Agenda - Executive Policy Committee – December 3, 2014

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – November 25, 2014

Item No. 1 First Charge against the 2015 Capital Budget for Water and Waste Department Capital

STANDING COMMITTEE RECOMMENDATION:

On November 25, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That an expenditure of $2,500,000.00 before the 2015 Capital Budget is adopted be approved, as a first charge against the 2015 Capital Budget in order to procure a contract for the North Kildonan Feedermain River Crossing Replacement /Rehabilitation project.

2. That an expenditure of $1,000,000.00 before the 2015 Capital Budget is adopted be approved, as a first charge against the 2015 Capital Budget in order to procure a contract for the Watershed and Asset Protection Considerations project.

3. That an expenditure of $3,500,000.00 before the 2015 Capital Budget is adopted be approved, as a first charge against the 2015 Capital Budget in order to procure a contract for the Warde Interceptor Extension project.

4. That an expenditure of $2,500,000.00 before the 2015 Capital Budget is adopted be approved, as a first charge against the 2015 Capital Budget in order to procure contracts for the Sewer Renewals Program.

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

Agenda - Executive Policy Committee – December 3, 2014

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – November 25, 2014

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 25, 2014, 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: **FIRST CHARGE ON THE 2015 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL**

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 of Engineering Services	D. P. Sacher, P. Eng. Director, Water and Waste Department	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That Council authorize an expenditure of $2,500,000.00 before the 2015 Capital Budget is adopted, as a first charge against the 2015 Capital Budget in order to procure a contract for the North Kildonan Feedermain River Crossing Replacement /Rehabilitation project.
2. That Council authorize an expenditure of $1,000,000.00 before the 2015 Capital Budget is adopted, as a first charge against the 2015 Capital Budget in order to procure a contract for the Watershed and Asset Protection Considerations project.
3. That Council authorize an expenditure of $3,500,000.00 before the 2015 Capital Budget is adopted, as a first charge against the 2015 Capital Budget in order to procure a contract for the Warde Interceptor Extension project.
4. That Council authorize an expenditure of $2,500,000.00 before the 2015 Capital Budget is adopted, as a first charge against the 2015 Capital Budget in order to procure contracts for the Sewer Renewals Program.

REASON FOR THE REPORT

Council approval, through a first charge against the 2015 Capital Budget is required in order to expend 2015 Capital funds prior to the adoption of the 2015 Capital Budget.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds in the amount of $3,000,000.00 are included in the approved 2014 Capital Budgets for North Kildonan Feedermain River Crossing Replacement /Rehabilitation, Account Distribution No. 443 181000 200751 2004001114.

Funds in the amount of $2,500,000.00 are included in the 2015 Capital Budget submission for Kildonan Feedermain River Crossing Replacement /Rehabilitation, Account Distribution No. 443 181000 200751 2004001115.

Funds in the amount of $1,000,000.00 are included in the 2015 Capital Budget submission for Watershed and Asset Protection Considerations, Account Distribution No. 443 181000 200751 2001003015.

Funds in the amount of $3,500,000.00 are included in the 2015 Capital Budget submission for Warde Interceptor Extension, Account Distribution No. 444 181000 200752 2037000515.

Funds in the amount of $16,100,000.00 are included in the 2015 Capital Budget submission for Sewer Renewals, Account Distribution No. 444 181000 200752 203900XXYY.

HISTORY

In order to procure contracts for the following four projects funded from the 2015 Capital budget, in a timely manner, Council approval is required before the adoption of the 2015 Capital Budget:

- North Kildonan Feedermain River Crossing Replacement /Rehabilitation
- Watershed and Asset Protection Considerations
- Warde Interceptor Extension
- Sewer Renewal Program – Sewer Inspection Project

NORTH KILDONAN FEEDERMAIN RIVER CROSSING REPLACEMENT /REHABILITATION

The North Kildonan Feedermain is a 600 mm diameter pipe that was constructed in 1972 and is critical to the City of Winnipeg water distribution network. The feedermain crosses along the surface of the Red River river bed on an alignment just north of the Chief Peguis Trail. In the fall of 2012, the presence of a major leak in the Feedermain was detected near the middle of the Red River crossing. Pipe repair work had been completed and was to be a temporary solution, but the repair has since failed as of the summer of 2014.

