

RCMP Transition Feasibility Study, Province of New Brunswick

Transition Cost Model

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Executive Summary

1. Executive Summary

The Transition Cost Model (“cost model”) presented in this report is part of the RCMP Transition Feasibility Study (“Study”) commissioned by the Government of New Brunswick. This cost model has been developed to summarize the total estimated one time transition costs that will be incurred over the proposed 10-year period, from FY22 - FY23 to FY31 - FY32, to fully transition from the RCMP to the New Brunswick Provincial Police Service (“NBPPS”). The model assumes NBPPS will be operationalized per the proposed future state model, with a total of 1,603 FTEs operating across 39 detachments to provide policing services to the province by FY31 - FY32 .

The model inputs were derived from data sources provided by the Department of Justice and Public Safety (JPS) as well as benchmarks and publicly available data sources. The cost model has been structured to summarize costs by workstream, as identified in the Phase 3 High-Level Transition Roadmap report, across the five stages of the transition. Costs within each workstream have been further classified as either operating expenses (OPEX) or capital expenditures (CAPEX). The total transition cost over the 10 year transition period is estimated to be ~\$258m, with ~\$200m of operating expenses and ~\$58m of capital expenditures.

Project NBPPS

Transition Model - Cost Summary

CAD '000s

Project Stage	Stage 1	Stage 2	Stage 2 & 3	Stage 3	Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement	Prepare to Give RCMP Notice	Establish NBPPS	Prepare to Go Live	First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22 - FY 24	FY 25	FY 26 - FY 27	FY 28 - FY 29	FY 30	FY 31	FY 22 - FY 32
Estimated Total Cost	\$5,014	\$4,359	\$14,124	\$113,028	\$120,056	\$2,082	\$258,664
OPEX	\$5,014	\$4,134	\$12,227	\$84,337	\$92,407	\$2,082	\$200,201
CAPEX	-	\$225	\$1,897	\$28,690	\$27,649	-	\$58,462

Additional details on the methodology and key assumptions used in the model are discussed in Section 2.

It is important to note that the relationship between the transition timeline and transition cost is not linear. If the timeline was shortened, or extended, the largest impact would likely be seen in the following cost categories:

- Transition Management Office; extending or reducing the transition timeline would impact TMO costs as the salaries and benefits for all members of the transition office are considered transition costs
- Human Resources; as NBPPS salaries and benefits are considered transition costs prior to Day 1, extending or reducing the transition timeline could impact the total transition cost
- RCMP Transition Cost; extending or reducing the period of time with overlapping policing capabilities could have a significant impact on transition cost

While categories such as Real Estate, Equipment, and Technology would show little change in total cost.

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Transition Cost Model

2. Transition Cost Model

2.1 Transition Cost Model Overview

A cost model was developed, based on the transition roadmap presented in the Phase 3 High-Level Transition Roadmap report, to summarize the one time transition costs that will be incurred between FY22 and FY32 to fully transition from the RCMP to the NBPPS as the provincial police force. This section will summarize the methodology used to develop the transition cost model, key assumptions, and the transition costs by major cost categories.

The estimated total cost to transition to NBPPS, by stage, is shown in *Exhibit 1* below:

Exhibit 1: Total Transition Costs by Stage

Project NBPPS

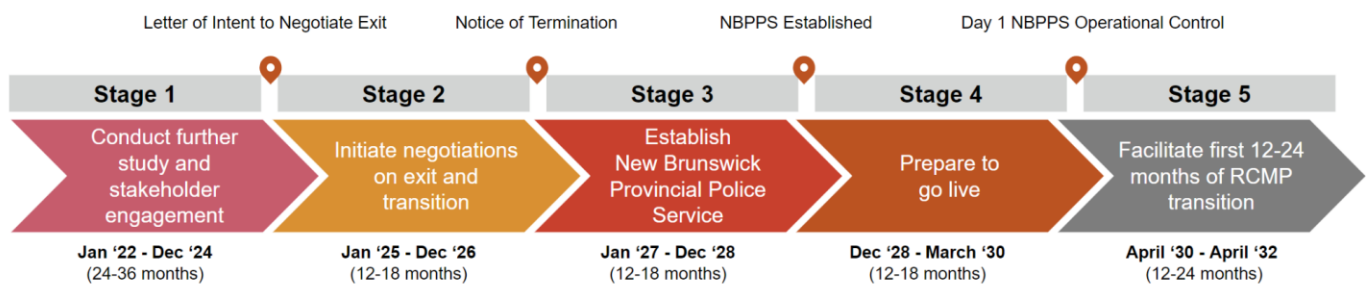
Transition Model - Cost Summary

CAD '000s

Project Stage	Stage 1	Stage 2	Stage 2 & 3	Stage 3	Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement	Prepare to Give RCMP Notice	Establish NBPPS	Prepare to Go Live	First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22 - FY 24	FY 25	FY 26 - FY 27	FY 28 - FY 29	FY 30	FY 31	FY 22 - FY 32
Estimated Total Cost	\$5,014	\$4,359	\$14,124	\$113,028	\$120,056	\$2,082	\$258,664

The transition cost model uses the parameters for the future state model outlined in the Phase 3 report, including overall timing, headcount, resource mix, and number of detachments. Additional modeling would be required to assess the transition costs for other future state design options. The transition cost model assumes the deployment of NBPPS will be staggered, with the appropriate corresponding RCMP ramp down, as shown in *Exhibit 2*.

Exhibit 2: NBPPS Deployment Timeline



Stage #	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)	
Year #	1	2	3	4	5	6	7	8	9	10
Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
RCMP deployment	100%	100%	100%	100%	100%	100%	100%	100%	50%	0%
NBPPS deployment	0%	0%	0%	0%	0%	0%	20%	50%	100%	100%

2.2 Underlying Assumptions and Data Sources

Inputs to the transition cost model were derived from data provided by the Department of Justice and Public Safety (JPS) as well as benchmarks and publicly available data sources.

The cost model has been structured to estimate the transition costs using the same categories identified in Section 4 of the Phase 3 Transition Roadmap report. As major cost areas, human resources, real estate, and equipment costs have also been shown separately. The full list of cost categories, and their associated assumptions, are listed below:

- Transition Office (TMO):** The model assumes that the TMO will consist of Government of New Brunswick secondments, including a director-level resource from JPS, as well as the NBPPS Chief of Police. TMO costs include salaries and benefits for the Chief of Police, JPS director, transition project leads, core transition team, subject matter experts (SMEs) and delivery team as well as any additional costs for IT equipment used by the team. The Chief's salary is considered part of the TMO from FY26 - FY29, while the RCMP is still the provincial police force. From FY30 onwards (when the first

group of detachments transition to NBPPS), the Chief's salary is assumed to be an operational cost and no longer a transition cost.

