Agenda – Executive Policy Committee – January 19, 2011

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – January 6, 2011

Item No. 3 First Charge Expenditures on the 2011 and 2012 Capital Budgets – Osborne Bridge Rehabilitation and Related Works (Fort Rouge–East Fort Garry Ward)

STANDING COMMITTEE RECOMMENDATION:

On January 6, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That authorization be granted for expenditures of $10,100,000 in 2011 before the 2011 Capital Budget is adopted as a first charge on the 2011 Capital Budget and $7,255,000 in 2012 before the 2012 Capital Budget is adopted as a first charge on the 2012 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of the project general contract.

2. That the Chief Administrative Officer be delegated the authority to award the construction contract.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – January 19, 2011

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – January 6, 2011

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On January 6, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title:

Issue: **AUTHORIZATION FOR EXPENDITURES ON THE 2011 AND 2012 CAPITAL BUDGETS AS FIRST CHARGE RELATED TO THE 2011 AND 2012 OSBORNE BRIDGE REHABILITATION AND RELATED WORKS**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works, Executive Policy Committee and Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Deane, P. Eng. Manager of Engineering	B.W. Sacher, P.Eng. Director of Public Works	M. Geer Acting CFO	M Ruta A/CAO

RECOMMENDATIONS

1. That authorization be granted for expenditures of $10,100,000 in 2011 before the 2011 Capital Budget is adopted as a first charge on the 2011 Capital Budget and $7,255,000 in 2012 before the 2012 Capital Budget is adopted as a first charge on the 2012 Capital Budget, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to allow award of the project general contract.

2. That City Council delegate authority to award the construction contract to the Chief Administrative Officer.

REASON FOR THE REPORT

1. Council approval is required for a first charge for an expenditure of capital funds prior to the adoption of the 2011 and 2012 capital budgets. The construction contract will commit 2011 and 2012 Capital Budget funds.

2. There are 2 bid opportunities crucial to project timelines currently advertised that will require award prior to the adoption of the 2011 Capital Budget.

3. The CAO must issue a Letter of Intent for the general contract to the successful bidder by April 1, 2011 to achieve the 2011 construction start-up date.

IMPLICATIONS OF THE RECOMMENDATIONS

The authorization requires a first charge on the 2011 and 2012 Annual Program Capital Budgets to allow the award of a contract prior to the adoption of the 2011 and 2012 Capital budgets, in accordance with Subsection 288(2) of The City of Winnipeg Charter.

The general contract is anticipated to exceed $10 million. Currently under the City of Winnipeg Materials Management Policy B8.2, the Chief Administrative Officer shall have authority to approve and award a contract where:

> (a) the contract is for a supply to the City, where the value of the contract does not exceed $10,000,000, and there are sufficient funds for the monetary consideration to be paid by the City in a budget therefore approved by Council.

The CAO will be able to issue a Letter of Intent to the successful bidder without further City Council approval, thereby avoiding delays to project timelines and increased project costs.

HISTORY

Structural rehabilitation is required for the bridge that crosses the Assiniboine River on Osborne Street. The bridge rehabilitation work will correct bridge deterioration, upgrade the safety features of the bridge, and extend the remaining service life of the bridge by up to 75 years. The project includes road reconstruction and resurfacing on Osborne Street from River Avenue to Broadway.

The work will be carried out over two years, one side at a time because half of the bridge has to remain open to traffic during construction. The construction work will start in the spring of 2011 and will be completed by October 2012.

The 2010 Adopted Capital Budget included $6,776,000.00 in the 2011 forecast with a further $6,294,000.00 in the 2012 forecast for the Osborne Bridge Rehabilitation and Related Works.

Preliminary and final design work completed to date has identified the need for inclusion of adjacent roadwork and has identified the need for increased project funding. The following amounts are included in the 2011 Preliminary Capital Budget:

2011	$10,100,000.00
2012	$7,255,000.00
TOTAL	$17,355,000.00

An estimated budget amount of $17,355,000.00 is required to award contracts for three project bid opportunities:

Osborne Bridge Rehabilitation and Related Works:

957-2010	Bearing Supply, bid closing January 13, 2011
968-2010	Relocation of Manitoba Hydro Ducts, bid closing January 28, 2011
XXX-2011	General Contract, tentative bid closing date March 18, 2011.

As the window of time to undertake construction is very short, the project contracts need to be awarded as follows to ensure the 2011 works are completed on time:

957-2010	Must be awarded by January 27, 2011
968-2010	Must be awarded by February 11, 2011
XXX-2011	Must be awarded by April 1, 2011.

The project will be funded by $6.5 million in Provincial grants and internal financing of $10.8 million.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 4, 2011

Project Name: Osborne Street Bridge **First Year of Program** **2011**

AUTHORIZATION FOR EXPENDITURES ON THE 2011 AND 2012 CAPITAL BUDGETS AS FIRST CHARGE RELATED TO THE 2011 AND 2012 OSBORNE BRIDGE REHABILITATION AND RELATED WORKS

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 10,100,000	$ 7,255,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 10,100,000	$ 7,255,000	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ 6,712,000	$ 4,121,000	$ -	$ -	$ -
External	-	-	-	-	-
Grants - Province of Manitoba funding for Roads Improvements	3,388,000	3,134,000	-	-	-
Total Funding	$ 10,100,000	$ 7,255,000	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 17,355,000				
Total Additional Debt Required	$ 10,833,000				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 671,200	$ 1,083,300	$ 1,083,300	$ 1,083,300
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 671,200	$ 1,083,300	$ 1,083,300	$ 1,083,300
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ 671,200	$ 1,083,300	$ 1,083,300	$ 1,083,300

Additional Comments: The Additional Capital Budget Required amounts above of $10,100,000 and $7,255,000 for 2011 and 2012 respectively are the requested First Charge on the Public Works Department's Osborne Street Bridge (Assiniboine River) project . Debt and Finance costs are applicable to the City's internal funded portion of this project.

Original signed by D. Stewart, CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

N/A

SUBMITTED BY

Department:	Public Works
Division:	Engineering
Prepared by:	M. B. Chislett, P. Eng. (986-3508)
Processed by:	K. Ross (986-4011)
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Attachments:	None