Minutes – Executive Policy Committee – May 18, 2011

Minute No. 298
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – May 3, 2011

Item No. 2 Waverley West Roads Project - Delegation of Authority to Award Contracts exceeding $10,000,000 including Multi-Year Contracts (St. Norbert Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $10,000,000, including multi-year contracts not exceeding 5 years, associated with the Waverley West Arterial Roads Project, within the Council approved budget.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – May 3, 2011

DECISION MAKING HISTORY:

Moved by Councillor Vandal,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On May 3, 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: **Waverley West Arterial Roads Project – Delegation of Authority to Award Contracts Exceeding $10,000,000.00 including Multi-Year Contracts**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
L.P. Deane, P.Eng. Manager of Engineering	B.W. Sacher, P. Eng. Director of Public Works	n/a	P. Sheegl, Acting CAO

RECOMMENDATIONS

1. That the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $10,000,000.00, including multi-year contracts not exceeding 5 years, associated with the Waverley West Arterial Roads Project, within the Council approved budget.

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

REASON FOR THE REPORT

Pursuant to B8.2 of the City of Winnipeg's Materials Management Policy, the Chief Administrative Officer has delegated authority to award a contract where the value of the contract does not exceed $10,000,000.00 and there are sufficient funds in a budget approved by Council.

The Materials Management Policy further provides that in all other cases, the Chief Administrative Officer shall forward a recommendation to the appropriate Standing Committee including a recommendation, where appropriate for funding the difference between the budgetary provision and the consideration to be paid by the City pursuant to the proposed contract. The award of the contract can be approved by the Standing Committee if it is able to identify sufficient available funds in an alternative budget approved by Council. Otherwise, Council approval is required for the award of the proposed contract.

The Standing Policy Committee on Infrastructure Renewal and Public Works does not have authority to delegate its Materials Management Policy award authority to an employee.

However, pursuant to The City of Winnipeg Charter, Council has authority to delegate any of its administrative powers, duties or functions to an employee.

IMPLICATIONS OF THE RECOMMENDATIONS

As the budget for this project was approved by Council in the 2010 and 2011 Capital Budgets, there are no budget implications of the Recommendations. The Recommendations are about expediting the award process for construction contracts greater than $10,000,000.00.

Upon approval of the recommendations, the CAO will be able to approve an award of contract to the successful bidder without further Standing Policy Committee or City Council approval, thereby avoiding lengthy delays to project timelines and potentially increased project costs.

HISTORY

Federal/Provincial funding for the Waverley West Arterial Roads Project was announced on September 13, 2009. The project has funding totaling $54.7 Million included in the City's 2010 and 2011 Adopted Capital Budgets, of which $18,233,000 will be from Build Canada Funding and $15,000,000 will be from Provincial Government Funding, subject to the three-level funding agreement as noted below.

The Public Works Department has been working with Federal and Provincial Government administrative personnel to resolve any outstanding issues and questions with respect to the three-level funding agreement, but have yet (as at April 4, 2011) to receive an Agreement In Principal (Letter of Intent) which would allow us to incur costs for this project. The project deadline for claiming expenses, as per initial discussions with Transport Canada is expected to be March 31, 2014. Due to unforeseen delays in development of the funding agreement, and with no extension in the proposed project deadline, the construction schedule is becoming more and more compressed.

The detailed breakdown of contracts and contract-values is not yet known, but as this is a major infrastructure project, there is likely to be at least one construction contract exceeding $10,000,000.00. Without funding to proceed with the project in place because an Agreement in Principal for the three-level funding agreement has not been reached, the engineering assignments have not been made and there is not yet a detailed project plan.

Under normal circumstances, award of contract by a standing committee of council will take (depending upon the timing of the bid opportunity submission deadline in relation to the meeting schedule) between four and eight weeks from close of the bid opportunity. With no SPC IR&PW meetings during July and August – the award report for a contract greater than $10M for a bid opportunity closing in early June, July or August could miss the submission deadline for the June SPC IR&PW meeting and not be awarded until the next meeting of SPC IR&PW in early September (this year, September 13, 2011). Up to fourteen weeks of the construction

season would be missed, delaying completion of construction. Approval of a contract award report by the CAO can be accomplished in approximately three weeks from the bid submission deadline date, which would allow for construction during more of the construction season.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 20, 2011

Project Name: **First Year of Program** **2010**

WAVERLEY WEST ARTERIAL ROADS PROJECT - DELEGATION OF AUTHORITY TO AWARD CONTRACTS EXCEEDING $10,000,000.00 AND/OR MULTI-YEAR CONTRACTS

	2010	2011	2012	2013	2014
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: It is anticipated that there will be at least one contract awarded for this project that will exceed $10 million, however the value of these contracts will not be known until the various bid opportunities required for this project close.

"Orignial signed by Darcy Stewart, CA"
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.N. Harms, P. Eng, 986-5164
Processed by: K. Ross, 986-4011
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