REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED JULY 4, 2000

On motion of Councillor Angus, Clause 5 of the Report of the Standing Policy Committee on Public Works dated July 4, 2000, was considered.

Strategic Infrastructure Reinvestment Policy (SIRP) Implementation Committee Report
File S-7 (Vol. 4)

378 - 5. ***Note: In accordance with Section 61.5 of the Procedure By-law, the Executive Policy Committee recommends an additional extension of time of 60 days.***

Moved by Councillor Angus,
That the extension of time be granted.

Carried.

Council recessed at 12:00 noon, and reconvened at 1:35 p.m., same members present, the Deputy Speaker in the Chair.

Councillors O'Shaughnessy, Prystanski, Steek, Thomas, Vandal and His Worship Mayor Murray entered the meeting after Council had reconvened.

REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED MARCH 6, 2001

On motion of Councillor Angus, the Report of the Standing Policy Committee on Public Works dated March 6, 2001 was considered clause by clause.

Moved by Councillor Angus,
That the Consent Agenda, Clauses 1,2,3 and 4, be adopted.

Councillor Smith requested that Clause 4 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1,2 and 3, was put and declared carried.

Award of Building Cleaning Services on Weekends and Statutory Holidays for the Following Facilities:
227 Provencher Boulevard (RFQ 1103-2000) "1"
730 Pandora Avenue (RFQ 1103-2000) "2"
260 Hartford Avenue (RFQ 1103-2000) "3"
210 Lyle Street (RFQ 1103-2000) "4"
1350 Pembina Highway (RFQ 1103-2000) "5"
151 Princess Street (RFQ 1103-2000) "6"
File GL-9 (Vol. 15) [c/r FB-1 (Vol. 7)]

379 - 1. The Standing Policy Committee on Public Works has been advised that in December, 2000, the Public Works Department, Building Services Division, initiated a Request for Quotes for building cleaning services on weekends and statutory holidays at the afore-noted locations, for a thirty-three (33) month term ending December 31, 2003.

The following firms submitted bids in response to the Request for Quotes, namely:

Bidder	Total
A. Leader Building Cleaning	$ 85,767.00
Titan Building Maintenance Ltd.	$ 83,919.00
Bresara Building Cleaning Ltd.	$ 59,925.00
Seven Oaks Janitorial	$109,065.00
MacDonald Building Maintenance	$ 95,947.00

Of the five (5) companies returning bids, four (4) met all the qualifications.

Bresara Building Cleaning Ltd. submitted the lowest bid, however, the bid was rejected as Bresara is determined to be not responsible and not qualified in accordance with Clause 23.1 (b) of the Quotation Package.

Titan Building Maintenance Ltd. submitted the second lowest bid, which is determined to be the low, responsive bid, meeting all the qualifications. The Contract Administrator is of the opinion that Titan Building Maintenance Ltd. has the necessary resources and experience to perform all of the work in accordance with the requirements of the specifications.

The term for this contract will commence on April 1, 2001 and end on December 31, 2003. The monthly cost to the City will be $2,543.00, and the cost per term is $83,919.00. Yearly estimated costs are as follows:

$ 22,887.00
$ 30,516.00
$ 30,516.00

Please Note: The above estimates do not reflect any future changes in the Statutory Minimum Wage rate.

Report of the Standing Policy Committee on Public Works dated March 6, 2001

Sufficient funds for this contract have been identified in the Current Estimates as follows:

Item No.	Location	Account No.
"1"	227 Provencher Boulevard	53-552103-251102
"2"	730 Pandora Avenue	53-552103-251102
"3"	260 Hartford Avenue	53-552103-251102
"4"	210 Lyle Street	53-552103-251102
"5"	1350 Pembina Highway	53-552103-251102
"6"	151 Princess Street	01-552103-22403001

The Contractor has agreed to extend the bid price for another 30 days. Bids are open for acceptance until April 16, 2001.

The Standing Policy Committee on Public Works recommends:

I. That a contract be awarded to Titan Building Maintenance Ltd. for building cleaning services on weekends and statutory holidays at the said locations, in the amount of $83,919.00 plus GST, for the period commencing April 1, 2001 to December 31, 2003.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

(See Minute No. 424 for attachment)

Award of Contract for Provision of Dead Animal Pick-Up Within The City of Winnipeg Boundaries - RFQ No. 55-2001
File GL-9 (Vol. 15) [c/r EL-4 (Vol. 30)]

380 - 2. A Request for Quotation is issued annually by the Materials Management Division of the Corporate Finance Department for the provision of dead animal pick-up within The City of Winnipeg boundaries for various City departments.

Final receipt of offers for the period commencing May 1, 2001 to December 31, 2002, occurred on January 30, 2001, with bids being received from six bidders, as outlined in the Summary of Offers identified as Appendix "B" hereto. The bids are open for acceptance until April 1, 2001.

