

Minutes - Standing Policy Committee on Finance - June 4, 2015

REPORTS

**Item No. 9 Winnipeg Police Service Headquarters Redevelopment Project –
Financial Status Report No. 9 for the Period Ending March 31, 2015**

STANDING COMMITTEE DECISION:

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

Minutes - Standing Policy Committee on Finance - June 4, 2015

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. 9 FOR THE PERIOD ENDING March 31, 2015

Critical Path: STANDING POLICY COMMITTEE ON FINANCE

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
J. Dibley/J. Ruby	Devon Clunis/ Marc Pittet	Mike Ruta	Doug 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 March 2015, the following is an update as to the status of the WPS Headquarters project:

- In February 2015, Change Orders were issued to the contractor to address the water damage including electrical, mechanical and architectural remedial work.
- In March 2015, two transformers for the Office Tower (HVT-3 and HVT-5) were tested and re-certified for use. The third one (HVT-4) is being replaced under the insurance policy. The insurers will not fund the purchase and install cost of two new units (HVT-3 and HVT-5) as the units have been re-certified for use.
- The City is proceeding to replace the units as previously, the project's consultant engineers recommended replacing HVT-3 and HVT-5 (and HVT-4), due to their age, moisture damage, and future operational risk. Replacement of transformers HVT-3 (and HVT-4) is critical as it provides an added level of redundancy with the ability to provide

emergency power on a longer term basis if the WPS primary electrical service and redundancy systems were to suffer a catastrophic failure.

- The project is currently on track to the revised occupancy target of Fall 2015.
- 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.

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 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.

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.

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.

In February, 2015, Change Orders were issued to the contractor to address the water damage including electrical, mechanical and architectural remedial work.

MAJOR CAPITAL PROJECT ADVISORY COMMITTEE

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

Michael Jack, Chief Operating 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

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% 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 construction contract is largely a holdback to address any construction deficiencies. The remedial work from water damage caused by the August 21, 2014 rain storm continues to be coordinated with the contractor and 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:

- 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.

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, 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 Building – WPS occupancy	Fall 2015 (estimated)	-

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.

In the last report to SPC Finance, the target date for the WPS to begin moving into the building was revised to Fall 2015. A requirement to achieving building occupancy is the certification of the building fire and life safety systems, which requires the new transformers to be installed and certified for use prior to the fire and life safety certification testing being completed. Installation of the transformers is scheduled to be complete by mid June 2015. The construction project total performance is scheduled to be complete by June 30, 2015. After that, the City will take over the building and additional Building Safeguard work will be completed by PP&D Municipal Accommodations division.

The WPS will begin moving into the building once the Building Safeguard work has been completed, currently on track for the Fall 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	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	\$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 \$460,523.

(**) – 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 \$4,441,025

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.

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 conducted 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 Change Orders and claim invoices (construction costs, professional services, delay claims) prior to submitting them to the insurance company.

Transformers HVT-3, HVT-4 and HVT-5 have been ordered to reduce the risk of a future failure. Even though HVT-3 and HVT-5 are re-certified, they are water damaged, over 50 years old, and 'stressed' due to the testing for re-certification purposes. Now is the optimal time to replace the transformers as there is minimal disruption to tenants given that both the Office Tower and the WPSHQ are largely unoccupied and under minimal electrical loads. Delaying replacement would result in higher cost due to new efficiency requirements and inflation associated with the cost of materials.

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-14	31-Mar-15
			Report to Council	Quarterly Status to SPC Finance	Quarterly Status to 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)	\$ (8,097)	\$ (8,103)
Construction interest - <i>forecast</i>			\$ (6,000)	\$ (6,000)	\$ (5,513)
Redevelopment cost (**)	A		\$ 177,379	\$ 176,703	\$ 177,184
Building size (sq. ft.)	B		606	631	631
Cost per square foot	A divided by B		\$ 293	\$ 280	\$ 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.

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.

The cost per square foot has increased by one dollar per square foot due to the reduction in forecasted construction period interest expense.

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. included 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%
	<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 March 31, 2015 (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	\$ 136,382	\$ 574	\$ 487
- Shooting range facility	\$ 8,097	\$ 8,103	\$ 6	\$ -
- Furniture, fixtures & equipment (including security)	\$ 10,569	\$ 10,459	\$ (110)	\$ -
	\$ 154,474	\$ 154,944	\$ 470	\$ 487
Office Tower renovations charged to project	\$ 1,835	\$ 1,515	\$ (320)	\$ -
sub-total	\$ 172,200	\$ 172,687	\$ 487	\$ 487
Corporate charges - to represent construction period interest	\$ 6,000	\$ 5,513	\$ (487)	\$ (487)
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 project is being forecasted to be within the amended 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. Expenditures not relating to the insurance claim have been minimal since the last reporting to SPC Finance. The majority of the expenditures remaining on the construction contract are a holdback meant to address minor construction deficiencies, which will be cleared prior to substantial performance.