- **Legal, Legislative & Negotiations:** A key assumption is that the majority of work in this area will be performed by resources from the Department of Justice and Public Safety and other Government of New Brunswick offices as part of their regular duties. Therefore this category only includes the costs associated with hiring external legal counsel for specialist support. This will need to be further validated with the Government of New Brunswick.
- **Governance:** This category includes the costs to design the governance structure for NBPPS, and establish the agency, commission, sub-committees, civilian body oversight, and local commissions. It has been assumed that this work would be performed entirely by internal resources.
- **Community Policing (Front Office):** These costs include conducting further analysis and developing/refining NBPPS operating models, negotiating and executing facilities and asset transfer agreements, and detailed transition planning.
- **Indigenous Policing:** This represents the costs to create a plan for stakeholder engagement to work collaboratively with Indigenous groups, conduct stakeholder engagement, and develop a detailed policing and funding model driven by the feedback received.
- **Human Resources:** These costs include recruitment and training costs for NBPPS employees, the cost to transfer benefits and pensions (for members transferring from the RCMP), and labour relations costs. The salaries and benefits for NBPPS employees who will be hired prior to the actual operationalization of NBPPS in FY28 - FY29 are also included as transition costs. Starting from FY30, these costs are assumed to be an operational cost and are excluded from the model. It has been assumed that 80% of the future NBPPS workforce will be unionized, which will increase the cost of labour relations. The increased cost was estimated by using the per capita cost for labour relations management under the Alberta Union of Provincial Employees (AUPE) as a proxy for the cost under the New Brunswick Union of Public and Private Employees (NBUPPE). The potential to form future unions and cost impact is unknown at this time and should be assessed when more information is available.
- **Real Estate:** Real estate costs are the estimated costs to acquire RCMP owned detachments and living quarters. It has been assumed that all owned and leased detachments and living quarters will be transferred, with a nominal fee required to transfer leases to NBPPS. The list of owned buildings, their age in 2022, and square footage was obtained from the Accommodations Program Five-Year Reconciliation report and a 10% discount was applied to all buildings based on the RCMP assessment of the physical condition of the buildings; the actual condition of the buildings will need to be determined in future assessments. The cost to acquire land and other buildings, such as storage, garage spaces, and a forensic lab, is not included (see Limitations of the Cost Model below).
- **Equipment:** This represents the estimated cost to acquire the existing inventory of firearms, safety equipment, investigational aids, communications devices and other hardware, end-user IT equipment, and fleet from the RCMP. Additional equipment costs include the costs to purchase new uniforms and retrofit the acquired fleet. It was assumed that all equipment to be transferred from the RCMP is in good working condition and fit for transfer. The cost model assumes that no new equipment will be purchased during the transition period.
- **Technology:** These costs include the resource costs for systems implementation, setup of data centers, networks, disaster recovery, as well as security enhancements. The data center and disaster recovery configuration has been assumed based on industry average but needs further validation using the data usage metrics from current RCMP operations. The technology landscape assumes NBPPS will leverage existing provincial systems (e.g. Oracle Fusion Cloud, RMS, LMS, CAD) and that all other systems are transferable to NBPPS with no new license purchases required. A contingency of 20% of the estimated technology cost has been included due to current uncertainties surrounding the exact system specifications and requirements.
- **Change Management & Communications:** These are the estimated resource costs to create a communications plan for engagement with municipalities and Indigenous communities, develop and execute change management and communications plans, develop a culture management plan, and onboard NBPPS employees.
- **Transition Period RCMP Service Cost:** This represents the costs of having overlapping policing capabilities as NBPPS will be established in advance of existing RCMP services ramping down to ensure a seamless transition. As NBPPS prepares to take responsibility for policing detachments, it will need to employ all the required staff and train them to reach operational readiness before the handover from the RCMP can take place. It should also be expected that there will be a ramp down period after the RCMP handover to ensure that NBPPS has the appropriate support as they ramp up. The exact nature and timing of the operational transition will need to be determined by the Chief of Police, with appropriate input from stakeholders, which will impact the transition cost. Currently this cost has been estimated to be equivalent to six months of the FY20 - FY21 RCMP policing cost charged to provinces and municipalities, phased over the course of the operational transition period. Note that the FY20 - FY21 RCMP policing cost has been adjusted to include the estimated impact of the April 1, 2022 RCMP regular member salary increase.
- **Other Transition Costs:** These are the costs associated with setting up finance processes (e.g. general ledger, bank accounts) and updating branding, including new signage for buildings, literature, and stationery.
- **OPEX vs. CAPEX Costs:** Costs within each category have been classified as either operating expenses (OPEX) or capital expenses (CAPEX). Within the context of this cost model, OPEX includes costs related to people and delivery of processes. For example, all salaries and benefits related to the TMO are considered to be OPEX. CAPEX includes costs related to the acquisition of assets. For example, the IT equipment that will be used by the TMO team is considered to be CAPEX. Note that this split is indicative and has not been reviewed against Government of New Brunswick finance policies.
- **Internal and external resource costs during the transition period:** The resources working towards this transition have been accounted for based on the below categories:

Internal resources from the Government of New Brunswick who would be performing their usual activities in relation to this transition have not been included as a transition cost (e.g. employees working towards passing legislation, negotiations with RCMP, governance standup, community policing standup, operating model design)

Internal resources from the Government of New Brunswick who would be seconded to the NBPPS transition team to perform specific transition-related activities have been included in the transition cost using an hourly rate of \$46 (based on average salary across Analyst, Manager and Senior Manager grades). These resources, under the guidance of the core transition team, would be involved in the execution of the activities identified in the transition plan. It has been assumed that these resources would be responsible for the execution of Information Technology, Human Resources, Policing capabilities/services, Equipment, Facilities, Legal, Indigenous Policing, and Communications and Change Management related transition activities.

External resources from 3rd party vendors contracted for specialist support have been costed using the industry average hourly rate based on their area of expertise. These resources would be involved in specific technology assessments and implementation, operating model design, as well as Indigenous policing model design.

Limitations of the Transition Cost Model

The transition cost model reflects the level of detail that is currently available from the data provided. As further detailed assessments are conducted to develop the detailed operating model and its requirements, the cost model should be updated to reflect changing assumptions and additional information that may become available.