The Quotation Package specified that the bids would be evaluated on the basis of conformance to the requirements, qualifications of the bidder, and total contract price. All proposal submissions conformed with the mandatory requirements and all offerers were deemed qualified. The Water and Waste Department and the Materials Management Division evaluated each of the bids in accordance with the said criteria.

The recommended bidder, AAA Plus Exterminators, has provided evidence satisfactory to the Materials Management Division, that they have the necessary abilities and resources to perform the work. Funding for this contract is provided in the budgets of the various user departments.

Due to changes in the Request for Quotation, unit prices have decreased by approximately 15 percent in comparison with current prices. The services are provided on a monthly basis for the user departments during the term of the contract. The financial impact of these changes will have to be determined by the user departments on an individual basis.

The Standing Policy Committee on Public Works recommends:

Report of the Standing Policy Committee on Public Works dated March 6, 2001

I. That a contract for the provision of dead animal pick-up within The City of Winnipeg boundaries for the period commencing May 1, 2001 to December 31, 2002, be awarded to AAA Plus Exterminators, the bidder whose bid has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Quotation.

II. That the Manager of Materials Management be authorized to issue a Purchase Order in the total conditional amount of $58,481.00, plus GST.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copy of Appendix "B" is on file in the office of the City Clerk.

Adopted by consent.

(See Minute No. 425 for Appendix "A")

Local Improvement Project – Canadian Pacific Railway
File SL-3 (Vol. 15) [c/r ST-6 (Vol. 9)]

381 - 3. Council, at its meeting held on November 5, 1980, adopted a policy governing local improvements abutting railway properties which are unfit for building purposes. Council amended this policy at its meeting of August 19, 1981, and again on March 21, 1984, which now reads as follows:

> "If the Chief Commissioner deems that railway properties on which rails are laid for the purpose of rail transportation are unfit for building purposes, that a recommendation be forwarded to Council prior to advertising the local improvements that the property be deemed unfit for building purposes, subject to the condition that if at any time the property is deemed to be a buildable site, and prior to allowing any connection to the underground services or any access to surface improvements, the City Treasurer shall initiate steps to collect the appropriate local improvement costs (either cash or amortized) at the same rate and during the same number of years as in the original term – all subject to the provisions of Chapter 109, Province of Manitoba Statutes (1965) and Privy Council Order No. 1979/607."

The Chief Administrative Officer has since assumed the responsibilities, which were previously held by the Board of Commissioners.

The property in question, as shown on Figure 97-31 identified as Appendix "A" hereto, is primarly used for the purpose of railway transportation and is currently unsuitable for building purposes. As a result, the Canadian Pacific Railway land will not directly benefit from the installation of local improvement projects at this time. As in the past, it is anticipated that representatives of the Railway will petition against the installation of these projects, thus jeopardizing, if not defeating, needed improvements. It is for such situations that Council adopted the afore-noted policy.

If, at a future date, use of the said lands changes and the fronting property is classified as "buildable", the City shall be empowered to recoup local improvement costs for the installation of services, prior to any connections being made to underground improvements such as sewer and watermains, and access to aboveground improvements such as paved streets, all subject to the provisions of Chapter 109, Province of Manitoba Statutes (1965) and Privy Council Order 1979/607.

Chapter 109 of the Province of Manitoba Statutes allows for taxation for local improvements to Canadian National Railway and Canadian Pacific Railway properties within the borders of the former City of Winnipeg only if the local improvement is a direct benefit to the railway operations of the companies or operations in connection therewith.

Concurrence in this recommendation would ensure that the needed concrete lane pavement (16 feet by 6 inches) local improvement could be installed, as railway property frontage would not be considered assessable and therefore would not be allowed to petition against this project.

Report of the Standing Policy Committee on Public Works dated March 6, 2001

The Standing Policy Committee on Public Works recommends:

I. That the property illustrated on Figure 97-31 identified as Appendix "A" hereto, which is owned by the Canadian Pacific Railway, be deemed unfit for building purposes and not be assessed for local improvement charges at this time.

II. That, if at any time in the future this property is deemed to be a buildable site, the City Treasurer shall initiate steps to collect the appropriate local improvement costs prior to allowing any connection from underground services or access from surface improvements.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any document related thereto.

Adopted by consent.

(See Minute No. 426 for attachments)

Installation of 25 Additional Parking Meters in the Downtown Area
File ST-2 (Vol. 22)

382 - 4. On March 15, 2000, Council adopted the 2000 to 2002 Current Estimates. As part of the Tax-Supported Estimates, the Public Works Department is required to install 100 additional parking meters in each 2000, 2001 and 2002 to meet parking meter revenue forecasts. This additional revenue will help reduce the existing on street parking subsidy (i.e. free Saturday on street parking) provided in the Central Business District. Parking meter revenue is used to offset the cost incurred by The City of Winnipeg to maintain roadways.

