Agenda – Executive Policy Committee – July 15, 2009

ADDENDUM REPORTS

Item No. 2 Gunn Road Rehabilitation Project
(Transcona Ward)
File SC

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Gunn Road Rehabilitation Project budget be amended to $7,415,000.

2. That the approved 2008 Capital Budget amount for the Gunn Road Project be amended to include a transfer of funds of $900,000 from the 2007 Gunn Road Capital Budget.

3. That the City enter into an agreement with the Rural Municipality of Springfield to manage the design and reconstruction of Gunn Road between Plessis Road and Redonda Street with the Rural Municipality of Springfield.

4. That the City enter into an Agreement with the Province of Manitoba and the Government of Canada for the Infrastructure Stimulus Fund to fund $5,000,000.00 of the Gunn Road Project.

5. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the MOU with the Rural Municipality of Springfield and the Agreement with the Province of Manitoba and Government of Canada.

ADMINISTRATIVE REPORT

ISSUE: **GUNN ROAD REHABILITATION PROJECT**

Critical Path: **EXECUTIVE POLICY COMMITTEE, COUNCIL**

AUTHORIZATION

Author	Department Head	CFO	CAO
W. M. Woroby, P. Eng. A/Manager of Engineering	B.W. Sacher, P. Eng. A/Director of Public Works	M Ruta	G Laubenstein

RECOMMENDATIONS

1. That the Gunn Road Rehabilitation Project budget be amended to $7,415,000.
2. That the approved 2008 Capital Budget amount for the Gunn Road Project be amended to include a transfer of funds of $900,000 from the 2007 Gunn Road Capital Budget.
3. That the City enter into an agreement with the Rural Municipality of Springfield to manage the design and reconstruction of Gunn Road between Plessis Road and Redonda Street with the Rural Municipality of Springfield.
4. That the City enter into an Agreement with the Province of Manitoba and the Government of Canada for the Infrastructure Stimulus Fund to fund $5,000,000.00 of the Gunn Road Project.
5. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the MOU with the Rural Municipality of Springfield and the Agreement with the Province of Manitoba and Government of Canada.

IMPLICATIONS OF THE RECOMMENDATIONS

1. Consolidating the budget funds will allow for the project to be advertised for construction.
2. Authorizing the Chief Administrative Officer to negotiate and approve the terms and conditions of a MOU will facilitate the rehabilitation of Gunn Road by confirming the rural municipality's contribution of funds towards the project given the tight time frame for completing the project.

HISTORY

Gunn Road is a boundary road between the City of Winnipeg and the Rural Municipality of Springfield. The roadway lies entirely within the City's boundary. The City limit is along the north property line of the road right-of-way. The properties fronting along the north side of the roadway are within the Rural Municipality of Springfield. These properties access the City's roadway. Gunn road is a gravel roadway that requires upgrading to accommodate the current traffic volumes.

Capital funds were included in both the 2007 and 2008 Capital Budgets for a portion of the estimated project cost of approximately $7,415,000. The City's contribution to the project is $1,515,000. The balance of the funds is to be contributed by the Rural Municipality of Springfield, The Province of Manitoba and the Government of Canada. The project limit is from Plessis Road to Redonda Street.

The project involves the rehabilitation of the gravel roadway to an asphalt surface, the rehabilitation of the corrugated metal culvert in the Cordite Ditch at Gunn Road and Day Street with a concrete box culvert, and the realigning of the intersection of Gunn Road and Day Street.

Since Gunn Road is a boundary road and the fronting properties within the Rural Municipality access the roadway, the rural municipality is contributing $900,000 towards the project and both the Province of Manitoba and the Government of Canada are contributing $2,500,000 each through the Infrastructure Stimulus Fund. As part of the process to undertake the project, the City of Winnipeg and the Rural Municipality will have to enter into a memorandum of understanding (MOU) where, in part, the commitment of funds from the municipality and the cash flow will be identified. To facilitate the preparation of the MOU, it is recommended that the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions. Funding from the Infrastructure Stimulus Fund will flow to the City in advance of a formal agreement, yet to be signed. The Mayor and City Clerk have the authority to sign the memorandum of understanding on behalf of the City.

The Infrastructure Stimulus Fund has a time limit of March 31, 2011, wherein the project has to be totally completed. It is intended to have the project designed and tendered by September of this year. It is hoped that the contract can be awarded in September so that construction can start immediately thereafter. With the value of the construction contract being estimated less than ten million dollars, the Chief Administrative Officer has the authority to award the contract.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 9, 2009

Project Name: **First Year of Program** **2009**

GUNN ROAD REHABILITATION PROJECT

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required	$ 7,415,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	1,515,000	-	-	-	-
Additional Capital Budget Required	$ 5,900,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
R.M. of Springfield	900,000	-	-	-	-
Infrastructure Stimulus Fund	-	-	-	-	-
Province of Manitoba	2,500,000	-	-	-	-
Government of Canada	2,500,000	-	-	-	-
Total Funding	$ 5,900,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 5,900,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 151,500	$ 151,500	$ 151,500	$ 151,500
Less: Incremental Revenue/Recovery	315,970	-	-	-	-
Net Cost/(Benefit)	$ (315,970)	$ 151,500	$ 151,500	$ 151,500	$ 151,500
Less: Existing Budget Amounts	(315,970)	151,500	151,500	151,500	151,500
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The 2007 Adopted Capital Budget includes $900,000 and the 2008 Adopted Capital Budget includes $615,000 for this project. An increase to the Gunn Road capital project, funded by the RM of Springfield and the Provincial and Federal Governments, is required to allow the tendering of contracts for the entire project. Debt and Finance costs are applicable to the City's internal funded portion of this project.

"Original Signed by Darcy Stewart, CA"
Department Controller

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

Department:	Public Works Department
Division:	Engineering Division
Prepared by:	W. M. Woroby, P. Eng. 794-4346
Processed by:	K. Ross 986-4011
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