

Minutes - Standing Policy Committee on Finance - September 15, 2016

REPORTS

**Item No. 10 Winnipeg Police Service Headquarters Redevelopment Project –
Financial Status Report No. 14 for the Period Ending June 30, 2016**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service, and received as information the financial status of the Winnipeg Police Service Headquarters Redevelopment project, as contained in the report.

Minutes - Standing Policy Committee on Finance - September 15, 2016

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

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

Carried

ADMINISTRATIVE REPORT

Title: WINNIPEG POLICE SERVICE HEADQUARTERS REDEVELOPMENT PROJECT – FINANCIAL STATUS REPORT NO. 14 FOR THE PERIOD ENDING JUNE 30, 2016

Critical Path: STANDING POLICY COMMITTEE ON FINANCE

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson G. Chartier	J. Kiernan A. Stannard	M. Ruta	D. McNeil

RECOMMENDATIONS

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

REASON FOR THE REPORT

Administrative Standard FM-004 requires quarterly reporting to the Standing Policy Committee on Finance.

EXECUTIVE SUMMARY

Since the last reporting to SPC Finance in June 2016, the following is an update as to the status of the WPS Headquarters project.

Occupancy/Move in Date

- The WPS has completed moving into the new Headquarters building as of June 30, 2016. Approx. 1200 police and civilian staff are now operating from the new WPS Headquarters at 245 Smith Street.

GMP Contract

- The GMP contract work has been completed by the contractor with exception of a few remaining project deficiencies and minor warranty items.
- Final GMP contract amount will be finalized once costs for deletion items are confirmed.
- The final contract invoice has been received by the City and has been reviewed by the City's consultant engineer. The City has withheld \$125,000 from the contract, to address the remaining project deficiencies identified by the consultant engineer.

- All deficiencies have been identified and itemized on the Headquarters building. The contractor has addressed the project deficiencies with exception on those items awaiting material/equipment delivery. Contractor has scheduled the final few deficiencies to be addressed in September, 2016.
- The City's consultant engineer did complete a final site inspection on June 29, 2016 for project Total Performance. The contractor trades have completed majority of warranty work prior to the warranty expiry date of June 30, 2016.
- The architect will issue the Certificate of Total Performance for the project once the contract amount has been determined. Credit amounts are being finalized for those minor deficiency items deleted from the contract.

Occupancy Permit

- The building Interim Occupancy permit is in place until August 31, 2016. The Final Occupancy Permit has not been issued due to final testing and certifications on the sprinkler systems within HQ being submitted, as required by the Authorities Having Jurisdiction.
- All construction deficiencies on the WPS HQ project noted on the building inspections interim occupancy permit have been completed for application of the Final Occupancy permit to be submitted.
- All fire and life safety work and City Inspections identified deficiencies have been completed with exception to the building safeguard pre action sprinkler system.
- The building safeguard work has caused a delay in attaining final occupancy due to required documentation for a pre-action sprinkler system. The building safeguard work (not part of the GMP Contract) has attained substantial performance and verified by the consulting engineers.
- The project team is working with the Consultants to submit all required documentation required by City inspections to attain the final occupancy permit before August 31, 2016.

Water Event Insurance Claim

- All water damage remediation work related to the August 21, 2014 water event insurance claim has been completed by the contractor. This work has been certified by the City's consultant engineer and remains under review by the City's insurers.
- Partial advancement of funds has been received from our insurers on the water event insurance claim as an interim payment until the insurance company full review has been completed.
- The project team has submitted a letter to insurance broker of City's position in consideration for recovery of the costs incurred by the City as a result of the water event and corresponding water damage remediation work.
- A separate financial report will be submitted once the Headquarters water event of August 21, 2014 insurance claim has been finalized with the insurance company.

IMPLICATIONS OF THE RECOMMENDATIONS

None – Report is to be received as information.

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 was \$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 \$16.2 million (*) bringing the total redevelopment cost to \$178.2 million and total project value (including purchase of the building) to \$209.8 million. (*) - The increase in construction costs of \$17.2 million was partially offset by a \$1.0 million reduction of construction period interest expense.

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.