Historically, parking meters have been installed in commercial areas. The Central Business District has been recognized as the prime area for parking meter installation since their introduction in Winnipeg, in 1949. The installation of parking meters increases the turnover of on street parking, reducing long term parking on streets. Greater turnover assists commercial establishments with short term parking for clients, thereby improving the business environment.

Assiniboine Avenue

The south side of Assiniboine Avenue between Kennedy Street and Garry Street is regulated "Two-Hour Parking 09:00-17:30, Monday to Friday" and the south side of Assiniboine Avenue between Garry Street and Main Street is regulated "Two-Hour Metered Parking 09:00-17:30, Monday to Saturday".

Assiniboine Avenue joins commercial properties between Main Street and Navy Way and residential apartment blocks between Navy Way and Kennedy Street. Many of the buildings between Main Street and Navy Way contain civic offices which serve the public. There is a greater demand for parking in the area between the Midtown Bridge and Garry Street now that additional City departments, which have a large turnover of customers, are located at 300 Assiniboine Avenue and 30 Fort Street. The Board of Revision at 300 Assiniboine Avenue, on the south side of Assiniboine Avenue opposite Navy Way, is the location where property owners from across the City may appeal their adjusted realty assessment which will be issued in 2001. Additional two-hour parking meters in this vicinity will increase the number of spaces required for vehicle parking. There is space for 14 parking meters between the Midtown Bridge and Garry Street, as illustrated on Figure F01-01 identified as Appendix "A" hereto, which is all commercial frontage except for the apartment block at the corner of Navy Way and Assiniboine Avenue.

The parking meters on the south side of Assiniboine Avenue between Main and Garry Streets are regulated as a two-hour limit. Metered parking will be extended further west to the Midtown Bridge abutment (Donald Street) and will be regulated two-hour as well.

King Street

King Street between Rupert and Alexander Avenues is presently regulated "One-Hour Parking 09:00-17:30, Monday to Saturday". There are commercial establishments on both sides of King Street in this area. Rupert, Pacific and Alexander Avenues all contain metered parking immediately east and west of King Street. Adding two-

Report of the Standing Policy Committee on Public Works dated March 6, 2001

hour parking meters on King Street will complete the installation of parking meters in the Central Business District and facilitate enforcement of the limited time parking. There is space for 11 metered parking spaces on both sides of King Street between Rupert and Alexander Avenues, as illustrated on Figure F01-01.

In view of the above, the Public Works Department recommends that parking meters be installed on King Street and Assiniboine Avenue and that the Winnipeg Parking Meter By-law No. 6547/95 be amended to effect these changes.

The cost to install 25 parking meters is $12,500.00. These 25 additional parking meters will increase the annual parking meter revenue by approximately $25,000.00, which amount has already been included in the 2001 Current Estimates as adopted.

Of note, at its meeting held on December 5, 2000, the City Centre Community Committee concurred in the administrative recommendation to install parking meters on the south side of Assiniboine Avenue between a point 60 metres west of Navy Way and Garry Street, but did not concur in the recommendation to install parking meters on King Street between Rupert and Alexander Avenues.

The Standing Policy Committee on Public Works recommends:

I. That “Two-Hour Metered Parking 09:00-17:30, Monday to Saturday” be installed on the south side of Assiniboine Avenue between Garry Street and a point 60 metres west of Navy Way.

II. That “Two-Hour Metered Parking 09:00-17:30, Monday to Saturday” be installed on the west side of King Street between Rupert and Alexander Avenues.

III. That “Two-Hour Metered Parking 09:00-15:30, Monday to Friday and 09:00-17:30, Saturday” be installed on the east side of King Street between Rupert and Alexander Avenues.

IV. That Schedule “B” of the Winnipeg Parking Meter By-law No. 6547/95 be amended by deleting the following:

South side of Assiniboine Avenue between Garry Street and Main Street

and by adding the following:

South side of Assiniboine Avenue between Donald Street and Main Street

West side of King Street between Rupert Avenue and Alexander Avenue

East side of King Street between Rupert Avenue and Alexander Avenue

V. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary amending by-law in accordance with the foregoing for submission directly to Council for approval.

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

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by Councillor Angus,
Adoption of the clause.

The motion for adoption of the clause was put and declared carried.

REPORT "A" OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED MARCH 6, 2001

On motion of Councillor Angus, Report "A" of the Standing Policy Committee on Public Works dated March 6, 2001, was considered.

Moved by Councillor Angus,

That the Consent Agenda, Clause 1, be adopted.

Carried.

