completion achieved, the City and WPS will work to address any building systems safeguards before WPS divisions occupy the building in the fall of 2015.

MAJOR CONTRACTS

The following is a list of major contracts awarded.

Bid Opportunity	Awarded To	Description	Award Date	Completion Date	Award/Contract Value
66-2010 Phase 1-3	AECOM Inc.	Professional Consulting Services for the Design and Development of the Winnipeg Police Service Headquarters at 266 Graham Avenue (former Canada Post Building) in Winnipeg	Aug 19, 2010	Feb 24, 2012	\$2,520,092.00
66-2010 Phase 4	AECOM Inc.	Professional Consulting Services for the Design and Development of the Winnipeg Police Service Headquarters at 266 Graham Avenue (former Canada Post Building) in Winnipeg	Jan 4, 2011	Feb 24, 2012	\$2,820,446.00 (*)
833-2010 Phase 1	Caspian Projects Inc. & Akman Construction Ltd. *assigned to Caspian Projects Inc.	Construction Management Services for the Design and Development of the Winnipeg Police Service Headquarters at 266 Graham Avenue (Former Canada Post Building) in Winnipeg	Feb 10, 2011	June 5, 2012	\$50,000.00
833-2010 Phase 1 – Over expenditures	Caspian Projects Inc.	During the design process, the design engineer determined that additional invasive testing/inspection on the building was necessary to further the design process	Dec 20, 2011	June 5, 2012	\$276,020.61
833-2010 Phase 1 – Over expenditures	Caspian Projects Inc.	During the design process, the design engineer determined that additional invasive testing/inspection on the building was necessary to further the design process	June 5, 2012	June 5, 2012	\$113,937.99
833-2010 Phase 2&3 GMP	Caspian Projects Inc.	Guaranteed Maximum Price Contract for the redevelopment of 245 Graham Avenue and firearm training facility at Wyper Road	Nov 18, 2011	Ongoing	\$137,100,000.00
Over-expenditures (833-2010)	Caspian Projects Inc.	GMP Contract extended for the relocation/construction of new office space to accommodate an existing tenant in the Office Tower at 266 Graham Avenue displaced by the WPSHQ lobby and other renovations to the Office Tower at 266 Graham Avenue.	July 4, 2013 (**)	Ongoing	\$795,964.12
Over-expenditures (833-2010)	Caspian Projects Inc.	The City and Caspian Projects Inc. signed a Supplemental Agreement to the GMP Contract establishing a Final Contract Price of \$156,374,911.67.	Feb 21, 2014	Ongoing	\$18,478,947.55

Single Source	Adjeleian Allen Rubeli Limited	Professional Engineering Services Required by the City of Winnipeg Police Headquarters (Canada Post) Project	Dec 23, 2011	Jan 1, 2014	\$4,400,000.00 (\$2,600,000.00 original contract) (\$1,800,000.00 over-expenditure April 25, 2012)
Over-expenditure -	Adjeleian Allen Rubeli Limited	Professional Engineering Services Required by the City of Winnipeg Police Headquarters (Canada Post) Project	June 8, 2012	Jan 1, 2014	\$150,000.00
Over-expenditure	Adjeleian Allen Rubeli Limited	Professional Engineering Services related to additional design services and revisions to contract drawings related to tower / link requirements and building code standards.	July 19, 2013	Jan 1, 2014	\$260,000.00
Over-expenditure	Adjeleian Allen Rubeli Limited	Professional Engineering Services Required by the City of Winnipeg Police Headquarters (Canada Post) Project for services from January 1, 2014 to July 31, 2014 with follow-up in November 2014.	Mar 24, 2014	Ongoing	\$470,000.00
Over-expenditure	Adjeleian Allen Rubeli Limited	Professional Engineering Services Required by the City of Winnipeg Police Headquarters (Canada Post) Project for additional trip for Final Inspection - August 17, 2014 to August 21, 2014.	Aug 21, 2014	Aug 21, 2014	\$11,500
201-2012	Integrated Designs Inc.	Commissioning of the Winnipeg Police Headquarters at 266 Graham Avenue	Jun 19, 2012	Dec 30, 2013 (original estimate)	\$375,000.00
Over-expenditure	Integrated Designs Inc.	Contract extension to continue testing building systems until June 2015	Dec 3, 2014	Ongoing	\$64,800
Direct Assignment	Duboff Edwards Haight & Schachter	Legal Services in the development of the GMP for the Winnipeg Police Services Headquarters	Jul 21, 2011	Ongoing	Services up to \$100,000.00 (\$44,690.21 paid)
Direct Assignment	Dunmore Corporation	Project Management Services for the Winnipeg Police Headquarters Project	Jun 1, 2011	December 31, 2013	\$267,961.32

(*) – plus \$81,866.84 paid to close out services.

