Agenda - Executive Policy Committee - November 7, 2012

Report - Standing Policy Committee on Protection and Community Services - October 29, 2012

Item No. 6 To seek Council Approval as a result of an Increase in Scope of Construction for First Call for 2013 Capital Budget for Construction of Winnipeg Fire Paramedic Service Stations

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Protection and Community Services submits the following to Council:

1. That the Winnipeg Public Service recommendation be received as information.

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

Report - Standing Policy Committee on Protection and Community Services - October 29, 2012

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 29, 2012, the Standing Policy Committee on Protection and Community Services recommended that the Winnipeg Public Service recommendation be received as information, and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **To seek Council Approval as a result of an Increase in Scope of Construction for First Call for 2013 Capital Budget for Construction of Winnipeg Fire Paramedic Service Stations.**

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

AUTHORIZATION

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

RECOMMENDATIONS

1. That Council approve additional expenditures for the Fire Paramedic Facilities Replacement Project Capital Budget, for a total of $2,496,589, prior to the adoption of the 2013 Capital Budget as a first charge against the General Capital Fund on the 2013 Fire Paramedic Service Facilities Replacement and Relocation Program, in accordance with Subsection 288(2) of *The City of Winnipeg Charter*.

2. That the Proper Officers of the City be authorized to 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 2013 Capital Budget. The first charge would result in adjustment of timelines for projects earmarked in 2013 and 2014.

IMPLICATIONS OF THE RECOMMENDATIONS

Additional commitment of budget dollars will allow the Winnipeg Fire Paramedic Service (WFPS) to complete Station 11 on Portage Avenue. Station 11 requires a larger footprint and tower to accommodate the necessary apparatus to serve the needs of the western portion of Winnipeg. It has the ability to best protect the public by significantly increasing responsiveness to the unique risks created by hazardous material (haz-mat) incidents in the industrial area (including the airport and the new CentrePort developments) within the response capability (distance and time). The haz-mat response is currently conducted from two separate locations – one in St. Boniface and the other in the Maples. The construction of the new Station 11 will allow the relocation of the haz-mat unit from the Maples (Station 7) to this more strategic location.

Of note, over 70 per cent of haz-mat calls occur in the western portion of Winnipeg. Further, due to the volume of high-rise buildings in the area, an aerial ladder is also required at Station 11. By moving the aerial ladder from Station 20 to the new Station 11, the WFPS can provide more effective coverage into the St. James area and reduce response times by approximately 4 minutes in critical demand areas. Also, housing a paramedic unit in Station 11 provides significantly enhanced EMS service as well.

Additional costs for stations 12 and 18 included in this request were required for heating and hoarding costs, millwork, permits, signage and site work for more concrete.

The first charge would result in adjustment of the timelines for Station 19 (Whytewold) and Station 15 (Windsor Park) in 2013 and 2014 respectively. The operational gains achieved through the scope changes for Station 11 will enhance service delivery for the general public. The extended timelines for the replacement of Stations 19 and 15 will have minimal impact on service delivery from those stations.

HISTORY

Based on the TriData report in 2000 (*A Comprehensive Risk Analysis for the City of Winnipeg Emergency Response Service*) and the Facilities audit in 2005, five fire stations have been built or replaced in Winnipeg over the last six years with two more planned for future years. (Completed/underway: Stations 27, 12, 18, 11, 21; 2013/14: Stations 19 - Whytewold &15 – Windsor Park).

The original Station 11 was a core station that for many years was rundown, outdated and severely lacking in space to locate diverse types of apparatus. Over the years, following changes to the design of the original Station, it became impossible to fit an aerial ladder, haz-mat unit and training facility into the station. The location of the new Station 11 will enhance road safety by reducing longer-distance emergency responses, significantly adding to community safety. Relocating apparatus to the new station will offset the potential for extreme fire spread in western areas of Winnipeg. For example, flashovers (total ignition of all internal combustibles, which is completely non-survivable) generally occur at the 4-to-6 minute mark once a fire has started.

On November 21, 2008 a plan outlining the urgent need for WFPS infrastructure replacement, identified by a 2005 WFPS internal review, was presented to the Chief Administrative Officer (CAO). In the summer of 2009, a committee of WFPS and United Fire Fighters of Winnipeg (UFFW) members met with the CAO and Senior Administration to discuss how to address replacing the inadequate facilities, and significantly improve emergency response times and operational efficiencies in a timely manner.

Project Funding

In February 2010, WFPS presented a report to the SPC on Protection and Community Services which outlined a plan to strategically replace its aging infrastructure. The preliminary findings of a deployment study initiated by WFPS identified the need for additional scope to Station 11, to create operational efficiencies (removal of museum, inclusion of aerial ladder, haz-mat unit and training facility). The Fire Chief had the authority to change the scope of the project in order to accommodate these operational needs and efficiencies as they were anticipated to fall within the $15.3M budget.