Public Works/Water and Waste Facilities Master Plan
Files GP-1.33 (Vol. 1) and GP-1.34 (Vol. 2)
[c/r FI-2.3(32) (Vol. 7)]

383 - 1. Council is reminded that, in August 1988, the Government of Canada informed The City of Winnipeg the then proposed Laboratory Centre for Disease Control would be constructed in Winnipeg. Subsequently, on November 29, 1989, Council adopted the Central Works Yard Relocation Project. The Council disposition included the following:

> "…The City of Winnipeg proceed to relocate the Central Works Yard…and that all facilities and/or functions presently done on the Central Yard site will also be relocated…"

In November 1997, a report prepared by George B. Cuff & Associates Ltd. regarding the restructuring of civic government was received and adopted by Council. The report recommended the development of a Corporate Accommodation Plan to address the accommodation issues associated with the restructuring of civic government. Pursuant thereto, Council directed the then Property and Development Services Department to immediately reassess the total space requirements for The City of Winnipeg and identify space availability and rates within the campus area.

In April 1998, a consultant consortium (GBR Architects, Doane Raymond and DS-Lea Consultants Ltd.) was engaged to prepare a Strategic Facilities Master Plan to address specific issues relative to projects under consideration and consolidation strategies for restructured departments.

On September 29, 1998, Council adopted the Strategic Facilities Master Plan, including the following:

> "…The plan for office space development for the Public Works Department consolidation at 1155 Pacific Avenue be referred to the Standing Policy Committee on Public Works to review the development needs and timing in conjunction with the Central Yards project, Water and Waste Department consolidation, and divestiture timing for properties which presently house the Public Works Department."

The Central Yards Relocation Project was initiated in the late 1980's to resolve operational deficiencies for the then Streets and Transportation, Operations and Waterworks, Waste and Disposal Departments, and to accommodate construction of the Virology Lab. Since that time, partial implementation has occurred with construction of facilities at Pacific Avenue. The total cost of project completion was estimated at approximately $43,700,000.00. As of 1997, approximately $34,000,000.00 had been budgeted (capital) and an additional $9,700,000.00 was estimated necessary for completion. At present, approximately $12,000,000.00 of the previously budgeted $34,000,000.00 has not been spent.

Since the inception of the Central Yards Relocation Project, the Public Works and Water and Waste Departments have undergone significant organizational changes. As such, in April 1999, the Standing Policy Committee on Public Works authorized the Administration to develop a Public Works/Water and Waste Facilities Master Plan, inclusive of engaging a consultant to work in co-operation with and assist administrative staff. A consultant consortium (KPMG, GBR Networx and UMA Engineering) was engaged in October 1999, to assist in the development of a Public Works/Water and Waste Facilities Master Plan.

The following documents the analysis and recommendations of the Facilities Master Plan.

Report "A" of the Standing Policy Committee on Public Works dated March 6, 2001

SCOPE

The buildings under study were defined as follows:

> Properties with one or more roofed structures, greater than 1,000 square feet, owned or leased by The City of Winnipeg for the accommodation of the Public Works or Water and Waste Departments operations. Such properties are also characterized as accommodating operations which can be easily relocated.

For example, lift stations operated by the Water and Waste Department were not within the scope of this study as the operations accommodated at those locations cannot be easily relocated.

The buildings under study are as identified in Table A below:

Table A: Buildings Under Study	
821 Elgin Avenue	280 Almey Avenue
999 Henry Avenue	1201 Archibald Street
1029 Henry Avenue	1691 Corydon Avenue
1033 Henry Avenue	370 Daly Street
100 Main Street	185 King Street
510 Main Street	2170 Main Street
45 Maude Street	752 McGee Street
421 Osborne Street	2546 McPhillips Street
1155 Pacific Avenue	1 Midland Street
1220 Pacific Avenue	1277 Pacific Avenue
1500 Plessis Road	401 Pandora Avenue
2000 Portage Avenue	161 Pritchard Avenue
849 Ravelston Avenue	2809 Roblin Boulevard
770 Ross Avenue	1229 Springfield Road
185 Tecumseh Street	1750 Sargent Avenue
195 Tecumseh Street	590 St. Anne's Road
215 Tecumseh Street	825 Taché Avenue
1539 Waverley Street	565 Watt Street

APPROACH

The Project Committee consisting of the consultant consortium (KPMG, GBR Networx and UMA Engineering), Public Works, Water and Waste, and Planning, Property and Development Departments conducted an analysis of the accommodation needs of both Departments. Following documentation of the departmental accommodation needs, the buildings under study were assessed for suitability relative to potential relocation/consolidation scenarios.

