**Agenda – Council – October 19, 2011**

**Report – Standing Policy Committee on Property and Development – October 4, 2011**

**Item No. 15 Authorization for Expenditures on the 2012 Capital Budget as a first charge related to the Police Building Replacement Project**

STANDING COMMITTEE RECOMMENDATION:

On October 12, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That authorization be granted for expenditures of up to $510,000 in 2011 before the 2012 Capital Budget is adopted as a first charge on the 2012 Police Building Replacement Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of the project consultant contract.

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

**Report – Standing Policy Committee on Property and Development – October 4, 2011**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 12, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On October 4, 2011, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Issue:** **Authorization for expenditures on the 2012 capital budget as a first charge related to the Police Building Replacement project.**

**Critical Path:** **Standing Policy Committee on Property and Development – Executive Policy Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| B. Evenson | B. Thorgrimson | M Ruta<br>Chief Financial Officer | D Joshi<br>Chief Operating Officer |

## RECOMMENDATIONS

1. That authorization be granted for expenditures of up to $510,000 in 2011 before the 2012 Capital Budget is adopted as a first charge on the 2012 Police Building Replacement Capital Budget, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to allow award of the project consultant contract.

2. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

## REASON FOR THE REPORT

- Council approval is required for a first charge for an expenditure of capital funds prior to the adoption of the 2012 capital budget.

- In order to meet project timelines and remain within project budget, award of contract for the remaining professional consulting services, as laid out in this report, must be made prior to Council adoption of the 2012 Annual Capital Budget and 2013 to 2017 Five-Year Capital Forecast.

## IMPLICATIONS OF THE RECOMMENDATIONS

The recommendations, if approved, will allow a first charge on the 2012 Capital Budget to enable the completion of professional consulting services pursuant to the awarded contract prior to the adoption of the 2012 Capital budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter.

## HISTORY

On July 23, 2003, Council approved implementation of the Winnipeg Police Service (WPS) - Four District Model. The WPS six district service delivery model was based on a municipal structure that existed prior to 1971. Contemporary policing issues led the WPS to review this service delivery structure and recommend realignment from six to four districts.

On July 18, 2007, Council approved the award of a Public-Private Partnership (P3) contract to Huntingdon Real Estate Investment Trust for the development and operation of the East District Police Station based on a 30-year lease.

On February 22, 2011, Council adopted the 2011 Annual Capital Budget and 2012 to 2016 Five-Year Capital Forecast, which included $4.1 million in 2012 for Police Building Replacement. This budget is intended for estimated costs of procurement, furniture, and special equipment, plus construction inflation, for the development of the Southwest and North District Police Stations.

On April 20, 2011, the Acting CAO approved the request for single source negotiations, pursuant to B4.1 of the Materials Management Policy, for professional consulting services for the Southwest District Police Station.

On April 21, 2011, the Director of Planning, Property and Development approved the award of contract for Professional Consulting Services inclusive of Schematic Design/Program of Requirements, Design Development and Contract Documents - Drawings and Specifications for the Southwest District Police Station. There is sufficient, Council-approved funding in the capital budget for this scope of work. However, it is anticipated that the remaining professional consulting services, which include Bid Preparation and Award, Contract Administration, and Post Construction Services, will need to be awarded prior to Council approval of the 2012 Annual Capital Budget and 2013 to 2017 Five-Year Capital Forecast.

Administrative Standard FM-002 (pursuant to the Materials Management Policy) stipulates that an award of contract is contingent upon there being *"sufficient funds for the Consideration to be paid by the City in a budget therefore approved by Council."*

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** September 23, 2011

**Project Name:** **First Year of Program** 2011

**Authorization for expenditures on the 2012 capital budget as a first charge related to the Police Building Replacement Project**

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 1,250,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 740,000 | 510,000 | - | - | - |
| Additional Capital Budget Required | $ 510,000 | $ (510,000) | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ 510,000 | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ 510,000 | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | 18,204 | 18,204 | - | - | - |
| Net Cost/(Benefit) | $ (18,204) | $ (18,204) | $ - | $ - | $ - |
| Less: Existing Budget Amounts | (18,204) | (18,204) | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** Capital expenditures represent the total estimated professional consulting services contract amount for the Southwest District Police Station capital project. Approval of the first charge of $510,000 against the 2012 capital budget will enable contract award consistent with project timeline requirements. Recoveries in 2011 and 2012 consist of the 2% short-term financing charge + the 1% corporate admin fees to be charged to the capital project budget with an offsetting credit to the Corporate Finance Department's current budget.

*"Original signed by"*
Mike McGinn, CA
Manager of Finance

## CONSULTATION

**In preparing this report there was consultation with:**

Winnipeg Police Service

## SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Brad Erickson
Date: September 29, 2011
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