

Regional Municipality of York Police Services Board

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To Make a Difference in Our Community

September 25, 2008

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and Deputy Mayor

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Regional Council
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Regional Council
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Executive Director

Connie Phillipson

Mr. Denis Kelly
Regional Clerk
The Regional Municipality of York
17250 Yonge Street
Newmarket, Ontario
L3Y 6Z1

**REGION OF YORK
CLERK'S OFFICE**

FILE No. - 904

Dear Mr. Kelly:

At its meeting on September 24, 2008, the Regional Municipality of York Police Services Board received the attached report from Chief Armand P. La Barge entitled *Investigative Services and Support Services Facility* and subsequently approved the following four recommendations:

1. That the Board approve the release of the stipulated bid construction tender for the Investigative Services and Support Services Facility (ISSF); and
2. That the Board approve the total capital budget for the ISSF project totaling \$81,700,000; and
3. That the Board forward its recommendation to the Region of York Finance and Administration Committee for the release of the construction tender with an estimated hard construction cost of \$65,600,000 plus applicable taxes; and
4. That subject to the approval of Regional Council, that the Regional Chairman and Regional Clerk be authorized to execute the agreement with the successful bidder, subject to the approval of the Regional Solicitor as to form and content.

Therefore, in accordance with the Board's resolution, I request that you forward this correspondence to Regional Council through the Finance and Administration Committee.

Yours truly,

Connie Phillipson
Executive Director

Attachment

c. Regional Councillor Danny Wheeler, Chairman



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York Regional Police

Chief of Police
Armand P. La Barge

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THE REGIONAL MUNICIPALITY OF YORK POLICE SERVICES BOARD

REPORT OF THE CHIEF OF POLICE

24 SEPTEMBER 2008

Investigative Services and Support Services Facility

RECOMMENDATIONS

1. That the Board approve the release of the stipulated bid construction tender for the Investigative Services and Support Services Facility (ISSF); and
2. That the Board approve the total capital budget for the ISSF project totaling \$81,700,000; and
3. That the Board forward its recommendation to the Region of York Finance and Administration Committee for the release of the construction tender with an estimated hard construction cost of \$65,600,000 plus applicable taxes; and
4. That subject to the approval of Regional Council, that the Regional Chairman and Regional Clerk be authorized to execute the agreement with the successful bidder, subject to the approval of the Regional Solicitor as to form and content.

SYNOPSIS

At the September 28, 2005 meeting of the Board, Minute 324 item (c) of the recommendations, the Chief of Police was authorized to commission a workplace needs analysis, detailed design and construction cost estimate for the Investigative Services and Support Services facility. The new building is required to house the growing number of staff members in each area. Staff is currently housed in 3 leased facilities and at York Regional Police Headquarters. In April 2006, 8.158 acres of land was approved for purchase and Parkin Architects limited was retained to complete the design of the facility and to provide contract administration and site inspection services during the construction phase of the project.

At its May 31, 2007 Board meeting, the Board was provided with options for the proposed square footage of the building. By Minute 142 of the meeting, the Board approved Option 2 of the Investigative Services and Support Services Facility with a shell floor for future expansion. The new facility will be comprised of approximately 237,390 square feet at a total estimated cost of \$81,639,310. Since that time, the Schematic Design, Detail Design and 90 percent of the construction documents have been completed. The built-out floors have been planned to accommodate 550 staff by 2015. The facility will have 643 parking spots, as well as parking for specialty vehicles. The shelled space is 59,000 square feet and will be used for future expansion.

Cost estimates have been completed during each phase of the project with the most recent estimate for the total project cost at \$81,639,000. With the necessary approvals, construction is expected to commence in February of 2009 with the anticipated 100 percent completion by August 2010. It is expected that 430 staff will move into the facility in 2010.

FINANCIAL IMPLICATIONS

Cost Estimates

Cost consultants were contracted by York Regional Police to provide estimates for hard construction and ancillary costs of the Project. Ancillary costs are identified as the cost of land, permits and studies, professional fees such as architects, consultants and specialist, cost for IT equipment, building systems and security, furniture, fixtures and equipment. The most recent cost estimate is \$65,600,000 for hard construction costs and \$16,039,000 for ancillary costs, for a total project cost of \$81,639,000. To date, \$3,833,212 has been spent on the project with an additional \$1,325,000 in outstanding commitments for 2008.

Project Funding

Police facilities are funded from a combination of debentures repaid from tax levy and development charges, estimated to be \$39,272,000 or 48.1 percent from development charges and \$42,367,000 or 51.9 percent from debenture issues.

Cost Benefit (Lease versus Buy analysis)

A net present value (lease vs. buy analysis) calculation was prepared that showed payback, the time when purchasing becomes more affordable than leasing, occurred in year 16. The key assumptions included: lease rates at \$30 per square foot, a discount rate of 3 percent, debt interest at 5 percent and leased space increasing by 28,000 square feet per year for seven years, such that the amount of leased space equaled the build space in year 2015. It should be noted that our analysis focused on the financial payback and specifically excluded the LEED™ qualitative factors for anticipated social and welfare benefits.