After thorough assessment, a total of 28 preliminary relocation/consolidation options were identified that achieved the accommodation needs of both Departments and consolidation of each Departments staff into fewer locations. Further, the required facility upgrades and/or new construction cost was estimated and operating costs/savings resulting from the relocation/consolidation were identified. It was apparent, however, that the financial investment necessary to achieve the accommodation needs identified would be prohibitive for most of the 28 preliminary options.

Although the cost associated with most of the preliminary options was prohibitive, by refining the departmental accommodation needs a business case for investing in select properties to achieve consolidation of each Departments staff into fewer locations became feasible. The process of accommodation need refinement resulted in the formulation of Scenarios 1 and 2 which produced the greatest departmental operating benefits and largest reduction in facility related expense.

Alternatives and Recommendations

The Project Committee has identified three potential alternatives with respect to the buildings under study:

1. Baseline (Status Quo)
2. Scenario 1: Select Groupings
3. Scenario 2: Consolidation

Report "A" of the Standing Policy Committee on Public Works dated March 6, 2001

1. Baseline (Status Quo)

The Baseline alternative identifies the minimum financial investment required to maintain the status quo. Specifically, development of the Facilities Master Plan revealed numerous necessary improvements to the buildings under study to comply with current building code and workplace standard discrepancies. These improvements are required irrespective of whether The City of Winnipeg proceeds with any relocation/consolidation.

When compared with Scenarios 1 and 2, the Baseline alternative is approximately twice the present value net cost (see Comparative Financial Summary). Further, adoption of the Baseline alternative provides no operational improvement to either the Public Works or Water and Waste Departments. Future technical maintenance and facility operating costs also remain high as the portfolio of buildings will contain little new technology and will therefore be less efficient and more costly. Finally, the total number of buildings accommodated by the Public Works and Water and Waste Departments is largest under the Baseline alternative which produces a higher utility expense/total portfolio square footage.

Relocations/Consolidations:

There are no relocations/consolidations associated with the Baseline alternative.

Financial Analysis:

Estimated Implementation Cost:	
1029 Henry Avenue (upgrade)	$ 588,000.00
1539 Waverley Street (upgrade)	$ 634,000.00
1 Midland Street (upgrade)	$ 85,000.00
752 McGee Street (upgrade)	$ 244,000.00
590 St. Anne's Road (upgrade)	$ 241,000.00
195/215 Tecumseh Street (upgrade)	$ 407,000.00
821 Elgin Avenue (upgrade)	$ 116,000.00
1201 Archibald Street (upgrade)	$ 88,000.00
1500 Plessis Road/849 Ravelston Avenue (upgrade/renovation)	$1,000,000.00
Building System Contingency	$ 481,000.00
Total:	($3,884,000.00)
Estimated Technical Maintenance Cost: (present value @ 8.5%, 10 years)	($3,533,000.00)
Vacated Property Estimated Fair Market Value:	$0.00
Estimated Proceeds from Sale: (total estimated FMV - disposition expenses)	$0.00
Estimated Operating Savings: (present value @ 8.5%, 10 years)	$0.00
Net Present Value Benefit/(Cost):	($7,417,000.00)

Note: See Financial Impact, "Financial Definitions" for discussions of the cost/benefit factors.

2. Scenario 1: Select Groupings

Scenario 1 results in select relocations but does not achieve significant consolidation. Specifically, Scenario 1 achieves partial administrative consolidation for both Departments, such that the Public Works Department consolidates 2000 Portage Avenue with 1155 Pacific Avenue, and the Water and Waste Department consolidates 1155 Pacific Avenue with 1500 Plessis Road, but provides no consolidation for east side operations. Moreover, this scenario does not consolidate Water and Waste Department administrative staff with operational staff.

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When compared with Scenario 2, Scenario 1 has approximately the same present value net cost. Further, fewer properties are vacated and, therefore, proceeds from disposition and potential incremental property/business tax revenue is less than under Scenario 2. Finally, numerous improvements to comply with current building code and workplace standard discrepancies remain.

Relocations/Consolidations:

- Water and Waste Customer Service from 510 Main Street to 185 King Street
- Water and Waste Office of the Director and Finance and Administration from 1155 Pacific Avenue to 1500 Plessis Road
- Public Works Office of the Director, Finance and Administration, Information Services, and Parks and Open Space from 2000 Portage Avenue to 1155 Pacific Avenue
- Public Works EMS (Stores and Tools, Fleet Services) from 1500 Plessis Road to 1539 Waverley Street
- Public Works Streets Maintenance (Operator Training) from 1500 Plessis Road to 1155 Pacific Avenue
- Public Works Parks and Open Space (Forestry) from 401 Pandora Avenue to 1500 Plessis Road
- Public Works Parks and Open Space (Landscape Development Services) from 370 Daly Street to1539 Waverley Street
- Public Works Streets Maintenance from 999/1029 Henry Avenue to 1220 Pacific Avenue

