Minutes – Executive Policy Committee – July 6, 2011

REPORTS

Minute No. 357 Waverley West Arterial Roads Project – Assignment of Professional Engineering Consultant Services for Non-Resident Contract Administration Services

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the negotiations for a single-source assignment to Morrison Hershfield Ltd. to provide design-review, coordination between all contracts (consulting and construction), and review of monthly project reports and progress estimates and payments (Non-Resident Contract Administration) for the Waverley West Arterial Roads Project be approved.

2. That subject to successful negotiations, a contract be awarded to Morrison Hershfield Ltd. for the new assignment to a maximum amount of $550,000.

3. That the Director of Public Works be delegated the signing authority for this assignment to Morrison Hershfield Ltd.

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On June 28, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted its recommendation to the Executive Policy Committee.

ADMINISTRATIVE REPORT

Title: WAVERLEY WEST ARTERIAL ROADS PROJECT – Assignment of Professional Engineering Consulting Services for Non-Resident Contract Administration Services

Issue: Assignment of Single-Source Professional Engineering Consulting Services exceeding $100,000

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works → Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
L. P. Deane, P. Eng. Manager of Engineering	B. W. Sacher, P.Eng. Director of Public Works	M Ruta CFO	P. Sheegl Chief Administrative Officer

RECOMMENDATIONS

1. That the Executive Policy Committee approve negotiations for a single-source assignment to Morrison Hershfield Ltd. to provide design-review, coordination between all contracts (consulting and construction), and review of monthly project reports and progress estimates and payments (Non-Resident Contract Administration) for the Waverley West Arterial Roads Project.
2. That subject to successful negotiations, a contract is awarded to Morrison Hershfield Ltd. for the new assignment to a maximum amount of $550,000.
3. That the Director of Public Works be delegated the signing authority for this assignment to Morrison Hershfield Ltd.

REASON FOR THE REPORT

Authorization of the Executive Policy Committee is required for this single source assignment, pursuant to Administrative Standard FM-002, as the proposed professional consulting engineering contract exceeds $100,000.

IMPLICATIONS OF THE RECOMMENDATIONS

The 2010 Capital Budget adopted by Council on December 15, 2009 and the 2011 Capital Budget adopted by Council on February 22, 2011 included funding for the Waverley West Arterial Roads Project totalling $54,700,000.00.

- Non-Resident Contract Administration is an oversight role, providing design-review for all components, coordination between all contracts (consulting and construction), and review of payments.
- The Waverley West Arterial Roads Project, announced in September 2009, has been waiting on finalization of a funding agreement with Canada and Manitoba.
- Limited planning could be done, as no claimable funds can be spent prior to the City receiving an Agreement in Principal from Canada.
- An immediate assignment is required in order to proceed with this project in a timely manner; to ensure a quality product is delivered to the City; and to ensure the project efficiencies are realized as early as possible.
- This assignment is in accordance with the recommendations of the Audit Department's Capital Project Management Audit Final Report (November 2008); specifically Recommendation 25, regarding the separation of the design and contract administration functions of major projects; and Recommendation 26, regarding ceding project management and control processes to a third party. This appointment for Non-Resident Contract Administration Services will ensure that due diligence is applied in review of the project designers' work.

General

- No costs can be incurred until the City receives the Letter of Intent (Agreement in Principal) from the federal Minister of Transportation.
- No costs can be claimed until the agreement between the three levels of government is in place.
- The authority to negotiate a contract – as well as the contract itself – with the engineering consultant can be in place prior to incurring any costs.
- In the opinion of the Department, the proposed professional engineering consultant has the skills and resources to satisfactorily complete the work.

HISTORY

- The Waverley West Arterial Roads Project was announced in fall 2009 as part of the Building Canada Fund – funded by Canada, Manitoba and Winnipeg.
- A separate direct assignment to Stantec Consulting Ltd. for construction contract administration was approved by the CAO on December 29, 2010 for Part I – Kenaston Boulevard extension, northbound lanes from North Town Road to Bishop Grandin Boulevard.
- A separate direct assignment to Wardrop Engineering Inc. (dba Tetra Tech) for construction contract administration for Part II (a) Waverley St twinning, and design and construction contract administration for Part II (b) Waverley St extension was approved by the CAO on December 29, 2010.

- A third professional consulting engineering contract will be solicited by a Request for Proposals for the design and contract administration for the remaining project works: Part III – Kenaston Bv Extension from Bishop Grandin Bv to PTH 100 (including flyover structure).

FINANCIAL IMPACT

Financial Impact Statement

Date: June 14, 2011

Project Name:

First Year of Program **2011**

WAVERLEY WEST ARTERIAL ROADS PROJECT – Assignment of Professional Engineering Consulting Services for Non-Resident Contract Administration Services

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 188,834	$ 188,833	$ 188,833	$ -	$ -
Less: Existing Budgeted Costs	188,834	188,833	188,833	-	-
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	$ -	$ 18,883	$ 37,767	$ 56,650	$ 56,650
Less: Incremental Revenue/Recovery	5,500	5,500	5,500	-	-
Net Cost/(Benefit)	$ (5,500)	$ 13,383	$ 32,267	$ 56,650	$ 56,650
Less: Existing Budget Amounts	(5,500)	13,383	32,267	56,650	56,650
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The recommended engineering consulting costs will be charged to the Waverly West Arterial Roads project (# 1803000110) which has a $54.7 million budget included in capital budgets adopted by Council.

"Original signed by D. Stewart, CA"

D. Stewart CA

Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with: N/A

SUBMITTED BY

Department:	Public Works Department
Division:	Engineering Division
Prepared by:	M.N. Harms, P. Eng.
Processed by:	K. Ross
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