The WPS Headquarters passed all life safety testing on July 29, 2014. The City was to take possession of the building the week of August 25, 2014, following final inspection on August 20, 2014. However, due to water damage from the rain event that occurred on August 21, 2014, the main electrical service equipment and life safety systems on the lower levels, under the City inspections "Order to Comply" had to be recertified or replaced before an Occupancy Permit could be issued.

On December 10, 2014, Council approved the Insurance Recovery Report providing interim/bridging costs, setting aside an amount of \$2 million from the Insurance Reserve Fund in order to proceed with the required repairs in a timely matter and to cover any possible uninsured costs that may be required.

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

In February 2015, approval was given to the contractor by Change Orders to complete the remediation work caused by the water damage including architectural, mechanical and electrical remediation work.

The building passed the Building Code Life Safety testing on June 17, 2015. The HQ project Interim Occupancy permit was attained on June 19, 2015.

The Certificate of Substantial Performance, as defined under Provincial Legislation was issued to Caspian Projects Inc. on June 29, 2015.

The Municipal Accommodations Division took possession of the HQ building on July 17, 2015. The building safeguard work began in September of 2015 to address WPS operational building security requirements prior to WPS moving in. The majority of the building safeguard work was completed by March 29, 2016. Minor testing and certification is ongoing on some equipment.

The WPS commenced moving into the HQ building on December 15, 2015. WPS completed their move to the new Headquarters on June 30, 2016.

MAJOR CAPITAL PROJECT ADVISORY COMMITTEE

The Project Director reports to the HQ Steering Committee on a regular basis (bi-weekly). The Committee has been formed and its present members are:

Michael Jack, Chief Operating Officer

Mike Ruta, Chief Financial Officer

Art Stannard, Acting Winnipeg Police Service Chief

John Kiernan, 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

PROJECT STATUS

The WPS Firearms Training Facility (FTF) at Wyper Road was completed in 2012, with WPS operations beginning in September 2012.

The WPS Headquarters project at 245 Smith Street has attained Substantial Performance. All WPS furniture, fixture and equipment have been installed. The remaining work on the Construction GMP Contract has been completed and has been certified by the City's consultant engineer, with only minor deficiencies waiting on product delivery for installation.

All remediation work resulting from the August 21, 2014 rain event has been completed and been certified for payment by the City's consultant engineer. Partial payment has been made and remaining amounts will be paid once complete documentation is received to the City's satisfaction.

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) for the new WPS Headquarters and the construction of a new WPS Firearms Training Facility at Wyper Road.

For clarity, the following activities are not within the responsibility of the Project Director and Project Team:

- Purchase of the Mail Sorting Plant and Office Tower from Canada Post Corporation.
- Management of the Office Tower at 266 Graham Avenue.
- Disposal of the Public Safety Building – 151 Princess Street.

Once fully occupied the new WPS Headquarters will house 14 Divisions and approximately 1,250 personnel. All six 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 has been redeveloped to 'as-new' condition and has an estimated useful life of 50 years.

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

The total project budget for redevelopment is \$178.2 million, including 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 - occupancy	Fall 2015	December 15, 2015

Construction commenced on the Firearms Training Facility at Wyper Road in the fall of 2011. The facility attained substantial completion in fall of 2012 and has been operational by WPS since this September 2012. Construction on the WPS Headquarters building (245 Smith Street) started in the summer of 2012 and attained substantial completion on June 29, 2015.

The WPS operations commenced their move into the HQ building on December 15, 2015.

The move of all WPS personnel and equipment is being coordinated by WPS Operational Staff and is not within the responsibilities of the Project Director. The capital project has budgeted an allowance of \$500,000 for WPS moving expenses. The Project Director is working with WPS Operational staff to address any new building construction related issues that arise as WPS operations transition to the new Headquarters facility.