Financial Analysis:

Estimated Implementation Cost:	
185 King Street (upgrade/renovation)	$ 350,000.00
1155 Pacific Avenue (renovation)	$ 513,000.00
1220 Pacific Avenue (construction/renovation)	$1,477,000.00
1500 Plessis Road (upgrade/renovation)	$1,104,000.00
Building System Upgrades (upgrade)	$2,796,000.00
Total:	($6,240,000.00)
Estimated Technical Maintenance Cost: (present value @ 8.5%, 10 years)	($2,319,000.00)
Vacated Property Estimated Fair Market Value:	
2000 Portage Avenue	$ 580,000.00
401 Pandora Avenue	$ 475,000.00
999/1029 Henry Avenue	$ 275,000.00
370 Daly Street	$ 100,000.00
Total:	$1,430,000.00
Estimated Proceeds from Sale: (total estimated FMV - disposition expenses)	$1,316,000.00
Estimated Operating Savings: (present value @ 8.5%, 10 years)	$3,505,000.00
Net Present Value Benefit/(Cost):	($3,738,000.00)

Note: See Financial Impact, "Financial Definitions" for discussions of the cost/benefit factors.

3. Scenario 2: Consolidation

Scenario 2 results in significant consolidation. Specifically, Scenario 2 achieves administrative consolidation for both Departments as well as co-locating administrative and operational staff, such that the Public Works Department consolidates administrative and operational staff at 1155 Pacific Avenue, while the Water and Waste Department consolidates administrative and operational staff at 552 Plinguet Street. From a works yards operational perspective, Scenario 2 establishes a single consolidated service delivery facility on the east side of the City (see East Yard Complex discussion). This results in numerous vacated properties, proceeds from disposition greater than under Scenario 1, and less improvements to comply with current building code and workplace standard discrepancies.

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The estimated implementation cost is significantly higher under Scenario 2 when compared to Scenario 1 due largely to new construction to achieve consolidation. However, The City of Winnipeg realizes a net technical maintenance benefit under Scenario 2 resulting from less building upgrade costs and a reduction in sand/salt storage costs associated with a single consolidated service delivery facility on the east side. In addition, operating savings are significantly higher, derived from reduced departmental and facility operating costs, including shared amenity space, reduced travel costs, etc.

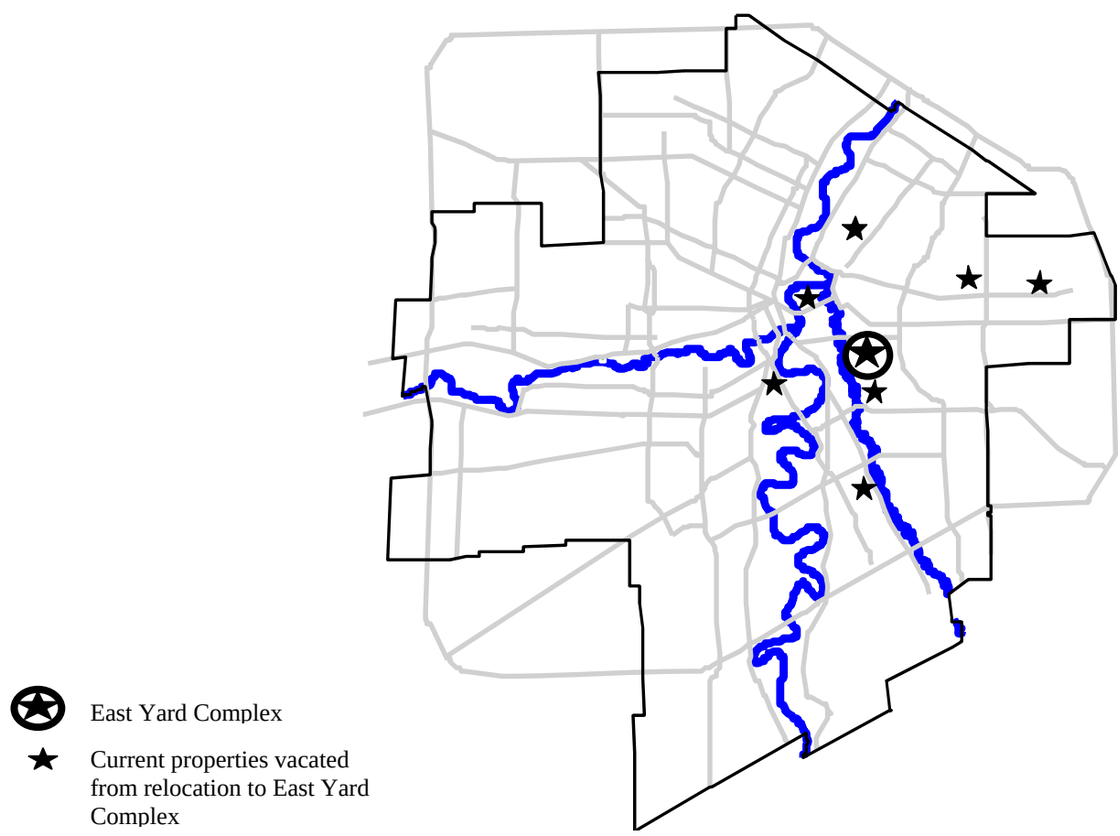
Relocations/Consolidations:

- Water and Waste Customer Service from 510 Main Street to 185 King Street
- Water and Waste Office of the Director and Finance and Administration from 1155 Pacific Avenue to Plinguet Street Site
- Water and Waste 1500 Plessis Road/849 Ravelston Avenue tenants to Plinguet Street Site
- Public Works 2000 Portage Avenue to 1155 Pacific Avenue
- Public Works 100 Main Street to 1155 Pacific Avenue
- Public Works EMS (Stores and Tools, Fleet Services) from 1500 Plessis Road to 1539 Waverley Street
- Public Works Streets Maintenance from 999/1029 Henry Avenue to 1220 Pacific Avenue
- Public Works from 1500 Plessis Road/849 Ravelston Avenue to the East Yard Complex
- Public Works 590 St. Anne's Road to the East Yard Complex
- Public Works 1201 Archibald Street to the East Yard Complex
- Public Works 565 Watt Street to the East Yard Complex
- Public Works 370 Daly Street to the East Yard Complex
- Public Works 825 Taché Avenue to the East Yard Complex, with re-use, sale or riverbank utilization of 825 Taché Avenue
- Public Works Parks and Open Space from 1229 Springfield Road to the East Yard Complex
- Public Works Parks and Open Space (Forestry) from 401 Pandora Avenue to the East Yard Complex

East Yard Complex:

As discussed, the East Yard Complex would consolidate numerous operating facilities in a single location. Map A below identifies the location of the East Yard Complex near the former Canada Packers site and the operating locations that could be vacated.

Map A: East Yard Complex Consolidation



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An aerial photo of the proposed East Yard Complex site and surrounding area (St. Boniface) is identified as Schedule "A" hereto. This site was selected based on factors such as region-central location, accessibility, limited impact on surrounding residential community, etc.

Financial Analysis:

Estimated Implementation Cost:	
185 King Street (upgrade/renovation)	$ 350,000.00
Plinguet Street Complex (construction)	$ 2,611,000.00
1220 Pacific Avenue (construction/renovation)	$ 1,477,000.00
1155 Pacific Avenue (construction/renovation)	$ 2,654,000.00
East Yard Complex (construction)	$ 5,624,000.00
Building System Upgrades	$ 2,567,000.00
Total:	($15,283,000.00)
Estimated Technical Maintenance Costs: (present value @ 8.5%, 10 years)	($ 158,000.00)
Vacated Property Estimated Fair Market Value:	
2000 Portage Avenue	$ 580,000.00
999/1029 Henry Avenue	$ 275,000.00
1500 Plessis Road	$ 600,000.00
590 St. Anne's Road	$ 500,000.00
1201 Archibald Street	$ 100,000.00
401 Pandora Avenue	$ 475,000.00
370 Daly Street	$ 100,000.00
565 Watt Street	$ 200,000.00
100 Main Street	$1,000,000.00
Total:	$3,830,000.001
Estimated Proceeds from Sale: (total estimated FMV - disposition expenses)	$3,524,000.00
Estimated Operating Savings: (present value @ 8.5%, 10 years)	$8,252,000.00
Net Present Value Benefit/(Cost):	($3,665,000.00)

Note: See Financial Impact, "Financial Definitions" for discussions of the cost/benefit factors.

Note: 1 It is assumed 825 Taché Avenue will be retained by the City for riverbank management.

Comparative Financial Summary:

Present Value @ 8.5%, 10 Years	Baseline	Scenario 1	Scenario 2
Total Cost	$7,417,000.00	$8,559,000.00	$15,283,000.00
Total Benefit	$0.00	$4,821,000.00	$11,618,000.00
Net Benefit/(Cost)	($7,417,000.00)	($3,738,000.00)	($3,665,000.00)

As shown, the net present value cost to The City of Winnipeg is lowest under Scenario 2. Further, the net cost savings of implementing Scenario 2 when compared to Baseline (Status Quo) is $3,752,000.00.