BACKGROUND

The need for additional space has been identified within the York Regional Police Capital Budget since 2002. Initial goals for additional space included having adequate facilities in place through to 2026 as required by the Police Adequacy Standards, to improve operational efficiency and to enable capital budget planning. In 2004, "YRP Facilities Forecast 2005-2009"

was developed by Project Management staff to assist the Executive Command Team to prioritize facility requirements. At its September 28, 2005 meeting, the Board received the 2006 Capital Budget inclusive of \$3.5 million for the start-up costs of the Investigative Services and Support Services facility.

At that meeting, the Board adopted recommendations to consolidate the multiple existing leased facilities, to enter into negotiations regarding land acquisitions, to commission a workplace needs analysis, detailed design and construction cost estimate for the facility. The Board also received a presentation "York Regional Police Facility Requirements Analysis" from SNC Lavalin ProFac Inc. The SNC Lavalin ProFac Study indicated that existing facilities had no room for growth, are poorly located, lack storage and as a result, the command is fragmented. The facility analysis estimated the square footage of a new building to be 175,000 square feet with 719 parking stalls, the site to be centrally located along the 404 corridor and the need for the building immediately in 2006. At the time of this presentation, LEED™ was not a factor, nor were specific requirements established for specialty vehicle parking for covert vehicle and Support Services emergency vehicles and the Ontario Building Code requirements for Police Emergency Support Facilities.

At its April 26, 2006 meeting, the Board approved a land purchase for 8.158 acres in the Town of Aurora in addition to the Hallgrove property resulting in a total land cost of \$1,936,210 (exclusive of GST). The Board also awarded the architectural services contract to Parkin Architects Limited. Subsequently, at its April 23, 2008 meeting, the Board approved an increase to architectural fees due to the increasing scope of the project to a building size of 237,000 square feet and increased construction cost of the facility

On April 27, 2006, Regional Council approved a minimum sustainable design and construction standard of LEED™ Silver for new Regional Facilities over 500 square metres (5382 square feet) gross floor area. The report presented to Council indicated LEED™ incremental cost associated with the Silver certification was in the range of 2.5 to 3.5 percent. The cost consultant estimates based on past projects was 7 percent. In addition, the LEED™ Silver component for the building has been included in the project cost and is estimated at \$4 million.

From August 2006 to February 2007, a detailed functional program space analysis was completed by Parkin Architects Limited, along with staff from Investigative Services and Support Services Project Team. The program established a space requirement of 178,043 square feet and 502 parking spots plus special purpose parking.

On January 17, 2007, cost consultants AW Hooker Associates Ltd. were contracted by York Regional Police to work with Parkin Architects to provide the cost estimates for the project. The cost estimates are completed at four stages throughout the project to be refined during the course of the detail design. The anticipated completion date of the project is August 2010. This, however, is dependent on the construction tender being released in early November of 2008. Changes to this timeframe will result in possible cost escalation to the project as well as a delay in occupancy. Cost consultants have estimated that every month of project delay prior to getting the construction tender out could result in a cost increase of \$400,000 per month based on the 7 percent escalation per year for construction costs.

At its May 31, 2007 meeting, the Board received a presentation entitled "Investigative Services and Support Services Facility Project Update." The board approved "Option 2" with a shell floor of office space (and an additional level of parking of 122 spots) for future expansion approximately 237,390 square feet at a total cost of \$ 81,639,310. In addition, the Board

approved Parkin Architects to proceed with the Schematic Design Phase of the project. This phase was completed by November of 2007.

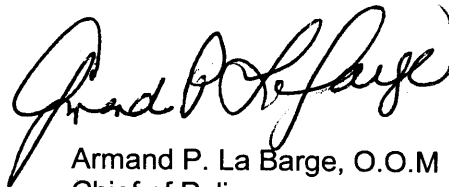
At its Board meeting November 21, 2007, the Board received a presentation from Parkin Architects entitled "York Regional Police Investigative Services Building". At a follow-up meeting on January 23, 2008, the Board confirmed its commitment to LEED silver and approved Parkin Architect to proceed with Phase 2 of the project, the Detailed Design and preparation of the construction documents.

During the period from February 2008 to September 2008, the Detailed Design Phase of the project was completed, as well as two additional cost estimates. The cost estimate gets defined more accurately as the project design becomes more detailed. Each cost estimate resulted in an increase in the construction costs and through the design process with the various consultant disciplines and refinement of details the costs are still within total estimated cost of \$81,639,310.

At the current time, site plan applications have been submitted to the Town of Aurora Planning Department with an anticipated approval in November 2008. Once the building department is satisfied with all of the documents, it will be submitted to the Committee in General and subsequently Aurora Council for final approval. Due to the scope of this project, a Request for Pre-Qualification for the General Contractor and major Mechanical and Electrical Contractors has been released by the Region of York Supplies and Services Branch. The document was vetted by the Supplies and Services Supervisor of Capital Procurement and approved by the Region of York's Legal Services Branch. The document was released on September 4, 2008, and is scheduled to close on September 25, 2008. The successful Pre-Qualified contractors will be eligible to bid on the tender once it is issued.

In order to meet the necessary timelines to ensure construction can start in early 2009 and be completed by mid - 2010, approvals to proceed with the Construction Tender from the Police Services Board followed by its recommendation to the Region of York Finance Committee with subsequent approval by Regional Council are required to release the tender document in early November 2008. The document will be released by the Region of York Supplies and Services Branch. Meeting this timeline will provide for a 4-6 week period for the construction tender to be out and will allow for a 2 week review of the tenders.

APL/bs



Armand P. La Barge, O.O.M
Chief of Police