MAJOR CONTRACTS

The following is a table 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

Bid Opportunity	Awarded To	Description	Award Date	Completion Date	Award/Contract Value
833-2010 Phase 2&3 GMP	Caspian Projects Inc.	Guaranteed Maximum Price Contract for the redevelopment of 245 Smith Street 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
Over- expenditures (833-2010)	Caspian Projects Inc.	Minor Change Orders have been issued reducing the base GMP contract to \$156,327,172.23.	Sept 15, 2015	Ongoing	(\$47,739.44)
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

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 for services from January 1, 2014 to July 31, 2014 with follow-up in November 2014.	Mar 24, 2014	Feb 18, 2015	\$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	\$18,000
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	June , 2015	\$64,800
Direct Assignment	Duboff Edwards Haight & Schachter	Legal Services in the development of the GMP for the Winnipeg Police Services Headquarters and Second Supplemental Agreement.	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
622-2013B	Quick Transfer Ltd.	Moving Services	June 11,2014	Ongoing	\$370,370.00

(*) – 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 CSA recertification services of electrical equipment and systems related to the remedial work	Oct 22, 2014	Dec 31, 2015	\$51,500.00

(*) – The consultant engineer contract to AAR is on a time and materials basis related to the water event remediation work. Amount paid to June 30, 2016 is \$879,260.63.

(**) – 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 date total \$6,587,500.59. Amount paid to June 30, 2016 is \$5,532,847.69.

RISK AND MITIGATION STRATEGIES

The final invoicing on the GMP Contract has been received by the City and has been reviewed by the City’s consultant engineer. The Contract is forecast to be within the Final Contract Price of \$156,374,911.67. This does not include the water remediation work.

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 tables), IDI has been involved with the project on an ongoing basis since 2012.

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

Change Orders required to address the remediation work related to the August 21, 2014 water event have been issued to the construction contractor. The work has been completed and has been certified by the City’s consultant engineer.

There is a possibility that the insurers will not cover all related costs/losses the City incurred due to the August 21, 2014 water event. The Insurance Reserve Fund has set aside sufficient funds to cover any interim/ bridging costs or any uninsured costs. A final project report will be submitted in regards to the insurance claim once finalized.

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>				
			30-Jun-15	30-Sep-15
		11-Dec-13	Quarterly Status to	Quarterly Status to
		Report to Council	SPC Finance	SPC Finance
WPSHQ - Project Budget - Redevelopment		\$ 178,200	\$ 178,200	\$ 178,200
Building purchase		\$ 31,567	\$ 31,567	\$ 31,567
		\$ 209,767	\$ 209,767	\$ 209,767
less:				
Office Tower - <i>final</i>		\$ (18,967)	\$ (18,967)	\$ (18,967)
Gun range - <i>forecast</i>		\$ (7,421)	\$ (8,103)	\$ (8,103)
Construction interest - <i>forecast</i>		\$ (6,000)	\$ (5,513)	\$ (5,513)
Redevelopment cost (**)	A	\$ 177,379	\$ 177,184	\$ 177,184
Building size (sq. ft.)	B	606	631	631
Cost per square foot	A divided by B	\$ 293	\$ 281	\$ 281
(*) - 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. However, as the building is near completion and within the budget amount, the cost per square foot is not expected to change significantly.

Forecasted costs, as well as estimated square footages may 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.

Cost of Borrowing, amounts in thousands				
	Amount	Issue Date	Maturity	Rate
Issued				
	\$ 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%
	<u>\$ 155,146</u>			
		<i>Weighted average rate for debt issued</i>		4.02%

All authorized borrowing on the project has now been completed.

FINANCIAL ANALYSIS - as at June 30, 2016 (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	\$ 16,763	\$ 872	\$ -
Construction				
- Building redevelopment	\$ 135,808	\$ 135,895	\$ 87	\$ -
- Shooting range facility	\$ 8,097	\$ 8,103	\$ 6	\$ -
- Furniture, fixtures & equipment (including security)	\$ 10,569	\$ 10,411	\$ (158)	\$ -
	\$ 154,474	\$ 154,409	\$ (65)	\$ -
Office Tower renovations charged to project	\$ 1,835	\$ 1,515	\$ (320)	\$ -
sub-total	\$ 172,200	\$ 172,687	\$ 487	\$ -
Corporate charges - to represent construction period interest	\$ 6,000	\$ 5,513	\$ (487)	\$ -
Total	\$ 178,200	\$ 178,200	\$ -	\$ -

note: Office Tower renovations of \$1,918 less \$403 allocated to the Office Tower based on square footage.
GMP contract of \$156,327 = \$154,409 (above) + \$1,918.

SUMMARY

The project is forecasted to remain within the amended budget as costs related to the water damage, caused by the August 21, 2014 rain storm, have been submitted through City insurance claim under the City's Course of Construction insurance policy.

