Minutes – Executive Policy Committee – March 18, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 16, 2015

Item No. 4 **Traffic Engineering Improvements – Various Locations – Amendment of approved 2014 Capital Budget to include funding for Preliminary Survey and Design from the Department of National Defence**

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 for the increase to the 2014 Capital Budget to include $100,000 in funding from the Capital Assistance Program of the Department of National Defence be approved.

2. That the City enter into a contribution agreement with the Department of National Defence ("DND") setting out the terms and conditions of the DND funding of $100,000 for design work.

3. That the Acting Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the contribution agreement between the City and DND in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 16, 2015

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Lukes,

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 March 16, 2015, 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: **TRAFFIC ENGINEERING IMPROVEMENTS – VARIOUS LOCATIONS – AMENDMENT OF APPROVED 2014 CAPITAL BUDGET TO INCLUDE FUNDING FOR PRELIMINARY SURVEY AND DESIGN FROM THE DEPARTMENT OF NATIONAL DEFENCE**

Critical Path: **STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS, EXECUTIVE POLICY COMMITTEE, COUNCIL**

AUTHORIZATION

Author	Acting Department Head	CFO	CAO
L. P. Deane, P. Eng.	D. Domke	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That Council authorize the increase to the 2014 Capital Budget to include $100,000 in funding from the Capital Assistance Program of the Department of National Defence.
2. That the City enter into a contribution agreement with the Department of National Defence ("DND") setting out the terms and conditions of the DND funding of $100,000 for design work.
3. That the Acting Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the contribution agreement between the City and DND in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.
4. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

City Council approval is required to amend Capital Budgets and to enter into funding agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

An amendment to the 2014 Capital Budget – Traffic Engineering Improvements – Various Locations is required to include funding in the amount of $100,000 for the design of the "Air Force Way" realignment. The Department of National Defence Capital Assistance program will fund all costs directly related to the design of the "Air Force Way" realignment, including a City of Winnipeg administrative fee.

HISTORY

The Department of National Defence (DND) approached the City of Winnipeg to manage the design of the realignment "Air Force Way" from Silver Avenue to Hangar Line Road, south of 17 Wing in Winnipeg. The realignment of "Air Force Way" will provide for increased force protection measures for DND. The DND Capital Assistance program will fund all costs directly related to the design of the "Air Force Way" realignment, including a City of Winnipeg administrative fee.

On December 17, 2013, the 2014 Capital Budget was adopted by City Council, which included $1,100,000 in funding for the 2014 Traffic Engineering Improvements – Various Locations Program.

Image Showing Proposed Realignment of Air Force Way



FINANCIAL IMPACT

Financial Impact Statement

Date: March 13, 2015

Project Name: **First Year of Program** **2015**

TRAFFIC ENGINEERING IMPROVEMENTS – VARIOUS LOCATIONS – AMENDMENT OF APPROVED 2014 CAPITAL BUDGET TO INCLUDE FUNDING FOR PRELIMINARY SURVEY AND DESIGN FROM THE DEPARTMENT OF NATIONAL DEFENCE

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ 100,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 100,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Department of National Defence Capital Assistance Program	100,000	-	-	-	-
Total Funding	$ 100,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 100,000				
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: The Department of National Defence Capital Assistance Program funds of $100,000.00 will be used to pay the costs related to the design of the realignment of the Air Force Way project. The $100,000 funding will increase the 2014 Traffic Engineering Improvements Program (Public Works Capital Project # 1831000114 - Traffic Engineering Improvements - Various Locations) to accomodate this project.

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

CONSULTATION

In preparing this Report there was consultation with:

- Legal Services Department (as to legal issues)
- Planning, Property and Development Department

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: R. T. Cunningham, P. Eng.
Processed by: K. Ross
Date: March 11, 2015
File No. 15-A-01
File Name: L:\Admin\Reports 2015\R Cunningham\March\Traffic Engineering Improvements Budget Revision Air Force Way March 13 15.doc

Attachments

Appendix A: Department of National Defence – Letter of Interest
Appendix B: City of Winnipeg – Letter of Interest

Appendix A

National Defence / Défense nationale

17 Wing
P.O. Box 17000, Stn. Forces
Winnipeg, Manitoba R3J 3Y5

28 January 2014

Brad Sacher
Director, Public Works Department
City of Winnipeg
103 – 1155 Pacific Avenue
Winnipeg, Manitoba R3E 3P1