The model is driven significantly by benchmark assumptions surrounding the level of effort (working hours) and the respective resource costs that will be required to perform the various transition processes across the different cost categories. Additionally, the cost to acquire assets from the RCMP, such as equipment and real estate, are based on RCMP replacement costs, high-level fair market value estimates, and estimates of remaining useful life of fleet and equipment. As a result, there are some limitations to this model which need to be highlighted and would benefit from further work. The key areas we recommend for further exploration are listed below:

- **Real Estate Fair Market Value:** The cost to acquire detachments and living quarters has been estimated based on the StatsCan non-residential building construction price index, the acquisition year, the replacement cost per square meter, and the percentage of fair market value owing based on the terms outlined in Article 13 and Annex F of the PPSA. In addition, a 10% discount has been applied to the fair market value based on the estimated condition of the buildings at the time of transfer as the exact condition of each building is not known at this time. The percentage of the fair market value owing to the RCMP is based on the year the building was acquired, which accounts for the amount of original costs that have already been paid by New Brunswick. The actual fair market values of buildings will need to be assessed in detail at the time of transfer. Article 13 of the PPSA also states that the cost to transfer land or buildings will include, in addition to fair market value, 70% of all reasonable costs incurred as a result of the transfer of administration to New Brunswick, including those costs resulting from an obligation imposed by law such as those in respect of the environment. A real estate administration cost of 2% of the amount owing to the RCMP for all buildings has been included to estimate the costs associated with ownership transfer, including selling costs and administration costs as any additional costs resulting from detailed facility assessments cannot be reasonably estimated at this time and will also need to be determined at the time of transfer. It has also been assumed that the entire portfolio of 137 buildings reported by the RCMP will be acquired by New Brunswick. A decision to acquire only a portion of the portfolio would result in changes to these costs.
- **Fair Market Value of Other Buildings:** The cost to acquire "Other" J-Division buildings has not been included in this model due to insufficient data regarding the size, age, and condition of the buildings. This could be a significant additional cost and the fair market value will need to be assessed in future stages.
- **Fair Market Value of Land:** The cost to acquire the land on which J-Division buildings are located has not been included in this model due to insufficient data regarding land in use by J-Division (i.e. the size of each plot of land as well as exact locations). This is expected to be a significant cost and the fair market value will need to be appraised by the appropriate experts at the time of transfer and the exact payment amount and schedule negotiated with the RCMP.
- **Equipment Inventory and Transfer Cost:** The fair market value of the fleet was estimated based on an assumed average remaining useful life and the average cost per vehicle as reported by the RCMP in Appendix B of the Mar 31, 2021 MYFP. A detailed inventory of J-Division equipment was not provided as part of this study, therefore the fair market value of equipment was estimated using a per capita equipment cost using available K-Division equipment data, with the assumption that RCMP members would be comparably equipped across all divisions. A detailed assessment of the equipment inventory, useful life, and corresponding fair market value will need to be completed at the time of transfer. In addition, due to limited information on equipment held under the MPSA, MPSA equipment was estimated proportionally by member count. This will need to be validated with the municipalities at the time of transfer.
- **Human Resources Costs:** The cost of recruitment has been estimated to be similar to the costs incurred under the RCMP. Based on the Government of New Brunswick's recruitment requirements, the cost to include a criminal record check has been factored into the cost of recruitment. The cost of both the Cadet Training Program and local training is also assumed to be similar to the costs incurred under the RCMP. The stand up of the recruitment function will be completed by Government of New Brunswick seconded resources, who will be part of the TMO delivery team. At this stage any potential synergies or dissynergies that would result in a difference in per capita recruitment or training costs is not yet known.
- **Technology and IT Requirements:** All major systems are assumed to be cloud based and therefore will not require additional servers during transition. On-premise data centers have been assumed for critical operational systems only (which contain highly confidc

2.3 Transition Cost Model for Proposed Model

The total transition costs over the 10 year transition period from FY22 to FY32 is estimated to be ~\$258m with ~\$200m of operating costs and ~\$58m of capital expenditures.

Exhibit 3: Summary of Transition Costs*

Project NBPPS
Transition Model - Cost Summary
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Transition Office (TMO)	-	-	-	\$2,122	\$4,285	\$5,076	\$7,198	\$7,164	\$6,988	\$722	\$33,556
Legal, Legislative & Negotiations	-	-	-	\$156	\$32	-	-	-	-	-	\$188
Governance	-	-	-	-	-	-	-	-	-	-	-
Community Policing (Front Office)	\$1,344	\$80	-	\$1,382	\$154	-	-	-	-	-	\$2,960
Indigenous Policing	-	\$125	\$67	\$38	\$115	\$38	-	-	-	-	\$384
Human Resources	-	-	-	-	-	-	\$18,652	\$46,058	\$1,427	-	\$66,137
Real Estate	-	-	-	-	-	-	\$9,306	\$13,959	\$23,264	-	\$46,529
Equipment	-	-	-	-	-	-	\$1,323	\$1,984	\$3,307	-	\$6,614
Technology	\$1,152	\$614	\$1,344	\$461	\$1,496	\$2,744	\$5,432	\$1,008	\$2,554	\$1,359	\$18,163
Change Management & Communications	-	-	\$288	\$200	\$184	-	-	-	-	-	\$672
Transition Period RCMP Cost	-	-	-	-	-	-	-	-	\$81,581	-	\$81,581
Other Transition Costs	-	-	-	-	-	-	\$379	\$566	\$935	-	\$1,879
Total Transition Costs	\$2,496	\$819	\$1,699	\$4,359	\$6,266	\$7,858	\$42,289	\$70,739	\$120,056	\$2,082	\$258,664
OPEX	\$2,496	\$819	\$1,699	\$4,134	\$5,375	\$6,852	\$30,524	\$53,814	\$92,407	\$2,082	\$200,201
CAPEX	-	-	-	\$225	\$891	\$1,006	\$11,765	\$16,925	\$27,649	-	\$58,462

*Note CAPEX and OPEX split is indicative and has not been reviewed against Government of New Brunswick finance policies

As the transition is expected to take 10 years, costs for the various categories are ramped up based on NBPPS operations and ramped down based on RCMP operations. Some categories will begin to incur costs as early as FY22, in particular those related to planning and design. The ramp up of costs in several categories is aligned to the ramp up of NBPPS and the recruitment cycle. Recruitment/employee transfers for NBPPS are modeled as beginning in FY28, with the bulk of recruitment occurring in FY29 and FY30. Human resources costs, the transfer of equipment and real estate, and other transition costs such as branding are expected to be incurred at the same rate as employees are brought into NBPPS.