The GMP construction contract work has been completed. Final invoicing on the base GMP contract has been received by the City and reviewed by the City's consultant engineer. The City's consultant engineer has estimated \$125 thousand dollars in remaining deficiencies that has been withheld until final project deficiencies have been completed. The contractor has addressed the majority of the project deficiencies as identified by the project consultant.

The building safeguard work has caused some delay in attaining final occupancy due to work related to life safety systems, specifically for testing, verification and certification documentation required by City Inspections on the pre-action sprinkler system. The building safeguard work (not part of the GMP Contract) has attained substantial performance and been certified by the consulting engineers. Project consultants have submitted their letters of certification for final occupancy. The project team is working with the consultants and contractors to provide all documentation required by City inspections, in order to attain the final occupancy permit.

City's consultant completed a final review and inspection on the Headquarters Redevelopment project on June 29, 2016. The consultant has provided the final project deficiency list identifying those remaining few deficiencies to be completed prior to the consultant issuing the Certificate of Total Performance. The Certificate of Total Performance will be issued, once the final deficiencies are completed by the contractor, final cost (credit amount) has been determined and signed off by the Project Director.

Since last reporting to Committee, there have been no change orders issued on the base GMP Contract.

There is currently approximately \$1.2 million dollars in unspent monies on the project. The largest item on the remaining project budget is the remaining moving allowance of \$420 thousand dollars. The majority of the remaining move allowance is due to a timing difference as not all the invoices related to the move had been received and processed by the financial cut-off date of June 30, 2016. Any unspent monies remaining at project completion would be returned to the project contingency and reprioritized within the project, once all invoices related to the project have been paid. The project team is forecasting to spend any remaining balance of funds towards the building security and safeguards work.

The costs for the water remediation work and payments related to the City's insurance claim are not reflected in the financial analysis above. A separate reporting on the costs of the water event will be submitted once the insurance claim is finalized with the insurance company.

The WPS building safeguard work is not part of this project and therefore not reflected in the financial analysis above.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 19, 2016

Project Name:

**Winnipeg Police Headquarters Redevelopment
Project**

COMMENTS:

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

"Original Signed By"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

None required.

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property & Development / Winnipeg Police Service
Prepared by: Jeff Dibley – PPD – Project Director
Jason Ruby – Corporate Finance, Manager of Capital Projects
Date: August 19, 2016

Winnipeg Police Services Headquarters Project
as at June 30, 2016

Project Component	Capital Budget			Capital Expenditure Forecast				Surplus (Deficit)	Variance Last Report	Change in Variance
				Actual Costs			Total			
	Original	Adjustment	Revised	To June 30 2016	2016	2017	Forecast	From Revised Budget		
Engineering, design and other costs	\$ 17,900	\$ (2,009)	\$ 15,891	\$ 15,722	\$ 821	\$ 220	\$ 16,763	\$ (872)	\$ (872)	\$ -
Construction										
- Building	\$ 116,227	\$ 19,581	\$ 135,808	\$ 135,770	\$ 125	\$ -	\$ 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	\$ 10,411	\$ -	\$ -	\$ 10,411	\$ 158	\$ 158	\$ -
	\$ 137,100	\$ 17,374	\$ 154,474	\$ 154,284	\$ 125	\$ -	\$ 154,409	\$ 65	\$ 65	\$ -
Office Tower renovations charged to project (*)	\$ -	\$ 1,835	\$ 1,835	\$ 1,515	\$ -	\$ -	\$ 1,515	\$ 320	\$ 320	\$ -
sub-total	\$ 155,000	\$ 17,200	\$ 172,200	\$ 171,521	\$ 946	\$ 220	\$ 172,687	\$ (487)	\$ (487)	\$ -
Corporate charges - to represent construction period interest	\$ 7,000	\$ (1,000)	\$ 6,000	\$ 5,513	\$ -	\$ -	\$ 5,513	\$ 487	\$ 487	\$ -
Total	\$ 162,000	\$ 16,200	\$ 178,200	\$ 177,034	\$ 946	\$ 220	\$ 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.
GMP contract of \$156,327 = \$154,409 (included in construction above) plus \$1,918.

All figures are in \$000