The following table lists the major contracts awarded relating to remedial work from the water damage caused by the August 21, 2014 rain storm. These costs are being submitted as they are incurred to the insurers as part of the City's insurance claim.

Bid Opportunity	Awarded To	Description	Award Date	Completion Date	Award/Contract Value
Over-expenditure	Adjeleian Allen Rubeli Limited	Professional Engineering Services Required by the City of Winnipeg Police Headquarters (Canada Post) Project related to the remedial work	Jan 14, 2015	Ongoing	(*)
Over-expenditure	Caspian Projects Inc.	A Second Supplemental Agreement for construction services related to the remedial work	Feb 12, 2015	Ongoing	(**)
1029-2014 Direct Assignment	QPS Evaluation Services Inc.	The assessment, testing and recertification services of electrical equipment and systems related to the remedial work	Oct 22, 2014	Ongoing	Up to \$58,000

(*) – The AAR contract is for time and materials. Amount paid to date is \$329,868.

(**) – The Supplemental agreement establishes the dates for construction completion, with change orders to be issued by the City on an individual item basis. Change orders issued to the date total \$3,781,861.84.

RISK AND MITIGATION STRATEGIES

As previously reported, a Supplemental Agreement was signed with Caspian Projects Inc. establishing a Final Contract Price of \$156,374,911.67, which is within the funding authorized by Council. This Supplemental Agreement transferred risk for all design or code deficiencies to Caspian. Specifically, Caspian, having thoroughly reviewed the plans and specifications at 100% completion, is responsible for correcting at its sole expense, all design or code deficiencies in order to allow the City occupancy of the building for it to be used in its intended purpose as a police headquarters.

Per the Supplemental Agreement, any additional Change Orders initiated by the City and not required to correct code deficiencies will be borne by the City. As mitigation to this risk, both parties have agreed in principle to not make any further changes unless required to permit occupancy. Further, Change Orders, if permitted, will only be valid if signed in advance by the Chief Financial Officer, Project Director and Caspian Projects Inc. As at the preparation date of this report, no additional changes orders have been approved relating to the original contract.

The building hand-off risk has been greatly reduced by the City using a Commissioning Agent (Integrated Designs Inc. (IDI)) to ensure building systems are functioning properly. As disclosed in previous reports (contracts table), IDI has been involved with the project on an ongoing basis since 2012.

In addition, the City's consultant engineer and the contractor conduct inspections to determine a deficiencies listing, which is a listing of minor items that is required to be completed by the contractor as part of the contract. There is a holdback to ensure the deficiencies are completed, which is consistent with normal practice.

The remaining budget related to furniture, fixtures and equipment is sufficient to achieve building occupancy. Any additional work, finishes or building systems safeguards will have to be completed using funds set aside in the annual capital budget.

For the remedial work, caused by water from the August 21, 2014 rain storm, the necessary contract and agreement extensions with the consultant engineer (AAR) and the contractor (Caspian Project Inc.) are in place and change orders have been issued to the contractor. QPS Evaluation Services Inc. (QPS) has been retained to inspect, test and recertify the electrical equipment. The claims have been initiated through the City's adjuster under the Course of Construction policy. The claims adjuster is working cooperatively with the City to review the claim invoices (construction costs, professional services, delay claims) prior to submitting them to the insurance company.

However, there is a possibility that the insurers will not cover all the costs associated with the water damage. If this is the case, the Insurance Reserve Fund has funds set aside for interim/bridging costs and for any uninsured costs. The final cost of the remedial work will be reported on in a future financial status report when the work is fully completed.

COST PER SQUARE FOOT

In the meeting of SPC on Finance on March 13, 2014, it was requested that the Public Service include the cost per square foot in the next status report and every report thereafter.

