File #: BIR-27-019, **Version:** 1

TAMRMS#: B05

BUDGET INFORMATION REQUEST (BIR) - Fire Hall 4: Construction Completion Requirements
Requested by: Councillor Hughes
Date of Request: October 25, 2026
Date Response Due: October 30, 2026
Confidential: No

QUESTION

For Fire Hall 4, is there a firm construction completion date in the contract and are there penalties for not meeting the date?

RESPONSE

No, the Contract does not establish a fixed construction completion date or include schedule-based penalties for late completion. This is because the project is being delivered through a collaborative project delivery model called Integrated Project Delivery (IPD) rather than a traditional design-bid-build approach. An IPD contract is a multi-party agreement designed to improve construction project outcomes by aligning incentives, sharing risk and reward, and fostering transparency across all phases of the project.

Under the IPD approach, key project milestones, including readiness for occupancy, are developed collaboratively by the project team during the early stages of the project and approved by the City before moving forward. Progress against these milestones is actively monitored throughout delivery.

Instead of relying on contractual penalties, the IPD model uses a shared risk-and-reward structure that directly links financial outcomes to overall project performance. In this type of contract, each party's profit is pooled and can be reduced or eliminated if project costs exceed agreed target amounts. Conversely, savings generated through efficient project delivery may be shared among the team members.

Because team profits are pooled and dependent on collective project performance rather than individual delay claims, the parties are financially and culturally incentivized to solve schedule delays collaboratively. This framework aligns the interests of all parties and encourages collaborative problem-solving to address risks, mitigate potential delays, and achieve the best possible outcomes for the City.

Currently, the City is targeting the completion of Firehall 4 in the first quarter of 2028.

Report Date: October 29, 2026

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