The detailed costs for each category are described below:

2.3.1 Transition Management Office

Transition Management Office costs account for ~13% of the total transition costs and have been estimated at ~\$34m. This represents salaries and benefits for TMO staff, including the Chief of Police. A grade mix has been assumed for the TMO (analysts, managers, and senior managers) with the cost of salaries and benefits based on publicly available pay scale data from the City of Fredericton. These costs should be validated once the exact composition of the TMO is determined. TMO resources would be involved in the execution and program management of shared service transition (e.g. recruitment of NBPPS members, system configurations, general ledger setup). Below is the breakdown of TMO resources during the transition period.

Exhibit 4: Total Number of FTEs

Project NBPPS

Transition Model - FTE Summary

FTE Type	Total # of FTEs
	Transition Period
TMO	70
Chief of Police	1
JPS Director	1
TMO Project Leads	9
Core Transition Team	20
Supporting SMEs	9
Delivery Team	30

Key responsibilities of the TMO:

- **Provide project leadership:** The TMO will provide the vision and direction for the transition, make critical decisions to drive the project forward, and resolve/escalate any risks or issues
- **Oversee the transition:** The Core Transition Team will provide daily oversight for the transition, monitor progress, develop detailed work plans by function, and manage the delivery teams
- **Negotiate RCMP exit and transition service agreements:** The TMO will manage exit negotiations with the RCMP, in collaboration with the Government of New Brunswick, and define any post-exit services that will need to be provided by the RCMP to NBPPS
- **Provide execution support:** The Delivery Team, with direction and guidance from SMEs, will execute the day-to-day activities in the transition plan such as recruiting, technology transition, procurement, etc.

The supporting SMEs and delivery team are assumed to be seconded Government of New Brunswick employees. Approximately 60% of the supporting SMEs and delivery team will be involved in IT transition efforts, 30% in human resources transition efforts, and 10% in supporting other transition activities. These resources will be involved in the actual execution of the activities identified in the transition plan, with guidance from the TMO project leads and core transition team, such as:

- **Recruitment:** Executing employee contracts, payroll set up, benefits and pension setup for new recruits as well as supporting the pension and benefits transfer for current Regular and Civilian Member recruits.
- **Infrastructure set-up:** System design and build activities for back office systems (e.g. Oracle Fusion Cloud, LMS), data segregation and migration, supporting end user testing, go-live and support. The teams will also perform activities related to developing interfaces across different platforms, setting up technology infrastructure (i.e. data centers, servers, network, telephony), and configuration of security and access controls.
- **Stakeholder management:** Negotiating exit details and Transition Services Agreements with the RCMP as well as determining services and service levels to be provided by the Government of New Brunswick (e.g. turnaround time for posting job openings).
- **Other:** Other transition activities related to finance (e.g. setting up general ledger, opening balance, bank accounts) and branding (e.g. signage removal and installation).

The Chief of Police has been assumed to be part of the TMO from FY26 to FY29. His/her salary has been estimated using publicly available salary ranges from the City of Fredericton’s “2021 Non-bargaining Management, as well as Technical and Professional employees” report. The external resource costs shown in the following workstreams are in addition to the TMO cost of supporting SMEs and delivery teams.

It has been assumed that the transition management team would be using their existing laptops and other technology devices. If additional devices are required, it has been assumed that these would be supplied under the existing Government of New Brunswick IT hardware contract.

Exhibit 5: Transition Management Office Costs

Project NBPPS
Transition Model - Transition Management Office Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Transition Office											
Chief of Police	-	-	-	-	\$176	\$176	\$176	\$176	-	-	\$706
JPS Director	-	-	-	-	\$157	\$157	\$157	\$157	\$157	\$157	\$943
Transition Project Leads	-	-	-	\$368	\$368	\$368	\$1,104	\$1,104	\$1,104	-	\$4,418
Core Transition Team	-	-	-	\$565	\$1,696	\$1,696	\$2,261	\$2,261	\$2,261	\$565	\$11,305
Supporting SMEs	-	-	-	\$352	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	-	\$5,632
Delivery Team	-	-	-	\$803	\$803	\$1,606	\$2,409	\$2,409	\$2,409	-	\$10,441
IT Equipment	-	-	-	\$33	\$29	\$16	\$33	-	-	-	\$111
Total Transition Office Costs	-	-	-	\$2,122	\$4,285	\$5,076	\$7,198	\$7,164	\$6,988	\$722	\$33,556
OPEX	-	-	-	\$2,089	\$4,257	\$5,060	\$7,164	\$7,164	\$6,988	\$722	\$33,445
CAPEX	-	-	-	\$33	\$29	\$16	\$33	-	-	-	\$111

2.3.2 Legal, Legislative & Negotiations

Legal, legislative & negotiations costs account for ~0.1% of the total transition costs and have been estimated at ~\$0.2m. These costs include the resource costs to support initial negotiations with the RCMP, draft the LOI, perform exit and TSA negotiations with the RCMP, draft Police Act legislation, and engage with municipalities under an MPSA. It has been assumed that the resources performing the activities below would do so as part of their regular duties and hence the cost has been excluded from the model:

- Engage with municipalities under the MPSA
- Negotiate service level agreements with the Government of New Brunswick

The following activities were assumed to be performed by Government of New Brunswick seconded resources and therefore these costs have been included as transition costs:

- Conduct initial negotiations with Public Safety Canada and draft Letter of Intent (LOI)
- Complete exit and TSA negotiations with the RCMP
- Draft *Police Act legislation*

Exhibit 6: Legal, Legislative & Negotiations Costs

Project NBPPS
Transition Model - Legal Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Legal, Legislative & Negotiations											
LOI & Initial RCMP Negotiations	-	-	-	\$36	-	-	-	-	-	-	\$36
Complete Exit & TSA RCMP	-	-	-	-	\$32	-	-	-	-	-	\$32
Engage with Municipalities under MPSA	-	-	-	-	-	-	-	-	-	-	-
Negotiate Government of New Brunswick Service Agreements	-	-	-	-	-	-	-	-	-	-	-
Draft Police Act Legislation	-	-	-	\$120	-	-	-	-	-	-	\$120
Total Legal, Legislative &	-	-	-	\$156	\$32	-	-	-	-	-	\$188
OPEX	-	-	-	\$156	\$32	-	-	-	-	-	\$188
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.3 Governance

Governance costs account for ~0% of the total transition costs and have been estimated at **\$0m**. These costs included the costs to design the governance structure and establish the police agency, commission, sub-committees, civilian body oversight, and local commissions. It has been assumed that all resources required to complete the above tasks will be internal Government of New Brunswick resources performing these activities as part of their regular duties. Therefore these costs have been excluded from the model.