In July 2010, Council approved the application for a Canada Mortgage and Housing Corporation (CMHC) Municipal Infrastructure Loan for the partial funding of the four new stations in the amount of $9.678M. With existing WFPS capital, an overall budget of $15.34M for four new stations was established. The following is an excerpt from the public service's report:

The cost of the project is estimated to be $15,340,500, to be funded as follows:

2006 Facilities Replacement and Relocation Program	*$1,030,000*
2008 Facilities Replacement and Relocation Program	*1,792,000*
2010 Facilities Replacement and Relocation Program	*2,500,000*
CMHC Municipal Infrastructure Lending Program loan	*9,678,000*
Estimated net proceeds of disposition of properties (based on 2008 assessed values)	*340,500*
TOTAL	***$15,340,500***

In early 2012, the Public Service proceeded with a foundation-only award for Station 11 in order to meet Canada Mortgage and Housing Corporation (CMHC) funding timelines while the WFPS continued to refine the project requirements. Increased construction and inflationary costs, additional square footage and off-site services have resulted in the need to request an additional $2,232,138 to complete the facility.

In May 2012, Council concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and adopted the following: That an allocation of $60,954.22 be approved from the departmental non-specified account to enable the Winnipeg Fire Paramedic Service to complete the contract amount for the completion of WFPS Station 27 located in Sage Creek. 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. The department thought it necessary to obtain this approval to avoid exceeding budget on the overall project.

The budget shortfall for the four stations, as detailed on Appendix A, is as follows:

	Station 11 Portage	*Suburban Stations (12,18, 27)*	*TOTAL*
Budget shortfall	($2,232,138)	($264,451)	($2,496,589)

The budget shortfall reflects the additional costs outside the original contract totaling $264,451 for Stations 12, 18 and 27. Approximately half of this amount is due to heating and hoarding costs which permitted construction during the winter. Additional costs were also incurred for site work, permits and overhead charges.

Financial Impact Statement

Date: September 25, 2012

Project Name:

First Year of Program **2012**

Council Approval to Undertake Scope of Station #11 Replacement under Paramedic Facilities Replacement and Relocation Project – Phase I

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ 17,886,368	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	15,389,779	-	-	-	-
Additional Capital Budget Required	$ 2,496,589	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 2,496,589				
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:

1. Total capital expenditures projected for the four stations as a whole are $17,886,368; which includes the appropriate Corporate Finance Overhead Charges. Additional capital budget authority, proposed through a first charge on the 2013 Fire Paramedic Service Facilities Replacement and Relocation Program is required to complete Station 11.

2. No operating impact has been shown as WFPS is moving to the cash to capital basis in 2013.

original signed by

J. Romaniuk
Manager of Finance
Winnipeg Fire Paramedic Service

CONSULTATION

In preparing this report there was consultation with:

Legal Services
Materials Management

SUBMITTED BY

Department: Winnipeg Fire Paramedic Service / Planning, Property and Development

Prepared by: Reid Douglas, Paul Olafson, Barry Thorgrimson, Iain Day
Date: October 24, 2012

Appendix A

	Station 11 Portage	Station 12 Taylor	Station 18 Roblin	Station 27 Sage Creek	Total
Construction (Building)	$ 3,870,250	$ 3,005,250	$ 2,635,000	$ 3,650,000	$ 13,160,500
Land	-	-	-	685,000	685,000
Other	300,000	165,000	365,000	665,000	1,495,000
Budget Allocation	4,170,250	3,170,250	3,000,000	5,000,000	15,340,500
Budget adjustments					
Project surplus and non-specified capital account	28,825	-	-	60,954	89,779
2012 Capital Budget	300,000	-	-	-	300,000
Amended Budget as at Sept 9, 2012	4,499,075	3,170,250	3,000,000	5,060,954	15,730,279
Loss of net proceeds of property dispositions	(170,250)	(170,250)	-	-	(340,500)
Revised Budget Allocation	**4,328,825**	**3,000,000**	**3,000,000**	**5,060,954**	**15,389,779**
Actual Costs to Sept 9, 2012	858,561	3,532,622	3,463,348	4,000,149	11,854,680
Anticipated Costs	5,702,402	82,080	198,087	49,119	6,031,688
Projected Project Costs	6,560,963	3,614,702	3,661,435	4,049,268	17,886,368
Surplus/(Shortfall)	**$ (2,232,138)**	**$ (614,702)**	**$ (661,435)**	**$ 1,011,686**	**$ (2,496,589)**
Surplus/(Shortfall) Detail					
Construction					
Construction contract bid including contingencies	$ 6,252,290	$ 3,249,457	$ 3,197,662	$ 3,000,000	$ 15,699,409
Additional expenditures	-	97,723	139,685	58,051	295,459
	6,252,290	3,347,180	3,337,347	3,058,051	15,994,868
Construction budget (including budget adjustments)	4,028,825	2,835,000	2,635,000	3,710,954	13,209,779
Construction surplus/shortfall	(2,223,465)	(512,180)	(702,347)	652,903	(2,785,089)
Land	-	-	-	24,280	24,280
Other	(8,673)	(102,522)	40,912	334,503	264,220
Land and other subtotal	(8,673)	(102,522)	40,912	358,783	288,500
Surplus/(Shortfall)	**$ (2,232,138)**	**$ (614,702)**	**$ (661,435)**	**$ 1,011,686**	**$ (2,496,589)**