<u>Cost per Square Foot - Detailed Calculation (*)</u>						
			11-Dec-13	31-Dec-13	31-Mar-14	30-Jun-14
			Report to Council	Quarterly Status SPC Finance	Quarterly Status SPC Finance	Quarterly Status SPC Finance
WPSHQ - Project Budget - Redevelopment			\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200
Building purchase			\$ 31,567	\$ 31,567	\$ 31,567	\$ 31,567
			\$ 209,767	\$ 209,767	\$ 209,767	\$ 209,767
less:						
Office Tower - <i>final</i>			\$ (18,967)	\$ (18,967)	\$ (18,967)	\$ (18,967)
Gun range - <i>forecast</i>			\$ (7,421)	\$ (8,097)	\$ (8,103)	\$ (8,103)
Construction interest - <i>forecast</i>			\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ (6,000)
Redevelopment cost (**)	A		\$ 177,379	\$ 176,703	\$ 176,697	\$ 176,697
Building size (sq. ft.)	B		606	606	631	631
Cost per square foot	A divided by B		\$ 293	\$ 292	\$ 280	\$ 280
(*) - in thousands except for 'Cost per Square Foot', which is in dollars.						
(**) - includes land & FFE / does not include construction interest						

As the building is not yet complete, the cost per square footage is based on both forecasted costs as well as estimated square footages available at the time of report.

Forecasted costs may vary slightly within the various categories above while the project remains within the amounts authorized by Council. For example, if monies within the project were reallocated to the firearms training facility versus the rest of the building, the redevelopment cost forecast above would change thereby changing the cost per square foot. The cost of the building purchase and allocation between the WPS Headquarters and Office Tower is a past event and will not vary for the remainder of the project.

There has been no change in forecast from the prior report.

The method of estimating square footage in the building that is used in the reporting above is gross floor area, not including the square footage of the external wall area above the P1 level (i.e. does not include the square footage of the outside wall, which is an additional 86,453 sq. ft.). Per consultation with the City's consultant engineer (AAR), the square footage of the outside wall would normally be included in the square footage for purposes of calculating construction costs per square foot. A quantity surveyor (Turner & Townsend) measured square footage to the mid-point of the external wall in their reporting (i.e. include 50% of the external wall in the determination of square footage).

However, in the interest of being conservative in the estimates of cost per square foot, and being a renovation project that was only recladding the exterior wall and not building an external wall, the square footage of the external wall was not included in prior square footage estimates. For consistency and conservatism, this method of not including the square footage of the exterior wall has been continued in the estimate above. Adjusting the estimates above to include the square footage in the external wall or 50% of the square footage in the external wall would increase square footage and decrease the cost per square foot.

The estimate of square footage in the building is based on the latest AutoCAD drawings.

Forecasted costs as well as estimated square footages will be updated in future reporting and may be subject to change. Once the building has been constructed, the building is expected to be physically measured to determine as-built square footage.

COST OF BORROWING

In the meeting of SPC on Finance on March 13, 2014, it was requested that the Public Service include the Cost of Borrowing in future quarterly reports.

<i>Cost of Borrowing, amounts in thousands</i>				
	Amount	Issue Date	Maturity	Rate
<i>Issued</i>				
	\$ 50,000	7/3/2012	11/15/2051	3.85%
	\$ 8,586	10/4/2012	11/15/2051	3.76%
	\$ 43,992	8/20/2013	11/15/2051	4.39%
	\$ 52,568	9/12/2014	11/15/2051	3.91%
	\$ 155,146			
<i>To be issued</i>				
	\$ -			
	\$ 155,146			
		<i>Weighted average rate for debt issued</i>		4.02%

Since the last reporting to SPC on Finance, the final \$52.6 million has been borrowed. All authorized borrowing on the project has now been completed.