Note that in addition to the internal resource costs estimated here, it was assumed that a portion of the Government of New Brunswick seconded resources accounted within the TMO will be leveraged for transition work.

Exhibit 7: Governance Costs

Project NBPPS
Transition Model - Governance Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Governance											
Governance Design	-	-	-	-	-	-	-	-	-	-	-
Establish Agency, Commission, Sub-committees, Civilian Body Oversight, Local Commissions	-	-	-	-	-	-	-	-	-	-	-
Total Governance Costs	-	-	-	-	-	-	-	-	-	-	-
OPEX	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.4 Community Policing

Community policing (i.e. front office) costs account for ~1% of the total transition costs and have been estimated at **~\$3m**. These costs include the costs to conduct a detailed operating model assessment and subsequent model development, assess the condition and fair market value of facilities and equipment for transfer, and assess training requirements.

Exhibit 8: Community Policing Costs

Project NBPPS
Transition Model - Community Policing (Front Office) Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Front Office											
Detailed Operating Model Assessment	\$1,152	-	-	-	-	-	-	-	-	-	\$1,152
Detailed Operating Model Development	-	-	-	\$1,382	\$154	-	-	-	-	-	\$1,536
Facilities Transfer Assessment	\$96	-	-	-	-	-	-	-	-	-	\$96
Equipment Transfer Assessment	\$96	-	-	-	-	-	-	-	-	-	\$96
Training Requirements Assessment	-	\$80	-	-	-	-	-	-	-	-	\$80
Total Community Policing Transition	\$1,344	\$80	-	\$1,382	\$154	-	-	-	-	-	\$2,960
OPEX	\$1,344	\$80	-	\$1,382	\$154	-	-	-	-	-	\$2,960
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.5 Indigenous Policing

Indigenous Policing costs account for ~0.2% of the total transition costs and have been estimated at ~\$0.4m. These costs include the costs for external resources to conduct stakeholder engagement with Indigenous communities and develop a detailed policing and funding structure for Indigenous Communities.

It has been assumed that internal resources from the Government of New Brunswick would create the plan for stakeholder engagement, working collaboratively with Indigenous groups, and would provide support for external resources to complete the efforts on stakeholder engagement and development of the policing model. The internal resources are assumed to be performing these activities as part of their regular duties and hence have been excluded from the cost model.

Exhibit 9: Indigenous Policing Costs

Project NBPPS
Transition Model - Indigenous Policing Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Indigenous Policing											
Plan for Stakeholder Engagement	-	-	-	-	-	-	-	-	-	-	-
Conduct Stakeholder Engagement	-	\$125	\$67	-	-	-	-	-	-	-	\$192
Development of Detailed Policing and Funding Model	-	-	-	\$38	\$115	\$38	-	-	-	-	\$192
Total TMO Transition Costs	-	\$125	\$67	\$38	\$115	\$38	-	-	-	-	\$384
OPEX	-	\$125	\$67	\$38	\$115	\$38	-	-	-	-	\$384
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.6 Human Resources

Human Resources costs represent the second largest cost category, accounting for ~26% of the total transition costs at an estimated ~\$66m. These costs include recruitment related costs, compensation for employees hired prior to Day 1, training, the cost of resources to complete the transfer of benefits and pensions for Regular and Civilian Members who will be transferring to NBPPS, and additional labour relations costs associated with the employee's union.

Recruitment costs have been assumed to be similar to the current per capita cost of recruitment incurred by the RCMP. The stand up of the recruitment function is assumed to be part of the Transition Office costs.

The Chief of Police will need to be onboarded in FY26 to provide operational direction and decisions for NBPPS and therefore the salary of the Chief of Police has been included in the TMO cost. It is assumed that a proportion of NBPPS headcount (20%) will be hired in FY28 to be deployed on Day 1 to take over the first batch of detachments.

The cost of compensation for the recruits hired in FY28 - FY29 are considered a transition cost prior to Day 1. After Day 1, these costs will fall under NBPPS' standard operating costs and will no longer be considered a transition cost. The cost of salaries and benefits has been estimated using the salaries and benefits outlined in the future state model, assuming identical structural composition.

Estimated local training costs assume that both transfers and new hires will undergo training once they join NBPPS, except for Civilian Members and Public Service Employees, while the cadet training program is only applicable for Regular Members, both transfers and new hires. Regarding pension and benefits transfer, the cost is based on the estimated internal resource cost required to process the transfers and the number of employees expected to transfer. For new recruits, the cost to set up benefits and pension is assumed to be included in the overall recruitment costs.

It has been assumed that 80% of the future NBPPS workforce such as Regular Members, Public Service Employees, Provincial Crime Reduction Unit (PCRU), Peace Officers (IENB) will be unionized. The increased labour relationship cost was estimated by using the per capita cost for labour relations management under the Alberta Union of Provincial Employees (AUPE) as a proxy for the cost under the New Brunswick Union of Public and Private Employees (NBUPPE). The potential to form future unions and cost impact is unknown at this time and should be assessed when more information is available.

Note that in addition to the internal resource costs estimated here, it was assumed that a portion of the Government of New Brunswick seconded resources accounted within the TMO will be leveraged for human resources transition work.

