Agenda - Council – December 12, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – November 26, 2012

Item No. 7 First Charge on the 2013 Capital Budget - Outfall Rehabilitation Program and the Midtown Feedermain Project

STANDING COMMITTEE RECOMMENDATION:

On December 5, 2012, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works, and submits the following to Council:

1. That authorization be granted for expenditures of up to $1,300,000 in 2012 or prior to the adoption of the 2013 Capital Budget, as a first charge against the General Capital Fund, in order to procure contracts for construction works for the Outfall Rehabilitation Program.

2. That authorization be granted for expenditures of up to $1,000,000 in 2012 or prior to the adoption of the 2013 Capital Budget, as a first charge against the Waterworks System Fund, in order to procure contracts for construction works for the Midtown Feedermain Project.

3. 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 Infrastructure Renewal and Public Works – November 26, 2012

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 5, 2012, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works, and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 26, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Amend Recommendation No. 2 by deleting the words “General Capital Fund” and replacing with the words “Waterworks System Fund”,

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **FIRST CALL ON THE 2013 CAPITAL BUDGET FOR THE OUTFALL REHABILITATION PROGRAM AND THE MIDTOWN FEEDERMAIN PROJECT**

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

AUTHORIZATION

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

RECOMMENDATIONS

1. That authorization be granted for expenditures of up to $1,300,000.00 in 2012 or prior to the adoption of the 2013 Capital Budget, as a first as a first charge against the General Capital Fund, in order to procure contracts for construction works for Outfall Rehabilitation.

2. That authorization be granted for expenditures of up to $1,000,000.00 in 2012 or prior to the adoption of the 2013 Capital Budget, as a first as a first charge against the General Capital Fund, in order to procure contracts for construction works for the Midtown Feedermain.

REASON FOR THE REPORT

Council approval, through a first call against the 2013 Capital Budget is required in order to expend 2013 Capital funds prior to the adoption of the 2013 Capital Budget.

It is estimated that the construction contract values of the two contracts will exceed the current approved capital budget.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds in the amount of $6,545,821.00 are included in the approved 2007-2012 Capital Budgets for Outfall Rehabilitation, Account Distribution No. 003 181000 200652 20780001YY.

Funds in the amount of $1,300,000.00 are included in the 2013 Capital Budget submission for Outfall Rehabilitation, Account Distribution No. 003 181000 200652 20780001YY.

Funds in the amount of $5,800,000.00 are included in the approved 2008 and 2012 Capital Budgets for Midtown Feedermain, Account Distribution No. 443 181000 200751 20040002YY.

Funds in the amount of $1,000,000.00 are included in the 2013 Capital Budget submission for Midtown Feedermain, Account Distribution No. 443 181000 200751 20040002YY.

HISTORY

OUTFALL REHABILITATION

The Outfall Rehabilitation program is a program included annually in the Capital Budget for rehabilitation of sewer outfalls, repair to piping, and correction of riverbank instability. The department has a list of outfalls requiring upgrading work on a priority basis and undertakes as much of the work each year as can be done within the funds available.

The optimum time frame for required construction works for outfall maintenance and repairs typically takes place in the winter months when the rivers are frozen and there is no water flowing through the outfall pipes.

The posting of a Bid Opportunity for required Outfall Rehabilitation for bidders is scheduled for November-December 2012 with an award of contract date anticipated for late December 2012 - Early January 2013. The work of the contract is planned for winter construction to be completed before spring thaw 2013.

It is anticipated that there will be a shortfall in available Capital Budget Funds to allow an award of contract therefore 2013 Capital funds are required for the procurement of a construction contract in order to have the outfall rehabilitation construction completed by Spring thaw 2013.

Council authorization for an expenditure of $1,300,000.00 before the 2013 Capital Budget is adopted, as a first call against the 2013 Capital Budget is required in order to procure a contract for the required outfall rehabilitation work.

The financial status of the Outfall Rehabilitation program is as follows:

Authorized Capital		$ 6,545,821.00
Amount of Previous Awards or Expenditures	$5,037,098.00	
Estimated amount for Rehabilitation Contract Including engineering, construction and associated financing and administration costs	$2,500,000.00	
2012 Total Estimated Expenditures	$7,537,098.00	$ 7,537,098.00
Estimated 2012 Budget Shortfall for		

Outfall Rehabilitation ($991,277.00)

MIDTOWN FEEDERMAIN

The Midtown Feedermain is a critical water distribution system pipe that crosses the Assiniboine River on its own dedicated bridge structure and has been in service since 1956. Significant repairs were made to the feedermain pipe in 1993 and internal inspections of the pipe at that time revealed the presence of corrosion. A condition assessment of the feedermain pipe and its associated bridge structure to ascertain future rehabilitation or replacement requirements was undertaken in 2002. As a result of the condition assessment, detailed designs and accurate construction cost estimates have been completed.

The high Assiniboine River flows in 2011 have caused river bank instabilities putting the bridge at risk. Additional geotechnical investigations and engineering studies were undertaken in 2012 to determine the impact of the unstable river bank on the existing structure. The engineering findings determined that significant river bank stabilization is required to protect the structure against further bank instabilities. Additional funds of $1,000,000.00 have been requested to be added to the existing Capital Budget for the Midtown Feedermain in the 2013 Capital Budget submission for the additional work. The river bank stabilization along with the rehabilitation works are now required to protect the bridge foundation.

The optimum time frame for required construction work for river bank stabilization and rehabilitation works is the winter months when the river is frozen.

The posting of a Bid Opportunity for required river bank stabilization and rehabilitation works for bidders is scheduled for November-December 2012 with an award of contract date anticipated for late December 2012 - Early January 2013. The work of the contract is planned for winter construction to be completed before spring thaw 2013. The river bank stabilization work can only be completed in the winter months and must be completed before the remainder of the bridge rehabilitation work is undertaken.

It is anticipated that there will be a shortfall in available Capital Budget Funds to allow an award of contract therefore 2013 Capital funds are required for the procurement of a construction contract in order to have the river stabilization portion completed by Spring thaw 2013. If funds are unavailable to complete the work, the project will have to be delayed until the winter of 2014 which would further delay the necessary work.

Council authorization for an expenditure of $1,000,000.00 before the 2013 Capital Budget is adopted, as a first call against the 2013 Capital Budget is required in order to procure a contract for the required remediation works.

Authorized Capital		$ 5,800,000.00
Amount of Previous Awards or Expenditures	$ 777,567.00	
Estimated amount for Remediation Works Including engineering, construction and associated financing and administration costs	$5,500,000.00	
2012 Total Estimated Expenditures	$6,277,567.00	$ 6,277,567.00
Estimated 2012 Budget Shortfall for Outfall Rehabilitation		($477,567.00)

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 5, 2012

Project Name:

FIRST CALL ON THE 2013 CAPITAL BUDGET FOR THE OUTFALL REHABILITATION PROGRAM AND THE MIDTOWN FEEDERMAIN PROJECT

COMMENTS:

There is no financial impact for this report. The Department is only requesting authorization for 2013 funds in order to proceed with procurement of contracts for construction works for the two projects. Award Reports to the appropriate award authority for the two projects would follow in late December 2012 - early January 2013.

"Original signed by M. L. Geer, C. A."
Moira Geer, CA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

N/A

SUBMITTED BY

Water and Waste Department
EngineeringDivision
Prepared by: Kas Zurek, P. Eng., Joanie Smalley, C.E.T.
Date: November 6, 2012
File No. D-316, W-687

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