Agenda - Executive Policy Committee - March 18, 2003

Report - Standing Policy Committee on Public Works - March 11, 2003

Item No. 4 Water and Waste Department Administration Building
File GP-1.34 (Vol. 1)

STANDING COMMITTEE RECOMMENDATION:

On March 11, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and recommended:

1. That consolidation of Water and Waste Department office staff be accommodated at 1155 Pacific rather than 552 Plinguet Road.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

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DECISION MAKING HISTORY:

On March 11, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted its recommendation to Executive Policy Committee and Council.

Re: Water & Waste Department Administration Building

For submission to: Standing Policy Committee on Public Works

Original report signed by: Director of Planning, Property and Development

Report date: February 18, 2003

Recommendation(s):

That consolidation of Water and Waste Department office staff be accommodated at 1155 Pacific rather than 552 Plinguet.

REPORT SUMMARY

KEY ISSUES:

- Consolidation of Water and Waste Department office staff at 1155 Pacific rather than 552 Plinguet.
- Detailed design and planning has identified that the Plinguet site is too constraining and would result in higher than budgeted development costs.
- The Pacific site has more than adequate space for development, the necessary municipal servicing, allows co-use of facility amenities, and allows for improved operational co-ordination between the Water & Waste and Public Works Departments.

IMPLICATIONS

General implications

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

Policy implications

X	No (There are no policy implications if the report is asking for a one-time decision.)
	Yes (There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)

Comment:

Financial implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
	No financial implications

Comment:

- The Planning, Property and Development Department has identified funding of the required Capital Budget. Therefore, there are no additional Capital Budget funds required. Further, there are no additional Current Budget funds required.

REPORT

RECOMMENDATION(S):

That consolidation of Water and Waste Department office staff be accommodated at 1155 Pacific rather than 552 Plinguet.

REASON FOR THE REPORT:

On March 21, 2001 Council approved the consolidation of Water and Waste Department staff at 552 Plinguet. Due to the reasons identified in this report, the administration is recommending Water and Waste Department consolidate at 1155 Pacific.

HISTORY:

March 21, 2001, Council approved the Public Works / Water & Waste Facilities Master Plan which called for consolidation of staff and operations of the Public Works and Water and Waste Departments at various locations throughout the City and divestiture of surplus properties.

October 1999, the City of Winnipeg engaged a consultant consortium (KPMG, GBR Networx and UMA Engineering) to assist in development of a Public Works/Water & Waste Facilities Master Plan.

On April 9, 1999, the Standing Policy Committee on Public Works authorized the Administration to develop a Public Works/Water & Waste Facilities Master Plan, inclusive of engaging a consultant to work in co-operation with and assist administrative staff.

On September 29, 1998, Council adopted the Strategic Facilities Master Plan. The Council disposition included the following:

> "…The plan for office space development for the Public Works Department consolidation at 1155 Pacific Avenue be referred to the Standing Committee on Public Works to review the development needs and timing in conjunction with the Central Yards project, Water and Waste Department consolidation, and divestiture timing for properties which presently house the Public Works Department."

April 1998, the City of Winnipeg engaged a consultant consortium (GBR Architects, Doane Raymond, and DS-Lea Consultants Ltd.) to prepare a Strategic Facilities Master Plan to address specific issues relative to projects under consideration and consolidation strategies for restructured departments.

March 1998, Council directed the then Property and Development Services Department to immediately reassess the total space requirements for the City of Winnipeg and identify space availability and rates within the campus area.

November 1997, a report prepared by George B. Cuff & Associated Ltd. regarding the restructuring of civic government was received and subsequently adopted by Council. The report recommended the development of a Corporate Accommodation Plan to address the accommodation issues associated with the restructuring of civic government.

August 1988, the Government of Canada informed the City of Winnipeg the then proposed Laboratory Centre for Disease Control would be constructed in Winnipeg. Subsequently, on November 29, 1989, Council adopted the Central Works Yard Relocation Project. The Council disposition included the following:

> "…The City of Winnipeg proceed to relocate the Central Works Yard…and that all facilities and/or functions presently done on the Central Yard site will also be relocated…"

DISCUSSION:

This report provides an update as to the design and construction status of the Water and Waste Department office building for the consolidation of its administrative staff, and a recommendation as to the course of action to proceed.

