Minutes – Executive Policy Committee – December 7, 2011

REPORTS

Minute No. 61 Single Source Negotiations for Professional Engineering Services - Winnipeg Police Headquarters (Canada Post) Project

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and approved the single source negotiation with Adjeleian Allen Rubeli Limited, a Professional Engineering Services firm (Engineers) to assist the City's Project Director for the Winnipeg Police Headquarters Project by providing Professional Engineering Services for a fee not to exceed $2,600,000.

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: **Request for approval to enter into single source negotiations for Professional Engineering Services required by the City for the Winnipeg Police Headquarters (Canada Post) Project (the Project)** **(Internal File Number 852-2011)**

Critical Path: **Executive Policy Committee**

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Benoit	B. Thorgrimson	M. Ruta	D. Joshi COO

RECOMMENDATIONS

That Executive Policy Committee approves the single source negotiation with Adjeleian Allen Rubeli Limited, a Professional Engineering Services firm (Engineers) to assist the City's Project Director for the Winnipeg Police Headquarters Project by providing Professional Engineering Services for a fee not to exceed $2,600,000.

REASON FOR THE REPORT

As the value of the proposed contract exceeds $100,000.00 and there are sufficient funds in the approved Capital budget, Executive Policy Committee may approve the negotiation of a single source contract in accordance with the delegated authority pursuant to Administrative Standard FM-002 and the emergency single source negotiation provisions in the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

Financial Implications

The overall available funding in the 2011 Winnipeg Police HQ Redevelopment Capital is $99,363,000. The capital account distribution is 003-181000-630631-6331001911.

HISTORY

History:

On March 30, 2010, the City issued a Request for Proposals (RFP) for engineering services for the renovation of the new Winnipeg Police Headquarters (former Canada Post building).

On August 19, 2010, the City entered into contract with a Consultant for the first three phases of the Project (Pre-Design, Schematic Design, Program of Requirements, and Design/specification Development) for a fixed fee of $2,520,092 plus applicable taxes.

On January 4, 2011, the City added Phase 4 Contract Document Preparation in an amount of $2,820,446 million to the original contract, which was allowed for under the original RFP. No award of contract has been made for Phase 5 (Procurement Process), Phase 6 (Construction Services) or Phase 7 (Post Construction)

There have been changes in the scope of work in the contract for Construction Management Services for the Design and Development of the Winnipeg Police Service Headquarters resulting in material changes to the work that would have been required in Phase 5 and in addition, changes to the work that would have been required for Phases 6 and 7 of RFP 66-2010.

Further, the City has retained the services of Dunmore Corporation to act as Project Director which would necessitate further changes to the work of Phases 5, 6 and 7.

Therefore, the City is seeking to contract with a Professional Engineering Service provider for this revised scope of work. The Engineers will assist the Project Director with management and control of many aspects of the Project through completion of the Project, to achieve the objectives of the Project - on time and within budget.

The Engineers will assist with the coordination efforts of the Project team to ensure the established targets are met in regard to schedule, aesthetics, functionality, cost, profitability, and quality.

Because the single source award exceeds $100,000 and relates to a capital budget, the report is being forwarded for EPC approval on the basis of delegations required under Administrative Standard FM-002. Without this proposed contract, the City risks not keeping the Project on schedule, and within budget. Both of these elements are critical to the orderly transition of police services to the new headquarters and management of limited City resources. Therefore, this recommendation for single source negotiations with Adjeleian Allen Rubeli Limited is based on B4.1 (j) of the Materials Management Policy which permits single source negotiations on an emergency basis where there is a serious need which otherwise would adversely affect the functioning of the City.
It is expected that proceeding by way of single source negotiations and award, will take less time than a public bid solicitation and thereby makes it more likely that the Project will be on schedule.

A public bid solicitation would not be required pursuant to the Agreement on Internal Trade because the proposed services would be provided by licensed professionals that are exempt from the application of the Agreement on Internal Trade.

The recommended company has specialized experience in major renovation projects and has been recommended by the Project Director as having the necessary experience and resources to complete the work of the contract.

If the single source negotiations are authorized by EPC and the negotiations are successful, a report will be submitted to the Chief Financial Officer to award the contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 23, 2011

Project Name:

First Year of Program **2012**

Potential award contract for Professional Services required for the Winnipeg Police Headquarters (Canada Post) Project

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ 1,300,000	$ 1,300,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	1,300,000	1,300,000	-	-	-
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	37,864	37,864	-	-	-
Net Cost/(Benefit)	$ (37,864)	$ (37,864)	$ -	$ -	$ -
Less: Existing Budget Amounts	(37,864)	(37,864)	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures in 2012 & 2013 consist of the contract amount of up to $2,600,000 inclusive of short-term financing and admin fees of $75,727, which is offset by equal recoveries in the Corporate Finance operating budget. Payments related to the contract are assumed to flow equally over 2012 & 2013.

"Original signed by"

Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department
Materials Management Division

SUBMITTED BY

Department:	Planning, Property and Development
Prepared by:	Randy Benoit
Date:	November 29, 2011
File No.	MM file no. 852-2011