Funding has been added to the 2015 Capital Budget submission based on updated construction costs. Advanced funding is required to allow construction for the replacement of this critical component of the water distribution system as soon as possible. There are other critical components in the water distribution system that require rehabilitation that cannot be attended to until this feedermain river crossing has been completed.

Council authorization for an expenditure of $2,500,000.00 before the 2015 Capital Budget is adopted, as a first charge on the 2015 Capital Budget is required in order to procure a contract for the required feedermain river crossing replacement/rehabilitation work.

WATERSHED AND ASSET PROTECTION CONSIDERATIONS

This funding is part of the City's due diligence related to the Energy East Pipeline Ltd. proposal to construct and operate a pipeline system to transport crude oil from Alberta and Saskatchewan to refineries in eastern Canada, including:

- understanding the proposed pipeline design, potential impacts and risks,
- exploring all available options/alternatives, and
- actively protecting the City of Winnipeg's critical assets (e.g., Brady Road Resource Management Facility, the Shoal Lake Aqueduct) and the Shoal Lake watershed.

Council authorization for an expenditure of $1,000,000.00 before the 2015 Capital Budget is adopted, as a first charge on the 2015 Capital Budget is required in order to engage pipeline and contamination experts so that the City is in a position to respond during the regulatory approvals stage of the proposed crude oil pipeline.

WARDE INTERCEPTOR EXTENSION

This project includes the construction of an interceptor sewer to service lands in future developments in the southeast sector of the City of Winnipeg, east of the existing Royalwood subdivision.

This project was scheduled for 2016 but has been advanced to 2015 based on a revised development schedule.

Procurement of this project in early January 2015 is required to have construction of the interceptor sewer commence and be completed as soon as possible in 2015. The completion of the interceptor sewer is required prior to the commencement of the wastewater sewer construction in the proposed development. The developer has proposed a development construction schedule beginning in the spring or early summer 2015.

Council authorization for an expenditure of $3,500,000.00 before the 2015 Capital Budget is adopted, as a first charge on the 2015 Capital Budget is required in order to procure a contract for the construction of an interceptor sewer and associated works.

SEWER RENEWAL PROGRAM – SEWER INSPECTION PROJECT

This project is a continuing program to replace and/or rehabilitate sewer infrastructure. Funds will be utilized to rehabilitate or replace combined, wastewater and land drainage sewers. Sewers will be replaced or rehabilitated using appropriate technologies, based on condition assessment determined through video inspection. A portion of the funding will be used for condition assessment.

The City will engage sewer condition assessment experts through a consultant assignment to assist the City in preparing, procuring, and administering the 2015 Sewer Inspection project. In order to ensure the full window of sewer inspection is available (April to October), a bid opportunity must be issued by February 2015.

Council authorization for an expenditure of $2,500,000 before the 2015 Capital Budget is adopted, as a first charge on the 2015 Capital Budget is required in order to procure a contract for the cleaning and inspection of sewers and associated works.

These contracts cannot be awarded without approved funds in place. Upon approval of a first charge against the 2015 Capital Budget for the projects listed above, the Department will proceed with the standard procurement process as per the Materials Management Policy and Standard FM-002.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 15, 2014

Project Name:

FIRST CHARGE ON THE 2015 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL PROJECTS

COMMENTS:

There is no financial impact for this report. The Department is only requesting authorization for 2015 funds in order to proceed with procurement of contracts for construction works for the projects. Award Reports to the appropriate award authority for the projects would follow from January 2015 to early March 2015.

"Original signed by M. L. Geer, CA"

js
14/10/2014

Moira L. Geer, C. A.
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

N/A

SUBMITTED BY

Water and Waste Department
Engineering Division
Prepared by:, Kas Zurek, P. Eng., Linda McCusker , P. Eng., Cynthia Wiebe, P. Eng., Joanie Smalley, C.E.T.
Date: October 28, 2014
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