Minutes – Executive Policy Committee – November 27, 2013

Minute No. 37
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 19, 2013

Item No. 1 Request for New Capital Projects and First Charge against the 2014 Capital Budget for Regional and Local Street Renewal and Waterway Crossings and Grade Separations Projects

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That authorization be granted for the addition of the 2014 Capital project, Ness Avenue, 150 meters west of Conway Street to Whytewold Road rehabilitation project, identified in the 2014 forecast included in the adopted 2013 Capital Budget and 2014 to 2018 Five Year Forecast, into the 2013 Regional and Local Street program for $3,150,000.00.

2. That authorization be granted for expenditures of up to $9,611,000.00 in 2013 or prior to the adoption of the 2014 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of projects associated with the 2014 Regional and Local Street Renewal and Waterway Crossings and Grade Separations Programs.

3. That the Department hire an additional two project management staff to assist in the timely delivery of Capital projects.

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

Minutes – Executive Policy Committee – November 27, 2013

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DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 19, 2013, 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: REQUEST FOR NEW CAPITAL PROJECT AND FIRST CHARGE AGAINST THE 2014 CAPITAL BUDGET FOR REGIONAL AND LOCAL STREET RENEWAL AND WATERWAY CROSSINGS AND GRADE SEPARATIONS PROJECTS

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

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Deane, P. Eng.	B.W. Sacher, P.Eng.	M. Ruta CFO	D. Joshi A/CAO

RECOMMENDATIONS

1. That authorization be granted for the addition of the 2014 Capital project, Ness Avenue, 150 meters west of Conway Street to Whytewold Road rehabilitation project, identified in the 2014 forecast included in the adopted 2013 Capital Budget and 2014 to 2018 Five Year Forecast, into the 2013 Regional and Local Street program for $3,150,000.00.

2. That authorization be granted for expenditures of up to $9,611,000.00 in 2013 or prior to the adoption of the 2014 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of projects associated with the 2014 Regional and Local Street Renewal and Waterway Crossings and Grade Separations Programs.

3. That the Department hire an additional two project management staff to assist in the timely delivery of Capital projects.

REASON FOR THE REPORT

Council approval is required to add Capital projects and for a first charge for an expenditure of Capital funds prior to the adoption of the 2014 Capital Budget.

IMPLICATIONS OF THE RECOMMENDATIONS

The authorization requires a first charge on the 2014 Annual Program Capital Budgets to allow the award of contracts prior to the adoption of the 2014 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter.

HISTORY

On December 13, 2011, Council adopted the 2012 Capital Budget which included $500,000 in funding for Portage Avenue Bridge (Sturgeon Creek) to undertake preliminary design for bridge rehabilitation.

On January 29, 2013, Council adopted the 2013 Capital Budget and 2014-2018 Five Year Forecast. The 2014 Forecast includes $43,870,000.00 for the Regional and Local Street Renewal Program. The Forecast for Waterway Crossing and Grade Separation projects includes $1,461,000.00 for the St. James Street Bridge (Omand's Creek) and $5,000,000.00 for the Portage Avenue Bridge (Sturgeon Creek).

In order to complete these projects in 2014, Bid Opportunities for each of these projects need to be awarded prior to Council approval of the 2014 Capital Budget. Delay in funding approval will delay these

projects which could cause increased costs to the City. Table 1 includes the summary of the project budgets and first charge requirements on the 2014 Capital Budget.
Current policy requires that Capital projects with a budget of $10M or greater be assigned to a dedicated project manager. The Department is currently managing four of such projects with a total project management staff complement of six. The result is that there are only two remaining project management staff to manage the delivery of the entire Regional and Local Street program which is expected to expand going forward.

Without adequate project management resources, the Department will not be able to deliver the annual Regional and Local Street program in an efficient and effective manner. Funding to support these positions will be recovered from the Capital Budget.

Table 1 - Summary of Projects Requiring First Charge Funding on 2014 Capital Budget

Project	Scope	Project Budget	Previously Approved	First Charge on the 2014 Budget
Regional and Local Street Renewal Projects				
Ness Avenue – 150 meters west of Conway Street to Whytewold Road	Road Rehabilitation	$3,150,000	$0	$3,150,000
SUBTOTOAL		$3,150,000	$0	$3,150,000
Waterway Crossings and Grade Separations Projects				
Portage Avenue Bridge (Sturgeon Creek)	Bridge Rehabilitation	$5,700,000(1)	$1,200,000	$4,500,000
St. James Street Bridge (Omand's Creek)	Bridge Rehabilitation	$2,661,000(1)	$700,000	$1,961,000
SUBTOTAL		$8,361,000	$1,900,000	$6,461,000
TOTAL		**$11,511,000**	**$1,900,000**	**$9,611,000**

Note 1 – Project Budget indicated is reflective of total project budget in the 2014 draft budget submission.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 14, 2013

Project Name:

First Year of Program 2013

REQUEST FOR NEW PROJECT AND FIRST CHARGE AGAINST THE 2014 CAPITAL BUDGET FOR REGIONAL AND LOCAL STREET RENEWAL AND WATERWAY CROSSINGS AND GRADE SEPARATIONS PROJECTS

	2013	2014	2015	2016	2017
Capital					
Capital Expenditures Required	$ 9,611,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 9,611,000	$ -	$ -	$ -	$ -
Funding Sources:					
Cash to Capital	$ 3,326,000	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Gas Tax Reserve	2,835,000	-	-	-	-
Other - Provincial Funding	3,450,000	-	-	-	-
Total Funding	$ 9,611,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 9,611,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 228,966	$ 234,368	$ 239,018	$ 243,798
Less: Incremental Revenue/Recovery	430,675	228,966	234,368	239,018	243,798
Net Cost/(Benefit)	$ (430,675)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (430,675)	$ -	$ -	$ -	$ -

Additional Comments: A first charge of $9,611,000 on the 2014 Regional Street Renewal Program and Waterway Crossing and Grade Separation projects is requested. The 2014 Forecast of the 2013 Adopted Capital Budget includes $43,870,000 for the Regional and Local Street Renewal program, of which $3,150,000 is being requested as a first charge for the Ness Avenue Rehabilitation Project. $6,461,000 is being requested as a first charge for the Waterway Crossing and Grade Separation projects: Portage Avenue Bridge (Sturgeon Creek) and the St. James Street Bridge (Omand's Creek). The Direct Costs beginning in 2014 are the salaries and benefits of the two additional project management staff which will be funded by recoveries from the budgets of the capital projects. The Incremental Revenue/Recovery represents Engineering Administration, Interest and Administative Overheads.

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:	D. N. Burmey, P. Eng/L. P. Deane, P. Eng.
Processed by:	K. Ross
Date:	November 14, 2013
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