Minutes – Executive Policy Committee – May 6, 2015

REPORTS

Item No. 10 Single Source Negotiations – Flood Damage Repairs to the Assiniboine River Walk

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and authorized single source negotiations with Kontzamanis Graumann Smith Macmillan Inc. dba KGS Group Consulting Engineers & Project Managers for Flood Damage Repairs to the Assiniboine River Walk – Final Investigation, Design and Contract Administration in an amount not to exceed $97,000 plus GST.

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: Request for Approval for Single Source Negotiations for Flood Damage Repairs to the Assiniboine River Walk – Final Investigation, Design and Contract Administration

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Kiernan	M. Pittet	M. Ruta	M. Jack A/COO

RECOMMENDATIONS

That the Executive Policy Committee authorize single source negotiations with Kontzamanis Graumann Smith Macmillan Inc. dba KGS Group Consulting Engineers & Project Managers for Flood Damage Repairs to the Assiniboine River Walk – Final Investigation, Design and Contract Administration in an amount not to exceed $97,000 plus GST.

REASON FOR THE REPORT

Approval for single source negotiation is required from the Executive Policy Committee pursuant to Administrative Standard FM-002.

B1. DELEGATION OF AUTHORITY

Executive Policy Committee
B1.1 Effective January 1, 2011, the Chief Administrative Officer determined that approval of Executive Policy Committee is required for any single source negotiation for Consultant Services where:

> *(a) the estimated value of the Consultant Service relating to capital projects included in the capital budget exceeds $100,000 in total, including all phases of any given project;*
>
> *(b) the estimated value of the Consultant Service, other than those relating to capital projects, exceeds $35,000 in total, including all phases of any given project.*

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, environmental, human resources or other implications of the report. There are sufficient funds in the project budget for this consultant assignment.

HISTORY

Funds in the amount of $400,000 were approved in the 2012 Planning, Property and Development Department ("PPD") Capital, Riverbank Greenway Program Account Distribution No. 003-181000-630651 project 6351300112.

In accordance with Administrative Standard FM-002; specifically, B1.1(a), and to support the City of Winnipeg's flood claims submission to the Province of Manitoba, the Director of Planning, Property and Development on August 20, 2013, awarded a consultant assignment to Kontzamanis Graumann Smith Macmillan Inc. dba KGS Group Consulting Engineers & Project Managers ("KGS") for Flood Damage Repairs to the Assiniboine River Walk. KGS was selected as the Firm as the engineers of record for the original riverbank stabilization works and is recognized as one of the leading geotechnical engineering firms in Winnipeg.

The consulting fees were related to riverbank damage sustained from the 2011 flood, for which the Public Service was to apply for reimbursement of all related and eligible fees to the Province of Manitoba, Emergency Measures Organization (EMO). The Award included Final Investigation, Design and Contract Administration to the upset maximum fee of $47,000.00, exclusive of the applicable taxes.

On December 23, 2013, an over-expenditure report was approved by the Director of PPD. The over-expenditure for consulting fees was required to cover a significant change in the scope of work. The initially proposed engineering scope of work anticipated that the cost of construction would be in the order of $400,000. Following an investigation of the existing under water riverbank conditions and a detailed design, a revised estimated cost of construction to complete the flood repair works was approximately $750,000 or $350,000 more than what was originally estimated. The Province of Manitoba concurred in the change of scope to the original works.

Additional time was required to finalize the design and construction drawings, as a structural design of a temporary dock bridging was required to provide suitable construction site access. Further design and drawing modifications were required to protect an existing geothermal system identified by The Forks during the late stage of design requiring an increase to the scope of work, as well as additional fees for full time construction inspections and contract administration services. These fees were consistent with similar consulting services provided from the industry at 13% of the overall construction value.

The total consulting fee for KGS services did not exceed $100,000 and was funded from the Riverbank Greenway Capital Program budget; therefore, the Director of PPD approved a contract over-expenditure of $50,000, bringing the revised contract amount to $97,000. All of the fees are related to riverbank damage sustained from the 2011 flood, and eligible for full reimbursement.

A public bid solicitation would not be required pursuant to the Agreement on Internal Trade because the proposed services would be provided by licensed professionals that are exempt from the application of the Agreement on Internal Trade.

Discussion:

Early in 2014, it was discovered that while the consultant assignment was being charged to a PPD capital budget, the related construction work was being sourced to a PWD operating account. In discussing the issue with PWD, PPD was advised that COW typically records the cost of similar DFA program related works as well as the related recovery from the Province, in the operating budget. PPD was not precluded from charging a capital budget, submitting a claim under the DFA program and, assuming recovery of the costs incurred, recording that recovery in that same capital account. In order to ensure consistency, it was determined that the consulting and construction costs associated with this

particular case should both be charged to operating or both to capital. Upon further consideration, it was determined that both should be charged to the operating budget in PWD given that their established process for DFA Program claims would be the most efficient.

As a result, PPD is requesting EPC's post facto approval of the single source consultant assignment to KGS.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 14, 2015

Project Name:

First Year of Program **2014**

Request for Approval for Single Source Negotiations for Flood Damage Repairs to the Assiniboine River Walk – Final Investigation, Design and Contract Administration

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Cash-to-Capital	$ -		$ -	$ -	$ -
Debt - External	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Province of Manitoba	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 97,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	97,000	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the total amount of the consultant assignment to Kontzamanis Graumann Smith Macmillan Inc. dba KGS Group Consulting Engineers & Project Managers . Incremental recoveries represents the recovery from the Province under its Disaster Financial Assistance program.

"Original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Corporate Finance Department
Public Works Department
Legal Services Department (as to legal issues)

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Design
Prepared by: John Kiernan, Manager
Date: April 9, 2015
File No.

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