Exhibit 10: Human Resources Costs

Project NBPPS
Transition Model - Human Resources Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Recruitment											
Recruitment - Regular Members	-	-	-	-	-	-	\$73	\$109	\$181	-	\$363
Recruitment - Civilian Members	-	-	-	-	-	-	\$2	\$2	\$4	-	\$8
Recruitment - Public Service	-	-	-	-	-	-	-	-	-	-	-
Recruitment - Provincial Crime	-	-	-	-	-	-	\$1	\$2	\$3	-	\$6
Recruitment - Peace Officers (IENB)	-	-	-	-	-	-	\$4	\$6	\$11	-	\$22
Recruitment - Private Security	-	-	-	-	-	-	-	-	-	-	-
Recruitment - Auxiliary	-	-	-	-	-	-	-	-	-	-	-
Criminal Record Checks (excl. Private Security)	-	-	-	-	-	-	\$6	\$9	\$15	-	\$29
Employment Contracts Effort	-	-	-	-	-	-	\$12	\$18	\$30	-	\$60
Subtotal - Recruitment	-	-	-	-	-	-	\$97	\$146	\$244	-	\$487
Compensation, Pre-Day 1											
Regular Members											
Base Salary	-	-	-	-	-	-	\$13,752	\$34,380	-	-	\$48,132
Benefits	-	-	-	-	-	-	\$2,121	\$5,304	-	-	\$7,425
Civilian Members											
Base Salary	-	-	-	-	-	-	\$164	\$409	-	-	\$573
Benefits	-	-	-	-	-	-	\$31	\$77	-	-	\$108
Public Service Employees											
Base Salary	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-
Provincial Crime Reduction Unit											
Base Salary	-	-	-	-	-	-	\$270	\$674	-	-	\$944
Benefits	-	-	-	-	-	-	\$40	\$101	-	-	\$141
Peace Officers (IENB)											
Base Salary	-	-	-	-	-	-	\$1,058	\$2,644	-	-	\$3,701
Benefits	-	-	-	-	-	-	\$155	\$387	-	-	\$542
Private Security											
Base Salary	-	-	-	-	-	-	\$491	\$1,227	-	-	\$1,717
Benefits	-	-	-	-	-	-	-	-	-	-	-
Auxiliary											
Base Salary	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Compensation, Pre-Day 1	-	-	-	-	-	-	\$18,081	\$45,202	-	-	\$63,283
Training											
Cadet Training Program	-	-	-	-	-	-	\$368	\$552	\$920	-	\$1,839
Local Training	-	-	-	-	-	-	\$49	\$73	\$121	-	\$243
Subtotal - Training	-	-	-	-	-	-	\$416	\$625	\$1,041	-	\$2,082
Benefits & Pension Transfer Effort	-	-	-	-	-	-	\$9	\$13	\$22	-	\$44
NBUPPE Management Costs	-	-	-	-	-	-	\$48	\$72	\$121	-	\$241
Total Human Resources Transition	-	-	-	-	-	-	\$18,652	\$46,058	\$1,427	-	\$66,137
OPEX	-	-	-	-	-	-	\$18,652	\$46,058	\$1,427	-	\$66,137
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.7 Real Estate

Real estate costs represent the third largest cost category, accounting for ~18% of the total transition costs at an estimated ~\$47m. This includes the estimated costs associated with the acquisition of detachments and living quarters from the RCMP, but excludes any costs associated with acquisition of other buildings and land.

The model assumes that all J-Division detachments and living quarters will be acquired by the Government of New Brunswick, with the exception of the Bouctouche and Deer Island detachments which the RCMP has flagged for disposal, at fair market value for owned buildings and a nominal fee for leased buildings. The fair market value of owned buildings is a high-level estimate based on building age, square footage, replacement cost per square meter, as reported in the RCMP Accommodations Program Five-Year Reconciliation report, the StatsCan non-residential building construction price index, and an estimated remaining useful life of 90% applied across the portfolio based on the RCMP assessment of the physical condition of the buildings. For detachments, the percentage of the fair market value that will need to be paid to Canada is based on the year the building was first used as a detachment, which was assumed to be the year the building was acquired, and the termination date of the PPSA as described in Article 13 of the PPSA. For buildings in use as a detachment prior to April 1, 1992 the amount owing is 30% of fair market value. For buildings first used as a detachment between April 1, 1992 and March 31, 2012 the percentage of fair market value owed to Canada is determined using Annex F of the PPSA, if the PPSA is terminated prior to March 30, 2032. Otherwise the amount owing is 30% of fair market value.

The actual fair market value of all J-Division buildings will need to be assessed in detail at the time of transfer. A contingency fee of 2% of the estimated acquisition cost has been included in the model to cover any costs associated with ownership transfer, such as

selling and administration costs. However, any additional amounts resulting from detailed facility assessments cannot be reasonably estimated at this time and will also need to be determined at the time of transfer.

Exhibit 11: Real Estate Costs

Project NBPPS
Transition Model - Real Estate Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Real Estate											
Acquisition of Buildings	-	-	-	-	-	-	\$9,123	\$13,685	\$22,808	-	\$45,617
Real Estate Contingency	-	-	-	-	-	-	\$182	\$274	\$456	-	\$912
Total Real Estate Transition Costs	-	-	-	-	-	-	\$9,306	\$13,959	\$23,264	-	\$46,529
OPEX	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	\$9,306	\$13,959	\$23,264	-	\$46,529

2.3.8 Equipment

Equipment costs account for ~3% of the total transition costs and have been estimated at ~\$7m. This includes the estimated cost to acquire existing equipment inventory such as firearms, safety equipment, investigational aids, communications devices and other hardware, end-user IT equipment, and fleet from the RCMP.

This model assumes that the equipment currently in use by J-Division is in good working condition and will be transferred to NBPPS. It is expected that the current inventory level will be sufficient to cover the stand up of NBPPS and any standard equipment refresh costs have been reflected in the future state operating costs. The balance owing on existing equipment and fleet inventory is assumed to be 30% under the PPSA, and 30% for MPSA <15k as per the current cost sharing agreements with the RCMP.

A detailed inventory of J-Division equipment was not available for this study. Therefore the fair market value of equipment was estimated using a per capita equipment value based on available K-Division equipment data, with the assumption that RCMP members would be comparably equipped across all divisions and equipment costs are consistent across the RCMP. A detailed assessment of the equipment inventory, useful life, and corresponding fair market value will need to be completed at the time of transfer.

The fair market value of the fleet was estimated based on an assumed 50% remaining useful life per vehicle and the average cost per vehicle as reported by the RCMP in Appendix B of the Mar 31, 2021 MYFP. It was assumed that the two aircraft, which are shared between the Atlantic provinces, would not be transferred to NBPPS.

Additional equipment costs include the costs to purchase new uniforms for all frontline members and retrofit the fleet. The vehicles being transferred from the RCMP are assumed to not require any significant modifications or new hardware purchases. As such, vehicle fit-up costs are assumed to be less than the initial fit-up cost per vehicle incurred by the RCMP.