Dear Mr. Sacher,

Further to the recent discussions with representatives from the City of Winnipeg, Planning, Property and Development Department (PP&D), and Winnipeg Airport Authority (WAA) with the Department of National Defence (DND /17 Wing / CFB Winnipeg), concerning a land transfer between DND and the City of Winnipeg leading to a realignment and subsequent construction of "Air Force Way" for the purposes of increased force protection measures, this letter is to confirm Department of National Defence interest in working with the City of Winnipeg to realize this project. With the goal of reaching a financial commitment with the City of Winnipeg, the Department of National Defence will follow the terms and conditions of their Capital Assistance Program in order to obtain formal approval for each of the phases of the project.

The Department of National Defence will work with the City of Winnipeg to negotiate Contribution Agreement #1 for the design phase of the project. Once Contribution Agreement #1 has been negotiated the Department of National Defence will seek Ministerial approval. If Ministerial approval is obtained the Agreement will then be signed by both parties, and payment of eligible expenditures will be done according to the conditions as described in the Agreement.

Should both parties be agreeable following the completion of the design phase of the project, Contribution Agreement #2 will be negotiated for the construction phase of the project. And again, once Contribution Agreement #2 has been negotiated the Department of National Defence will seek Ministerial approval. If Ministerial approval is obtained the Agreement will then be signed by both parties, and payment of eligible expenditures will be done according to the conditions as described in the Agreement.

During the project all aspects will be reviewed by the Department of National Defence to ensure that the work is being done in accordance with the Contribution Agreements. It is understood that the City of Winnipeg will be the owner of the infrastructure and responsible for all associated operations and maintenance costs of the infrastructure thereafter.

Canada

National Défense
Defence nationale

Should you have any additional questions concerning the evolution of this project please do not hesitate to contact Brent Gillon, 17 Wing Properties Officer at (204) 833-2500, ext. 6588.

We look forward to working with you on this project to the benefit of all parties and thank you for your continued support of this initiative.

Regards,

Major Sean Ivanko
Wing Construction Engineering Officer

cc Stewart Anderson, Planning, Property & Development (CoW)
Neil Myska, Public Works (CoW)
Jay Pasemko, Director, Planning, Infrastructure/Special Projects (WAA)
Jeff Devaney, Project Manager (WAA)
Randy Wiseman, Capital Assistance Program Advisor (DND)
Dave Hopwood, Engineering Manager (DND)
Brent Gillon, Wing Properties Officer (DND)

Encl DRAFT Contribution Agreement #1

Canada

APPENDIX B

Winnipeg

PUBLIC WORKS DEPARTMENT • SERVICE DES TRAVAUX PUBLICS

Director's Office • Bureau du directeur

FILE NO: 15-A-01

December 18, 2014

Major Sean Ivanko
Wing Construction Engineering Officer
17 Wing
P.O. Box 17000, Stn. Forces
Winnipeg, Manitoba R3J 3Y5

Dear Major Ivanko,

In response to your letter dated January 28, 2014, we are preparing a report recommending to Council that the City of Winnipeg, on a cost recovery basis and in accordance with the Department of National Defence Capital Assistance Program, manage the design and construction of realigned "Air Force Way". The City of Winnipeg will work with the Department of National Defence to complete the land transfers required for this project.

Should the above noted report be approved by Council, the Public Works Department would solicit proposals via a request for proposals (RFP) from engineering consulting firms to complete the design phase (Phase 1) and implementation phase (Phase 2, contract administration) of the project. The Public Works Department would then provide the Department of National Defence with the successful consulting firm's fee for the design phase (Phase 1) of the project, upon which Contribution Agreement #1 would be based. Following formal approval of Contribution Agreement #1, the design phase of the project would commence.

Following the design phase, should the Department of National Defence and the City be agreeable to proceed, Contribution Agreement #2 would be negotiated. Contribution Agreement #2 would be based on the fee to complete the contract administration work (included in the engineering consulting firm's proposal) and the bid price of the construction contractor procured by the City. Following formal approval of Contribution Agreement #2, the project would proceed to construction.

We understand that the City of Winnipeg will own and be responsible for maintenance of the new infrastructure. We also understand that each phase of the project will not commence until the Department of National Defence has received formal approval of funding.

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