Agenda - Executive Policy Committee - June 6, 2012

Report - Standing Policy Committee on Protection and Community Services - May 28, 2012

Item No. 3 Request for Over-expenditure Authorization – Construction of Winnipeg Fire Paramedic Service New Station 27

STANDING COMMITTEE RECOMMENDATION:

On May 28, 2012, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That an allocation of $60,954.22 be approved from the unallocated Capital account to enable the Winnipeg Fire Paramedic Service to complete the contract amount for the completion of WFPS Station 27 located in Sage Creek.

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

Agenda - Executive Policy Committee - June 6, 2012

Report - Standing Policy Committee on Protection and Community Services - May 28, 2012

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 28, 2012, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Request for Over-expenditure Authorization – Construction of Winnipeg Fire Paramedic Service New Station 27**

Critical Path: **Standing Policy Committee Protection and Community Services - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Romaniuk	R. Douglas	M Ruta	D Joshi COO

RECOMMENDATIONS

That the Council approve an allocation of $60,954.22 from the unallocated Capital account to enable the Winnipeg Fire Paramedic Service to complete the contract amount for the completion of WFPS Station 27 located in Sage Creek.

REASON FOR THE REPORT

Approval from Council is required for over-expenditure of Capital Contracts as it is a change to the existing budget.

IMPLICATIONS OF THE RECOMMENDATIONS

A capital budget adjustment is required to offset unbudgeted increases in change orders due to unforeseen adjustments and out of scope construction costs necessitated in the construction of the new WFPS Station 27 located in Sage Creek.

This adjustment will permit the Winnipeg Fire Paramedic Service to finalize and close out the contract for this station.

HISTORY

WFPS identified a deficiency in its response profile for the south east area of the City due to the rapid development in the Sage Creek area. Response times by Fire and EMS units into this newly developing area of the City far exceeded the WFPS optimum response time of 4 minutes for a fire/PCP unit and 9 minutes for a full EMS transport unit. The decision was made to build a new and additional station in this area to address these deficiencies. The property was purchased and a contract was signed with Shindico Realty Inc. to develop the site and build a new station for the department. As this station was to be a template for all new suburban stations to be built in the future, certain adjustments and changes were required with this particular unit to ensure it met the department's needs for a dual purpose station into the foreseeable future. As some of these changes were required to be made during the construction process, it resulted in some additional costs thus exceeding the original contract price. As well the actual costs for heating and hoarding of the building during masonry construction were not included into the contract as these are variable amounts dictated by weather conditions.

Some examples of the additional charges include but are not exclusive to temporary heating including tarping, labour and materials, equipment rentals, fuel and electricity charges -- $40,858.33; millwork (revisions to cabinetry) – $1,299.00; permits -- $10,163.67, etc. In total, all the additional costs total $67,783.00.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 10, 2012

Project Name:
Over Expenditure Report for Sage Creek - Station #27

First Year of Program
2012

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ 62,783				
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ 62,783	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 62,783				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs		$ 6,483	$ 6,483	$ 6,483	$ 6,483
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ 6,483	$ 6,483	$ 6,483	$ 6,483
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ 6,483	$ 6,483	$ 6,483	$ 6,483

Additional Comments: Additional Comments:

1. Additional funding is required for over-expenditure of Capital Contracts. Costs include applicable taxes. Capital expenditure portion includes 3% Corporate Finance Administration Charge.
2. The supplier will collect GST. However, GST is not included in the above costs as the City receives 100% rebate on this tax. Cost of $60,954 and 3% Administrative Fee of $1,829 is included in the above expenditures.
3. Annual Debt & Finance Charges (I/P Payments) for 2012 to 2016 are calculated at 6.50% interest per annum over 15 years. Debt & Finance charges beyond 2016 total $71,309.

original signed by
Janice Romaniuk, CGA
Manager of Finance
Winnipeg Fire Paramedic Service

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Department	Winnipeg Fire Paramedic Service
Division	Finance Division
Prepared by:	J. Romaniuk
Date:	April 20, 2012
File No.	