Exhibit 12: Equipment Costs

Project NBPPS
Transition Model - Equipment Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Inventory Transfers PPSA											
CROPS	-	-	-	-	-	-	\$80	\$120	\$199	-	\$399
Communications Devices and Other Hardware	-	-	-	-	-	-	\$126	\$190	\$316	-	\$632
End-user IT Equipment	-	-	-	-	-	-	\$256	\$384	\$639	-	\$1,279
Fleet	-	-	-	-	-	-	\$390	\$586	\$976	-	\$1,952
Subtotal - Inventory Transfers PPSA	-	-	-	-	-	-	\$852	\$1,278	\$2,131	-	\$4,262
Inventory Transfers - MPSA <15k											
CROPS	-	-	-	-	-	-	\$20	\$30	\$50	-	\$100
Communications Devices and Other Hardware	-	-	-	-	-	-	\$8	\$12	\$19	-	\$39
End-user IT Equipment	-	-	-	-	-	-	\$16	\$24	\$39	-	\$79
Fleet	-	-	-	-	-	-	\$98	\$146	\$244	-	\$488
Subtotal - Inventory Transfers MPSA <15k	-	-	-	-	-	-	\$141	\$212	\$353	-	\$705
New Uniform Purchases	-	-	-	-	-	-	\$227	\$340	\$566	-	\$1,133
Fleet Retrofit	-	-	-	-	-	-	\$103	\$154	\$257	-	\$515
Total Equipment Transition Costs	-	-	-	-	-	-	\$1,323	\$1,984	\$3,307	-	\$6,614
OPEX	-	-	-	-	-	-	\$103	\$154	\$257	-	\$515
CAPEX	-	-	-	-	-	-	\$1,220	\$1,830	\$3,050	-	\$6,099

2.3.9 Technology

Technology costs account for ~7% of the total transition costs and have been estimated at ~\$18m. These costs include the estimated external resource costs to complete configuration and migration assessments, environment setup and data migration, end user training, and post-go live support for major systems. Systems include Oracle Fusion Cloud, LMS, RMS, CAD (dispatch system), a collision reporting management system, evidence management system, data analytics, specialized software (e.g. speech recognition, drone technology), specialized databases (e.g. intelligence database, fingerprint database), and other mid-office systems. The assessments for core, complex systems like Oracle Fusion Cloud, RMS, Evidence Management systems and core IT tools will need to be initiated in FY22 due to the longer lead time for implementation. Any delays in implementation of these

systems could be a potential risk to seamless Day 1 operations. The model assumes that all existing systems are transferable to NBPPS with no need for new license purchases.

Note that it has been assumed that, in addition to the external resource costs estimated here, a portion of the Government of New Brunswick secondees within the TMO will perform IT implementation work.

Other technology costs include interfaces to other provincial systems, e.g. motor vehicle data, security/data privacy enhancements, and infrastructure buildout and procurement of servers and other hardware. A contingency amount of 20% has been included due to uncertainties surrounding the exact system specifications and requirements. A fail-over site with 15% capacity has also been included for disaster recovery / business continuity.

Exhibit 13: Technology Costs

Project NBPPS
Transition Model - Technology Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Subtotal - Oracle Fusion Cloud	\$256	-	-	-	\$144	\$432	\$160	-	-	-	\$992
Subtotal - LMS	-	\$64	-	-	-	-	\$256	-	\$288	\$224	\$832
Subtotal - RMS	\$256	-	-	-	-	\$144	\$472	\$120	\$96	-	\$1,088
Subtotal - CAD	-	\$192	-	-	-	-	\$192	-	\$128	\$64	\$576
Subtotal - Collision Reporting	-	-	\$192	-	-	-	\$192	-	\$288	\$224	\$896
Subtotal - Evidence Management	\$192	-	-	-	\$96	\$288	-	-	-	-	\$896
Subtotal - Data Analytics	\$192	\$192	-	-	-	-	\$768	-	\$288	\$224	\$1,664
Subtotal - Specialized Software	-	-	\$192	-	-	-	\$96	-	-	-	\$288
Subtotal - Specialized Databases	-	-	\$96	-	-	-	\$32	-	-	-	\$128
Subtotal - Other Mid-Office Systems	-	-	\$192	-	-	-	\$288	-	\$256	\$192	\$928
Subtotal - IT Tools and Software	\$64	\$64	\$64	-	\$144	\$432	\$48	\$144	-	-	\$960
Subtotal - Systems Implementation /	\$960	\$512	\$736	-	\$384	\$1,296	\$2,504	\$264	\$1,536	\$1,056	\$9,248
Interfaces to Other Provincial Systems (e.g. motor vehicle data)	-	-	\$384	-	-	-	\$614	-	\$77	\$77	\$1,152
Infrastructure											
Infrastructure Buildout (Data, Network, Systems/Cloud, Hardware, Telephony)	-	-	-	\$192	-	-	\$576	\$576	\$144	-	\$1,488
Servers and Other Hardware Procurement	-	-	-	-	\$750	\$750	-	-	-	-	\$1,500
Subtotal - Infrastructure	-	-	-	\$192	\$750	\$750	\$576	\$576	\$144	-	\$2,988
Security / Data Privacy Enhancements	-	-	-	\$192	-	-	\$576	-	\$115	-	\$883
Subtotal - Disaster Recovery / Business	-	-	-	-	\$113	\$241	\$256	-	\$256	-	\$865
Contingency	\$192	\$102	\$224	\$77	\$249	\$457	\$905	\$168	\$426	\$227	\$3,027
Total IT & Systems Transition Costs	\$1,152	\$614	\$1,344	\$461	\$1,496	\$2,744	\$5,432	\$1,008	\$2,554	\$1,359	\$18,163
OPEX	\$1,152	\$614	\$1,344	\$269	\$633	\$1,753	\$4,600	\$432	\$2,154	\$1,359	\$14,310
CAPEX	-	-	-	\$192	\$863	\$991	\$832	\$576	\$400	-	\$3,853

2.3.10 Change Management & Communications

Change Management & Communication costs account for ~0.3% of the total transition costs and have been estimated at ~\$0.7m. These costs include the estimated number of working hours and corresponding cost per hour of external resources to support the change management activities prior to the establishment of NBPPS, such as creating communications plans for initial public engagement and engagement with municipalities and Indigenous communities and developing plans and content for change management and communications. It has been assumed that the execution of the change management and communication plan will be performed by internal Government of New Brunswick resources and therefore the cost of this activity is not included in the transition model.

