

# Daniel J. MacDonald (DJM) Building Modernization

## Issue

- Analysis by Public Service and Procurement Canada (PSPC) determined that the Daniel J. MacDonald Building required a multi-million dollar renovation to address the operational needs and aging building systems.

## Context

- The Daniel J. MacDonald Building is located in Charlottetown, Prince Edward Island and has served as the national headquarters for Veterans Affairs Canada since it opened in 1984.
- PSPC is responsible for the majority of the costs for the project.

## Key Updates

- Construction began in July 2023 with completion planned for 2026.
- VAC's employees will not work in the building during the renovation. Keeping the building empty of employees eliminates construction-related disruptions to operations, and any health and safety risks to our staff.
- Spaces in our other buildings were converted to provide the most flexibility for our employees and optimizes efficient use of our facilities.
  - During the renovation, VAC will occupy space in 9 facilities including new temporary facilities that we were acquired for the department's use during the renovation period. This ensures that VAC will continue to have a strong presence in Charlottetown during the renovation.
- Throughout the renovation, the delivery of programs and services for Veterans and their families will not be impacted.
- Contract
  - On April 28, 2023, Public Services and Procurement Canada (PSPC) awarded a \$93.1 million contract to Pomerleau Inc. for construction services related to the modernization of the Daniel J. MacDonald Building in Charlottetown, Prince Edward Island.
  - A contract for these services had been previously awarded to EllisDon Corporation on February 17, 2023, following a competitive procurement process. That contract was subsequently terminated after PSPC determined that the department had inadvertently and unknowingly erred during the procurement process. The error resulted in Pomerleau Inc.'s bid being incorrectly considered non-compliant.

- The bid submitted by Pomerleau Inc. meets all the requirements of the procurement, presenting the highest combined rating for the Indigenous Participation Plan and price, as required under the solicitation.
- PSPC and Pomerleau Inc. began construction activities in July 2023. Construction is still expected to be completed in 2026.
- PSPC has initiated an internal review to identify potential improvements that can be made to its policies and procedures in order to prevent a similar situation from occurring in the future.
- A Canadian International Trade Tribunal (CITT) complaint had been filed by the EllisDon Corporation in response to the contract which the CITT has ruled in favor of EllisDon. Impacts of this ruling are still in discussion, however it is not expected to impact work on the building construction.