Since Council approval of the Public Works / Water & Waste Facilities Master Plan in March 2001, the Administration has undertaken detailed design and analysis of the renovation/construction sub-projects to implement the departmental relocations/ consolidations and divestiture of surplus buildings. Further, the relocation of the Water & Waste Department's Customer Services Division from 510 Main (Administrative Building) to 4th floor, 185 King and relocation of the Public Works Departments Street Maintenance Division from 999/1029 Henry to 1220 Pacific have been completed.

The original Public Works / Water and Waste Facilities Master Plan recommended consolidation provides the City with a net present value benefit of $1,736,000 compared with a net present value cost to the City of $6,383,000, should the City remain in its existing buildings.

The Public Works / Water & Waste Facilities Master Plan identified a similar financial benefit to consolidating the Water and Waste Department office staff at Plinguet or Pacific. It was determined that consolidation at Plinguet was preferred in an effort to bring together a larger group of Water and Waste Department office and field employees to one site.

However, upon more detailed design of the building, more thorough analysis of the site, and detailed review of the existing field operations on the site, it has been determined the Water and Waste Department office building should be built adjacent to 1155

Pacific. The Plinguet site is constraining, such that all staff parking cannot fit on site without removing existing railway tracks, building a multi-level building, and/or purchasing neighbouring property.

Even if parking was to be found on site, there is a concern for pedestrian safety regarding maintenance vehicle traffic. In addition, the site is tight and future operational or accommodation additions at this location would be extremely limited.

Expansion of property has proven unsuccessful due to neighbouring property owners reluctant to sell or the existence of property that would be difficult, if at all possible, to develop.

The updated estimate of cost associated with building an office at Plinguet is $500,000 to $600,000 higher than the original project cost estimate. However, building at 1155 Pacific would allow the project to remain within budget. Friesen Tokar Architects, in conjunction with SMS Engineering, Crosier Kilgour & Partners, and Crystal Construction have identified architectural, structural, mechanical, and electrical savings of approximately $700,000 associated with developing the building at Pacific versus at Plinguet.

The savings are largely due to not having to construct a multi-level building, utilizing existing building and site features at 1155 Pacific, and the economies of scale in the construction with the proposed Public Works Department expansion of 1155 Pacific.

In addition to the cost benefit of building at Pacific, other benefits of the site include:

- ample site for future operation or accommodation expansion,
- adequate existing municipal services (water, land drainage, traffic, etc.)
- co-use of facility functions with Public Works Department, (meeting / training rooms, lunch room, parking lots, etc.), and
- improved co-ordination of functions between the two departments (street-underground renewals, accounting transactions, etc.).

The Civic Accommodations Division plans to utilize the Program of Requirements that was developed as part of the Plinguet building design and give that program to the consultant team already hired for the building expansion at 1155 Pacific for the Public Works Department. The building expansion for both departments will be provided as one contract, which will likely be awarded autumn 2003.

Financial Impact Statement

Date: February 18, 2003

Project Name:
Water & Waste Department Administration Building

First Year of Program 2003

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:
The recommendation of this report is to consolidate Water & Waste Department office staff at 1155 Pacific instead of 552 Plinguet. Building at 1155 Pacific will avoid a cost of $500,000 to $600,000 which is greater than that originally estimated for the Plinguet site. As such, building at 1155 Pacific avoids a cost overrun to the project as a whole when compared to proceeding at Plinguet. Therefore, building at 1155 Pacific should allow project completion within the original approved budget and result in no greater cost for this project to the City.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

WATER AND WASTE DEPARTMENT / PUBLIC WORKS DEPARTMENT

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Civic Accommodations
Prepared by: Jerry E. Comeau, P. Eng., Manager of Civic Accommodations
PPD File #: CAD 2003-0005

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cc: Barry MacBride, P. Eng., Director of Water and Waste Department
Jim Thomson, P. Eng., Director of Public Works Department