Exhibit 14: Change Management & Communications Costs

Project NBPPS
Transition Model - Change Management Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Change Management & Communications											
Prep and Execution of Initial Public Engagement	-	-	\$96	-	-	-	-	-	-	-	\$96
Plan for Engagement with Municipalities and Indigenous Communities	-	-	\$192	-	-	-	-	-	-	-	\$192
Develop Plan and Content for Change Management and Communication	-	-	-	\$200	\$184	-	-	-	-	-	\$384
Execute Plan	-	-	-	-	-	-	-	-	-	-	-
Total Change Management Costs	-	-	\$288	\$200	\$184	-	-	-	-	-	\$672
OPEX	-	-	\$288	\$200	\$184	-	-	-	-	-	\$672
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.11 Transition Period RCMP Service Cost

The Transition Period RCMP Service Cost category accounts for ~32% of the total transition costs and is the largest cost category estimated at ~\$81m. This represents the costs of having overlapping policing capabilities as the NBPPS will be established ahead of existing RCMP services ramping down, to ensure a seamless transition.

As NBPPS prepares to take responsibility for detachments, it will need to employ all the required staff and train them to reach operational readiness before the handover from the RCMP can take place. The exact nature and timing of the operational transition will need to be determined by the Chief, with appropriate input from stakeholders, which will determine the exact cost and timing. At this stage, this has been estimated as equivalent to six months of the FY20 - FY21 RCMP policing cost charged to the province and municipalities, phased over the course of the operational transition period. These costs cover only the provincial and municipal share of costs and do not factor in any estimated recoveries. Note that the FY20 - FY21 RCMP policing cost has been adjusted to include the estimated impact of the April 1, 2022 RCMP regular member salary increase.

Exhibit 15: Transition Period RCMP Service Costs

Project NBPPS
Transition Model - RCMP Transition Period Service Cost
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
RCMP Transition Period Service Cost											
PPSA	-	-	-	-	-	-	-	-	\$58,371	-	\$58,371
MPSA >15k	-	-	-	-	-	-	-	-	-	-	-
MPSA <15k	-	-	-	-	-	-	-	-	\$5,002	-	\$5,002
FNPP	-	-	-	-	-	-	-	-	\$1,294	-	\$1,294
RPSA	-	-	-	-	-	-	-	-	\$16,442	-	\$16,442
Other	-	-	-	-	-	-	-	-	\$472	-	\$472
Total RCMP Transition Period Service Costs	-	-	-	-	-	-	-	-	\$81,581	-	\$81,581
OPEX	-	-	-	-	-	-	-	-	\$81,581	-	\$81,581
CAPEX	-	-	-	-	-	-	-	-	-	-	-

2.3.12 Other Transition Costs

Other Transition Costs constitute ~1% of the total transition costs and have been estimated at ~\$2m. These costs include the estimated internal resource costs to transition finance shared services, such as setting up the general ledger, as well as branding and signage updates. Branding costs assume a flat cost for each new building sign and \$500k to cover additional branding related changes.

Note that in addition to the internal resource costs estimated here, it has been assumed that a portion of the Government of New Brunswick seconded resources from the TMO will be leveraged for other transition implementation work.

Exhibit 16: Other Transition Costs

Project NBPPS
Transition Model - Other Costs
CAD '000s

Project Stage	Stage 1			Stage 2	Stage 2 & 3	Stage 3	Stage 4		Stage 5 (Day 1)		Transition Total
	Further Detailed Study & Stakeholder Engagement			Prepare to Give RCMP Notice	Establish NBPPS		Prepare to Go Live		First 12 Months RCMP Transition Out	Next 12 Months RCMP Transition Out	
FY	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 22 - FY 32
Shared Services - Finance Transition	-	-	-	-	-	-	\$5	\$5	-	-	\$9
Branding											
Signage Update	-	-	-	-	-	-	\$274	\$411	\$685	-	\$1,370
Other Branding Expenses	-	-	-	-	-	-	\$100	\$150	\$250	-	\$500
Subtotal - Branding	-	-	-	-	-	-	\$374	\$561	\$935	-	\$1,870
Total Other Transition Costs	-	-	-	-	-	-	\$379	\$566	\$935	-	\$1,879
OPEX	-	-	-	-	-	-	\$5	\$5	-	-	\$9
CAPEX	-	-	-	-	-	-	\$374	\$561	\$935	-	\$1,870

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Glossary

Glossary

Acronym/ Term	Definition
AUPE	Alberta Union of Provincial Employees
CAD	Computer Aided Dispatch
CAPEX	Capital Expenditures
CROPS	Criminal Operations
CPP	Canada Pension Plan
FNINP	FIRST NATIONS POLICING PROGRAM
FTE	Full Time Equivalent
FY	Fiscal Year
GL	General Ledger
HR	Human Resources
IENB	INSPECTION AND ENFORCEMENT NEW BRUNSWICK
IT	Information Technology
J-DIVISION	KCMIP NEW BRUNSWICK
JPS	Department of Justice and Public Safety
K-DIVISION	KCMIP ALBERTA
LOI	Letter of Intent
LMS	Learning Management System
MPSA	Municipal Police Service Agreement
MYFP	Multi-Year Financial Plan
NBPPS	NEW BRUNSWICK PROVINCIAL POLICE SERVICE
NBUPE	NEW BRUNSWICK UNION OF PUBLIC AND PRIVATE EMPLOYEES
OPEX	Operating Expenses
PCRU	PROVINCIAL CRIME REDUCTION UNIT

PPSA	Provincial Police Service Agreement
RCMP	Royal Canadian Mounted Police
RMS	Records Management System
RPSA	Regional Police Service Agreement
SME	Subject Matter Expert
TMO	Transition Management Office
TSA	Transition Services Agreement

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Our Services were performed and this Report was developed in accordance with our engagement letter dated October 28, 2021 and are subject to the terms and conditions included therein. "Our role is advisory only. The Government of New Brunswick is responsible for all management functions and decisions relating to disengagement, including establishing and maintaining internal controls, evaluating and accepting the adequacy of the scope of the Services in addressing the Government of New Brunswick's needs and making decisions regarding whether to proceed with recommendations. The Government of New Brunswick is also responsible for the results achieved from using the Services or deliverables.

Our role is advisory only. The Government of New Brunswick is responsible for all management functions and decisions relating to this engagement, including establishing and maintaining internal controls, evaluating and accepting the adequacy of the scope of the Services in addressing Government of New Brunswick needs, and making decisions regarding whether to proceed with recommendations. The Government of New Brunswick is also responsible for the results achieved from using the Services or deliverables.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through November 5, 2021. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report. We are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

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