Qualitative and Non-Quantifiable Factors:

Scenario 2 has significant qualitative benefits when compared to the Baseline or Scenario 1 alternatives, namely:

Report "A" of the Standing Policy Committee on Public Works dated March 6, 2001

- Scenario 2 results in the most vacated properties and, as identified in the financial analysis provided, proceeds from disposition are highest. In addition, the properties sold will likely result in incremental property/business tax revenue. For the purposes of this analysis, incremental property and business tax revenue has not been estimated as the future use of sold properties is unknown and, therefore, future revenues accruing to The City of Winnipeg are not quantifiable.

- Utility expense (e.g. natural gas) estimates have increased rapidly in recent months. Scenario 2 provides two benefits related to utility expense:

    - The portfolio of buildings will contain newer technology and be more efficient and less costly.
    - The portfolio of buildings will be smallest, resulting in a lower utility expense/total portfolio square footage.

- Scenario 2 results in the most vacated properties which produces a larger portfolio of properties for development. As well, construction of the East Yard Complex may increase development interest in the area. For example, servicing for the East Yard Complex, the cost for which has been estimated in the financial analysis provided, may provide servicing capacity for the area which reduces future development costs for private sector developers.

- Scenario 2 results in significant consolidation which has the following departmental benefits:

    - More efficient use of staff time (travel time between multiple locations is reduced).
    - Improved logistics for equipment transportation and maintenance.
    - More efficient supervision of support services and administrative/operations communication.
    - More opportunity for staff function consolidation.
    - Improved public relations/communications from greater access to all divisions and a centralized communication hub.

Based on the foregoing analysis, it has been recommended that Scenario 2 be adopted.

Following its deliberations thereon, the Standing Policy Committee on Public Works concurred in the administrative recommendations, as amended, and therefore recommends:

I. That Scenario 2, which consolidates Public Works Department staff/operations at 1155 Pacific Avenue and establishes a single consolidated service delivery facility on the east, and consolidates Water and Waste Department staff/operations at 552 Plinguet Street, be approved for implementation.

II. That proceeds from the disposition of vacated properties be applied against the capital implementation cost of the project.

III. That a portion of the lands west of 1500 Plessis Road be reserved for transportation purposes.

IV. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing, including the execution of any documents related thereto.

Adopted by consent.

(See Minute No. 427 for attachments)

STANDING POLICY COMMITTEE ON PUBLIC WORKS

QUESTION PERIOD

384 - In reference to the waste minimization strategy approved by Council, Councillor Lubosch questioned what the intention would be with respect to composting and possible opportunities to cost-share that with the Provincial Government. He also asked what the costs would be to get apartment and multi-family residential dwellings involved in the recycling program.

Councillor Angus replied that apartment recycling would be relatively cost neutral but dependent on a number of factors. He suggested that the composting program would cost approximately 2.5 million dollars but that the cost could be reduced significantly by phasing it in over a couple of years. He further noted that bottom line costs would be dictated by the number of people recycling, the success of the OMG proposal for downtown Winnipeg recycling, as well as the proposal to accept plastics between 3 and 5 and 7. Councillor Angus advised that the Province would offset some of the costs, noting that once a report was complete it would be shared with all Members of Council.

Councillor Lubosch questioned if consideration had been given to the terms of reference for the establishment of an ad hoc committee dealing specifically with environment matters and economic initiatives and when that committee would be established.

Councillor Angus advised that the Executive Policy Committee was in the process of formulating the terms of reference.

With respect to waste minimization, Councillor Lubosch inquired what future discussions would be entertained with respect to dealing with autobins.

Councillor Angus noted that some of the autobins could quite likely be removed by mutual consent and that the administration would be looking at a cooperative strategy to eliminate others by consultation with communities that are affected in other areas. Councillor Angus added that the matter would be brought together fairly quickly with a report to the Standing Policy Committee on Public Works and identified the opportunity for further dialogue.

In reference to the Glacial Sand and Gravel Special Operating Agency (SOA), Councillor Steek questioned if, upon reviewing their business plan, it was anticipated that additional workers would be hired.

Councillor Angus responded by indicating that he did not envisage the hiring of extra staff inasmuch as there were options that had to be looked at in the business plan.

Councillor Steek noted that one of the elements of the business plan was to have participation from the sand and gravel industry and inquired if there had been any indication from the sand and gravel or the Heavy Construction Industry about their willingness to supply their expertise to help the City enter into competition with them.

Councillor Angus advised that there was an advisory component of every SOA, which included representatives of the staff, employees, the union and the public sector. He further indicated that whether or not the Heavy Construction Industry desired to consult with and work cooperatively to make this a viable SOA was entirely up them but noted that the City wanted to extend the opportunity and welcomed their participation.

Councillor Steek inquired what the timeframe was for the expenditure for new equipment for the SOA.

Councillor Angus responded that he could not provide a timeframe inasmuch as the process of business planning and the authorization to invest on a repayable loan monies to acquire equipment was dependent on the Administration of the SOA making a business plan and presenting it to their advisory board.