Agenda - Executive Policy Committee – July 11, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – July 3, 2012

Item No. 2 First Charge on the 2013 Capital Budget - North End Water Pollution Control Centre - Secondary Clarifier Refurbishment Project

STANDING COMMITTEE RECOMMENDATION:

On July 3, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That authorization be granted for expenditures of $350,000.00 before the 2013 Capital Budget is adopted as a first charge on the 2013 Capital Budget, in accordance with subsection 288(2) of The City of Winnipeg Charter, to permit needed refurbishment work to be performed during low wet weather flow period at the North End Water Pollution Control Centre (NEWPCC).

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

Agenda - Executive Policy Committee – July 11, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – July 3, 2012

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 3, 2012, 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: **AUTHORIZATION FOR EXPENDITURES ON THE 2013 CAPITAL BUDGET AS A FIRST CHARGE FOR THE NEWPCC SECONDARY CLARIFIER REFURBISHMENT PROJECT**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Patton, P.Eng. Manager Engineering Services	D. P. Sacher, P. Eng. Director, Water and Waste Department	M Ruta CFO	D. Joshi, COO

RECOMMENDATIONS

That authorization be granted for expenditures of $350,000.00 before the 2013 Capital Budget is adopted as a first charge on the 2013 Capital Budget, in accordance with subsection 288(2) of the City of Winnipeg Charter, to permit needed refurbishment work to be performed during low wet weather flow period at the North End Water Pollution Control Centre (NEWPCC).

REASON FOR THE REPORT

Council approval is required for a first charge expenditure of capital funds prior to the adoption of the 2013 Capital Budget. A construction contract will commit 2013 Capital Budget funds in 2012.

It is estimated that the construction contract value will exceed the current approved capital budget.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds in the amount of $600,000.00 are included in the approved 2011-2012 Capital Budget for Secondary Clarifier Refurbishment – North End Water Pollution Control Centre (NEWPCC), Account Distribution No. 444 181000 200752 203110003B.

Funds in the amount of $1,000,000.00 are included in the 2013 Capital Budget submission for Secondary Clarifier Refurbishment – North End Water Pollution Control Centre (NEWPCC), Account Distribution No. 444 181000 200752 203110003B.

HISTORY

The Secondary Clarifiers at the NEWPCC are nearly 50 years old and are in need of refurbishment to maintain functionality.

The 2011 and 2012 Capital Budgets adopted by Council included $100,000.00 and $500,000.00 respectively for the NEWPCC – Secondary Clarifier Refurbishment Project. Currently $261,247.87 has been committed, principally for engineering. The proposed project funding of the Department for the 2013 Capital Budget is $1,000,000.00

Through a detailed engineering condition assessment, a refurbishment scope of work has been identified and associated detailed design drawings and specifications are nearing completion. To minimize impacts on the performance capability of the NEWPCC the refurbishment works are planned to be performed during the historically low wet weather flow period of October through February. Two such refurbishment periods and associated construction contracts are anticipated to complete the refurbishment work on all ten secondary clarifiers. The first phase construction is desired to be tendered in the summer with construction to commence in October 2012. The estimated cost of the Phase 1 work including engineering, construction, contingencies and financing and administration costs is $688,752.00. A second phase construction is planned to commence October 2013. Each construction contract will be competitively tendered and awarded following Materials Management Policy.

It is anticipated that there will be a shortfall of $350,000.00 in available Capital Budget Funds to allow an award of the first phase construction contract to meet the desired October, 2012 commencement timeline.

Council authorization for an expenditure of $350,000.00 before the 2013 Capital Budget is adopted, as a first charge against the 2013 Capital Budget is required in order to procure a contract for the required the refurbishment works.

The financial status of the Secondary Clarifier Refurbishment Project – North End Water Pollution Control Centre (NEWPCC) project is as follows:

Authorized Capital		$ 600,000.00
Amount of Previous Awards or Expenditures	$ 261,248.00	
Estimated amount for Contract Phase 1 Including engineering, construction and associated financing and administration costs	$ 688,752.00	
2012 Total Estimated Expenditures	$ 950,000.00	$ 950,000.00
Estimated 2012 Budget Shortfall for Construction Contract Phase 1		($350,000.00)

FINANCIAL IMPACT

Financial Impact Statement

Date: June 8, 2012

Project Name: **First Year of Program** **2012**

AUTHORIZATION FOR EXPENDITURES ON THE 2013 CAPITAL BUDGET AS A FIRST CHARGE FOR THE NEWPCC SECONDARY CLARIFIER REFURBISHMENT PROJECT

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ -	$ 350,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ 350,000	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 350,000				
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: Funds requested are included in the 2013 Capital Budget submission. This project is financed by Retained Earnings.

"Original signed by L. Szkwarek, for"
Moira Geer, CA
Manager of Finance and Administration

js
8-Jun-12

CONSULTATION

In preparing this report there was consultation with:

N/A

SUBMITTED BY

Water and Waste Department
EngineeringDivision
Prepared by: Neil Harrington, P.Eng.
Date: June 18, 2012
File No. S-850

c: Director of Legal Services/City Solicitor, Legal Services Department (email**)**
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