**Minute No. 382**
**Report – Executive Policy Committee – May 15, 2013**

**Item No. 1** **Delegation of Authority – Plessis Road Twinning and Grade Separation at CN Rail Project (Transcona Ward)**

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $10,000,000.00, including multi-year contracts not exceeding 5 years, associated with the Plessis Road Twinning and Grade Separation at CN Rail Project, within the Council approved budget.

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

**Report – Executive Policy Committee – May 15, 2013**

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,

That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 15, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

# ADMINISTRATIVE REPORT

**Title: Plessis Road Twinning and Grade Separation at CN Rail Project – Delegation of Authority to Award Contracts Exceeding $10,000,000.00 Including Multi-Year Contracts**

**Critical Path: Executive Policy Committee; Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| L.P. Deane, P. Eng. | B.W. Sacher, P.Eng. | M Ruta | D Joshi<br>COO |

## RECOMMENDATIONS

1. That the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $10,000,000.00, including multi-year contracts not exceeding 5 years, associated with the Plessis Road Twinning and Grade Separation at CN Rail Project, within the Council approved budget.

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

## REASON FOR THE REPORT

Pursuant to B8.2 of the City of Winnipeg's Materials Management Policy, the Chief Administrative Officer is delegated the authority to award a contract where the value of the contract does not exceed $10,000,000.00 and there are sufficient funds in a budget approved by Council.

Pursuant to The City of Winnipeg Charter, Council has authority to delegate any of its administrative powers, duties or functions to an employee.

## EXECUTIVE SUMMARY

This report recommends that Council delegate authority to the Chief Administrative Officer for award of contracts in excess of $10M for the Plessis Road Twinning and Grade Separation at CN Rail Project, so that publically tendered contracts may be awarded in a timely manner expediting construction on the project identified as a priority by the three levels of government.

Project Planning and Preliminary Design is ongoing and a detailed breakdown of expected contracts and values for an aggressive 2014 schedule is being assembled. Publically tendered competitive bids will be awarded to the lowest responsive bidder utilizing the competitive bid scoring matrix and according to the terms of the City's Materials Management Policy. Approval of a contract award report by the CAO can be accomplished in approximately three weeks from the bid submission deadline date, reducing the risk of delay to the aggressive schedule.

## IMPLICATIONS OF THE RECOMMENDATIONS

As the budget for this project was approved by Council in the 2012 Capital Budget, there are no budget implications of the Recommendations. The purpose of the Recommendations is to expedite the award process for construction contracts that exceed $10,000,000.00.

Upon approval of the recommendations, the Chief Administrative Officer will be able to approve an award of contract to the successful bidder without further Standing Policy Committee or City Council approval, thereby avoiding potential lengthy delays to project timelines and potentially increased project costs.

Contracts for the Plessis Road Twinning and Grade Separation at CN Rail Project will be processed in accordance with the Materials Management Policy and Administrative Standard FM-002, with the exception provided for in Recommendation 1 of this Administrative Report.

## HISTORY

On November 16, 2011 Council adopted a first charge of $2 million in 2011 or prior to the adoption of the 2012 Capital Budget to allow for timely award of a Consulting Engineering Assignment to undertake the Preliminary Design Study and to initiate property acquisitions.

On December 13, 2011, Council adopted the 2012 Capital Budget which identified $77,000,000.00 for the Plessis Road Twinning and Grade Separation at CN Rail, including contributions from the Building Canada Fund (Federal Government; $25,000,000.00) and the Provincial Government ($25,000,000.00).

On December 22, 2011, the City submitted the Plessis Road Underpass Project Application to the Government of Canada Infrastructure Funding to the Canada-Manitoba Infrastructure Secretariat.

On June 18, 2012, the City was advised that the Government of Canada has identified the Plessis Road Underpass Project as a priority for funding consideration under the Building Canada Fund – Major Infrastructure Component. Under the program, the Government of Canada will consider an investment of up to one-third of the project's total eligible costs, to a maximum contribution of $25,000,000, conditional upon the completion of a federal project review, fulfilling environmental and Aboriginal consultation requirements, and signing contribution agreements, amongst others.

On July 20, 2012, the Plessis Road Underpass Project Business Case was submitted to Transport Canada for federal project review.

On December 19, 2012, Transport Canada advised Mayor Katz of approval-in-principle of funding for the Plessis Road Underpass Project. On December 20, 2012, Transport Canada indicated that a draft contribution agreement is in process.

On February 4, 2013, the Province of Manitoba indicated that a draft contribution agreement was being assembled.

Project Planning and Preliminary Design is ongoing and a detailed breakdown of expected contracts and values is being assembled. It is anticipated that at least one construction contract will exceed $10,000,000.00.

Award of a contract by a standing committee of council can take four to eight weeks depending on the bid opportunity submission deadline date relative to committee meetings. Without meetings between July and August, there is potential for months of delay awarding a contract greater than $10,000,000. 00. Approval of a contract award report by the Chief Administrative Officer can be accomplished in approximately three weeks from the bid submission deadline date, reducing the risk of delay to the aggressive schedule.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** March 8, 2013

**Project Name:** **First Year of Program** **2013**

PLESSIS ROAD TWINNING AND GRADE SEPARATION AT CN RAIL PROJECT - DELEGATION OF AUTHORITY TO AWARD CONTRACTS EXCEEDING $10,000,000.00 INCLUDING MULTI-YEAR CONTRACTS

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| 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:** It is anticipated that there will be at least one construction contract to be awarded for this project which will exceed $10 million; however, the value of the contract(s) will not be known until the bid opportunity submission deadline dates have passed.

*Original signed by D. Stewart, CA*
D. Stewart, CA
Manager of Finance & Administration

## CONSULTATION

**In preparing this report there was consultation with:** n/a

## SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: B.S. Kibbins, P.Eng.
Processed by: J. Curti
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