Interest has been charged to the project from the time of debt issuance up until May 2014. Principal has been charged to the PP&D operating budget. After May 2014, both interest and principal were charged to the PP&D operating, as budgeted. The 2014 operating budget was based on the best estimate of completion dates when that budget was prepared. Interest charges to the project total \$5.513 million. As both principal and interest payments have been budgeted in the 2014 and 2015 operating budgets, no additional interest charges are anticipated to the project. The remaining balance of \$487 thousand has been transferred to project contingency to address other project costs.

Concerning the high voltage transformers, after the rain event, the City's consulting engineers and electrical contractor inspected the transformers. Building code inspectors also issued an Order to Comply to have all transformers re certified for use. At that time, approval was given to temporarily re-energize the two new transformers (HVT-1 and HVT-2) serving the WPS Headquarters and 2 existing transformers (HVT-3 and HVT-5) serving the Office Tower. These 4 units were re-energized and placed in temporary operation.

Transformer HVT-4 had failed and was not able to be re-energized and is being replaced by the insurers. The transformer HVT-4 primarily services the Office Tower, but also provides power for the fire suppression (sprinkler) system for both the WPSHQ and the Office Tower

Both HVT-3 and HVT-5 were still required to pass recertification testing to be permanently placed back into service. Prior to testing, it was expected that one or both units would not pass the recertification testing. Specifically, HVT-5 was re-energized but expected to fail testing and HVT-3 was re-energized but anticipated to be a marginal pass on testing (i.e. —expected to pass/but could fail).

In order to remain on the project schedule and not incur any further delays in the City taking possession of the building, the 3 transformers for the office tower were ordered prior to testing. The transformers are custom manufactured units and require considerable lead time (12-16 weeks lead time to order, ship and install).

Testing has subsequently occurred and two of the three Office Tower transformers passed (HVT-3 and HVT-5) and were re-certified for use. As the transformers have passed the testing, the City's insurers will not cover the cost of the two new transformers (HVT-3 and HVT-5).

If the City subsequently canceled the order for the two transformers (HVT-3 and HVT-5), there would have been a significant cancellation penalty (100% of the purchase cost) plus the cost to re-install the existing electrical equipment to the original configuration. Further, the City's consulting engineers recommended that the City proceed with the replacement of HVT-3 and HVT-5 due to their age (over fifty years), moisture damage and future operational risk. It should be noted that the testing required for the re-certification 'stresses' the units and causes further damage to the units.

The cost of proceeding with the replacement of HVT-3 and HVT-5 is estimated at \$300 thousand, net of insurance proceeds. As transformer HVT-3 provides additional redundancy in the ability to provide back-up power to the WPSHQ in the event of failure of the transformers that normally service the HQ building, the additional cost of replacing HVT-3 will be charged to the WPSHQ project. As HVT-5 exclusively services the Office Tower and does not provide any redundancy to the WPSHQ, the additional amounts will be charged to the Insurance Reserve Fund. An over-expenditure report will be forwarded to the CFO for approval once costs have been finalized. There is sufficient budget within the project to fund the additional amounts related to the replacement cost of transformer HVT-3. As HVT-5 has been damaged, replacement is consistent with the terms and conditions of the Insurance Reserve Fund.

FINANCIAL IMPACT

Financial Impact Statement Date: [May 21, 2015](#)

Project Name: Winnipeg Police Headquarters Redevelopment Project

COMMENTS:

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

Mike McGinn, CA
Manager of Finance & Administration

CONSULTATION

None required.

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property & Development/Winnipeg Police Services

Prepared by: Jeff Dibley – PPD – Project Director

Jason Ruby – Corporate Finance, Manager of Capital Projects

Date: May 21, 2015

Winnipeg Police Services Headquarters Project

as at Mar 31, 2015

Project Component	Capital Budget			Capital Expenditure Forecast			Surplus (Deficit)	Variance Last Report	Change in Variance
				Actual Costs		Total			
	Original	Adjustment	Revised	To Mar 31 2015	2015	Forecast	From Revised Budget		
Engineering, design and other costs	\$ 17,900	\$ (2,009)	\$ 15,891	\$ 15,187	\$ 1,041	\$ 16,228	\$ (337)	\$ (337)	\$ -
Construction									
- Building	\$ 116,227	\$ 19,581	\$ 135,808	\$ 135,822	\$ 560	\$ 136,382	\$ (574)	\$ (87)	\$ (487)
- 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	\$ 1,831	\$ 154,944	\$ (470)	\$ 17	\$ (487)
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	\$ 169,790	\$ 2,897	\$ 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	\$ 175,303	\$ 2,897	\$ 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 (included in construction above) plus \$1,918.

All figures are in \$000