FINANCIAL ANALYSIS - as at December 31, 2014

(All figures are in \$000)

Project Component	Revised Budget	Value/Cost Estimate	Variance Revised Budget to Value/Cost Estimate	Change in Variance from Last Report
Engineering, design and other costs	\$ 15,891	\$ 16,228	\$ 337	\$ -
Construction				
- Building redevelopment	\$ 135,808	\$ 135,895	\$ 87	\$ -
- Shooting range facility	\$ 8,097	\$ 8,103	\$ 6	\$ -
- Furniture, fixtures & equipment (including security)	\$ 10,569	\$ 10,459	\$ (110)	\$ -
	\$ 154,474	\$ 154,457	\$ (17)	\$ -
Office Tower renovations charged to project	\$ 1,835	\$ 1,515	\$ (320)	\$ -
sub-total	\$ 172,200	\$ 172,200	\$ -	\$ -
Corporate charges - to represent construction period interest	\$ 6,000	\$ 6,000	\$ -	\$ -
Total	\$ 178,200	\$ 178,200	\$ -	\$ -

note: Office Tower renovations of \$1,918 less \$403 allocated to the Office Tower based on square footage.
Final Contract Price of \$156,375 = \$154,457 (above) + \$1,918.

SUMMARY

The forecast in the last report was based on financials after the City had signed the Supplemental Agreement with Caspian Projects Inc. establishing a Final Contract Price of \$156,374,911.67. There have been no change orders authorized, related to the original contract, since the last report to SPC Finance therefore there is no change in the forecast from the prior report.

The project is being forecasted to be within the amended budget of \$156,374,911.67 as costs related to the water damage, caused by the August 21, 2014 rain storm, are being submitted as an insurance claim under the City's Course of Construction policy.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 4, 2015

Project Name:

First Year of Program 2011

Winnipeg Police Headquarters Development Project

Comments:

There is no financial impact as this report is for information only.

"Original Signed By"

Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

Department: Winnipeg Police Services
Prepared by: Jeff Dibley – PPD – Project Director
Jason Ruby – Corporate Finance, Manager of Capital Projects

Date: March 3, 2015
File No.:

Winnipeg Police Services Headquarters Project

as at Dec 31, 2014

Project Component	Capital Budget			Capital Expenditure Forecast			Surplus (Deficit)	Variance Last Report	Change in Variance
				Actual Costs		Total			
	Original	Adjustment	Revised	To Sept 30 2014	2014	Forecast	From Revised Budget		
Engineering, design and other costs	\$ 17,900	\$ (2,009)	\$ 15,891	\$ 15,133	\$ 1,095	\$ 16,228	\$ (337)	\$ (337)	\$ -
Construction									
- Building	\$ 116,227	\$ 19,581	\$ 135,808	\$ 135,822	\$ 73	\$ 135,895	\$ (87)	\$ (87)	\$ -
- Range	\$ 6,573	\$ 1,524	\$ 8,097	\$ 8,103	\$ -	\$ 8,103	\$ (6)	\$ (6)	\$ -
- Furniture, fixtures, equipment (including security)	\$ 14,300	\$ (3,731)	\$ 10,569	\$ 9,188	\$ 1,271	\$ 10,459	\$ 110	\$ 110	\$ -
	\$ 137,100	\$ 17,374	\$ 154,474	\$ 153,113	\$ 1,344	\$ 154,457	\$ 17	\$ 17	\$ -
Office Tower renovations charged to project (*)	\$ -	\$ 1,835	\$ 1,835	\$ 1,490	\$ 25	\$ 1,515	\$ 320	\$ 320	\$ -
sub-total	\$ 155,000	\$ 17,200	\$ 172,200	\$ 169,736	\$ 2,464	\$ 172,200	\$ -	\$ -	\$ -
Corporate charges - to represent construction period interest	\$ 7,000	\$ (1,000)	\$ 6,000	\$ 5,513	\$ 487	\$ 6,000	\$ -	\$ -	\$ -
Total	\$ 162,000	\$ 16,200	\$ 178,200	\$ 175,249	\$ 2,951	\$ 178,200	\$ -	\$ -	\$ -

Explanatory Notes:

- This project is for redevelopment of the former Canada Post Mail Sorting Plant at 266 Graham Avenue and for the development of a new shooting range at Wyper Road. For clarity, the scope of this project does not include the purchase of the Building at 266 Graham Avenue, management of the office tower at 266 Graham Avenue or the disposal of the Public Safety Building.

(*) - Office Tower renovations of \$1,918 less \$403 allocated to the Office Tower based on square footage. Final Contract Price of \$156,375 = \$154,457 (above) + \$1,918.

All figures are in \$000