Agenda - Executive Policy Committee – December 2, 2015

Report - Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 23, 2015

Item No. 1 First Charge against the 2016 Capital Budget for Water and Waste Department Capital

STANDING COMMITTEE RECOMMENDATION:

On November 23, 2015, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That an expenditure of $8,700,000.00 be authorized before the 2016 Capital Budget is adopted, as a first charge against the 2016 Capital Budget in order to procure a contract for the Pumping Stations and Reservoirs Structural Upgrades Project.

2. That an expenditure of $2,500,000.00 be authorized before the 2016 Capital Budget is adopted, as a first charge against the 2016 Capital Budget in order to procure contracts for the Sewer Renewals Program.

3. 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 2, 2015

Report - Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 23, 2015

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 23, 2015, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment 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 AGAINST THE 2016 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL**

Critical Path: **The Standing Policy Committee on Water and Waste, Riverbank Management and the Environment, Executive Policy Committee, and Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
G. K. Patton, P. Eng. Manager of Engineering Services	M. L. Geer, CPA, CA Acting Director, Water and Waste Department	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council authorize an expenditure of $8,700,000.00 before the 2016 Capital Budget is adopted, as a first charge against the 2016 Capital Budget in order to procure a contract for the Pumping Stations and Reservoirs Structural Upgrades Project.
2. That Council authorize an expenditure of $2,500,000.00 before the 2016 Capital Budget is adopted, as a first charge against the 2016 Capital Budget in order to procure contracts for the Sewer Renewals Program.

REASON FOR THE REPORT

Council approval, through a first charge against the 2016 Capital Budget is required in order to expend 2016 Capital funds prior to the adoption of the 2016 Capital Budget.

EXECUTIVE SUMMARY

Council approval is required before the adoption of the 2016 Capital Budget in order to procure contracts in a timely manner for the following two projects funded from the 2016 Capital budget: Pumping Stations and Reservoirs Structural Upgrades Project - Major Rehabilitation of the North Cell at the Wilkes Reservoir, and Sewer Renewal Program – Sewer Inspection Project.

Upon approval of a first charge against the 2016 Capital Budget for these two projects, the Department will proceed with the standard procurement process as per the Materials Management Policy and Standard FM-002.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds in the amount of $8,700,000.00 are included in the 2016 Capital Budget submission for Pumping Stations and Reservoirs Structural Upgrades Project, Account Distribution No. 443 181000 200751 20050012YY.

Funds in the amount of $16,900,000.00 are included in the 2016 Capital Budget submission for Sewer Renewals, Account Distribution No. 444 181000 200752 203900XXYY.

HISTORY / DISCUSSION

In order to procure contracts in a timely manner for the following two projects funded from the 2016 Capital budget, Council approval is required before the adoption of the 2016 Capital Budget:

- Pumping Stations and Reservoirs Structural Upgrades Project - Major Rehabilitation of the North Cell at the Wilkes Reservoir
- Sewer Renewal Program – Sewer Inspection Project

PUMPING STATIONS AND RESERVOIRS STRUCTURAL UPGRADES PROJECT - MAJOR REHABILITATION OF THE NORTH CELL AT THE WILKES RESERVOIR

The McPhillips, Wilkes and MacLean reservoirs provide treated water storage to meet fluctuating daily water demands; the McPhillips, Hurst, and MacLean pumping stations provide the final pumping to deliver treated water to the City of Winnipeg. The pump stations and reservoirs were constructed in the early 1960's. A preliminary assessment of the north cell at the Wilkes Reservoir found that major rehabilitation was required to ensure continued reliable operation.

Detailed design of the rehabilitation of Wilkes Reservoir is nearing completion and it is expected that the bid opportunity for construction will be issued in mid-November. The cost estimate for construction of this project is over $5,000,000.00 and therefore an award report to the appropriate Standing Committee is required in the first quarter of 2016.

The north cell at Wilkes Reservoir is divided into an east and a west cell. The rehabilitation work is weather dependent and is scheduled to take place from April to October 2016 on the west cell and in the same period in 2017 for the east cell. If the project is not awarded in the first quarter of 2016, resulting in a delay in the start of construction, there will be insufficient time to complete the work in 2016. The City will realize additional risks and costs if the project is delayed by a year.

Council authorization for an expenditure of $8,700,000.00 before the 2016 Capital Budget is adopted, as a first charge against the 2016 Capital Budget is required in order to procure a contract for the required Major Rehabilitation of the North Cell at the Wilkes Reservoir.

SEWER RENEWAL PROGRAM – SEWER CONDITION ASSESSMENT PROJECT

The 2016 Sewer Condition Assessment project is part of a continuing program to replace and/or rehabilitate sewer infrastructure. Program funds are utilized to rehabilitate or replace combined, wastewater and land drainage sewers based on condition assessments, which are also funded through this program.

The City will engage sewer condition assessment experts through a consultant assignment to assist in preparing, procuring, and administering the 2016 Sewer Condition Assessment project. In order to ensure the full window for sewer condition assessment is available (April to October), a sewer cleaning and inspection bid opportunity must be issued by February 2016.

Council authorization for an expenditure of $2,500,000 before the 2016 Capital Budget is adopted, as a first charge against the 2016 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 2016 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

Project Name:

FIRST CHARGE ON THE 2016 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL

COMMENTS:

There is no financial impact for this report. The Department is only requesting authorization for 2016 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 2016 to early March 2016.

"Original signed by L. Szkwarek, CPA, CGA"

Lucy Szkwarek, CPA, CGA
Acting Manager of Finance and Administration

js
5-Nov-15

CONSULTATION

In preparing this report there was consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through the Sustainable Water and Waste Direction Strategy initiative for Sustainable Asset Management (SAM). Sustainable Asset Management allows the City to efficiently maintain its infrastructure and plan for future infrastructure needs while protecting public health and maintaining the quality of our environment.

OurWinnipeg Reference: Environment

SUBMITTED BY

Department: Water and Waste
Division: Engineering Services
Prepared by: Linda McCusker , P. Eng., Cynthia Wiebe, P. Eng., Joanie Smalley, C.E.T.
Date: November 9, 2015
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