Agenda – Executive Policy Committee – September 20, 2017

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 11, 2017

Item No. 7 Budget Consolidation, Amendment and Additional Expenditure Authorization for the 2017 Tache Promenade Project

STANDING COMMITTEE RECOMMENDATION:

On September 11, 2017, due to a tie vote, the Standing Policy Committee on Infrastructure Renewal and Public Works submitted the matter to Executive Policy Committee and Council without recommendation.

Agenda – Executive Policy Committee – September 20, 2017

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 11, 2017

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 11, 2017, due to a tie vote, the Standing Policy Committee on Infrastructure Renewal and Public Works submitted the matter to Executive Policy Committee and Council without recommendation.

Paul Jordan, The Forks Renewal Corporation, submitted a communication dated September 7, 2017, with respect to the matter.

Lyndsey Marshall, Old St. Boniface Residents Association, submitted a communication dated September 11, 2017, with respect to the matter.

ADMINISTRATIVE REPORT

Title: Budget Consolidation, Amendment and Additional Expenditure Authorization for the 2017 Tache Promenade Project

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Neirinck, P.Eng.	J. Berezowsky, Acting Director of Public Works	M. Ruta	M. Jack A/CAO

EXECUTIVE SUMMARY

This report requests Council authorization of a budget consolidation and amendment to reflect project funding from various City and external sources, and additional expenditure authorization for the 2017 Tache Promenade Project.

The 2017 Capital Budget identified $5.188 million in project funding as a Class 4 estimate (accuracy -30% to +60%) however $353,000 of that funding is no longer available, resulting in a revised budget of $4.835 million. Further analysis of the project reveals that the project now requires an additional $5.165 million (from identified sources) to move to construction, for a total revised budget of $10.0 million. This amount, now a Class 2 estimate, includes a change in the scope of work of $1.5 million for river bank work which was not originally identified. Other additional works include an allowance for road construction, and street lighting impacts, engineering, overhead costs, and a contingency allowance.

The total amended budget of $10.0 million represents a Class 2 estimate (accuracy -10% to +20%) developed during the detailed design process.

The report also requests authority be delegated to the Chief Financial Officer and Chief Administrative Officer in order to ensure efficiency and avoid delays.

RECOMMENDATIONS

1. That previously authorized budget for the 2017 Tache Promenade Project in the amount of $4,303,000 be reduced by $303,000 to reflect the following:
    a. An adjustment of $103,000 to reflect the actual funding commitment from the Winnipeg Foundation of $1,000,000 for this project versus the $1,103,000 that is stated in the 2017 Capital Budget.
    b. $200,000 reduction in funding from the Winnipeg Arts Council.

2. That previously authorized budgets that were earmarked for the project in the amount of $885,000 be reduced by $50,000 and consolidated into the 2017 Tache Promenade Project to reflect the following:
    a. $100,000 from the 2014 Parks and Recreation Enhancement Program (PREP)
    b. $135,000 from the 2015 PREP (reduced by $30,000)
    c. $200,000 from the 2016 PREP (reduced by $20,000)
    d. $200,000 from the 2014 Tache Promenade Project
    e. $200,000 from the Land Dedication Reserve Fund

3. That transfers of new funding sources in the amount of $5,165,000, into the 2017 Tache Promenade Project be approved to reflect the following:
    a. $1,965,000 from the Public Works Non-specified Capital account
    b. $1,500,000, funded by $500,000 from the 2015 and $1,000,000 from the 2016 Riverbank Stabilization – Physical Asset Protection Program
    c. $1,000,000 from the recovery of expenses on the Disraeli Bridges project
    d. $500,000 contribution from the Canada 150 Community Infrastructure Program
    e. $200,000 funded from the Building Communities Initiative II Program

4. That Council approve that a grant in the amount of $1,000,000 be received from The Winnipeg Foundation for the tree top lookout feature of the 2017 Tache Promenade

Project, and that a grant in the amount of $500,000 be received from the Federal Government's Canada 150 Community Infrastructure Program for the 2017 Tache Promenade Project.

5. That the City enter into, execute and deliver grant agreements with each The Winnipeg Foundation and the Federal Government, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

6. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the grant agreements with the Federal Government and The Winnipeg Foundation and the Ancillary Agreements, 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.

7. That authority be delegated to the Chief Administrative Officer to award competitively tendered general construction contracts exceeding $5,000,000 associated with the 2017 Tache Promenade Project, within the Council approved budget and not exceeding $9,500,000.

8. That authority be delegated to the Chief Administrative Officer to approve over-expenditures for Recommendation 7 where there are sufficient funds in an approved budget.

9. That the proper officers of the City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

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

Pursuant to B8.2 of the City of Winnipeg's Materials Management Policy, the Chief Administrative Officer is delegated the authority to award a contract where the value of the contract does not exceed $5,000,000 and there are sufficient funds in a budget approved by Council. Pursuant to The City of Winnipeg Charter, Council has authority to delegate any of its administrative powers, duties or functions to an employee.

IMPLICATIONS OF THE RECOMMENDATIONS

The capital program and project budgets to be consolidated, as described in Appendix A, are being expended for the purposes for which they were approved by Council. Consolidation within one capital project budget makes accounting for, and reporting on, the financial status of the project less complex and more transparent. Consolidation of budgets and actual amounts spent will enable the Public Service to more effectively and efficiently track both progress and the final cost of the project.

The current Class 2 cost estimate for the proposed works is $10,000,000. It is desirable to complete the project in the fall of 2018, to coincide with the 200th anniversary of Father St. Boniface's landing at this location. To achieve this schedule, a construction contract for riverbank stabilization needs to be awarded this fall for work to be completed throughout the winter. In order to award the construction contract, the budget increase must be approved and the funding in place.

The purpose of Recommendation 7 is to expedite the award process for a general construction contract expected to exceed $5,000,000. Upon approval of Recommendation 7, the Chief Administrative Officer will be able to approve an award of contract to the successful bidder without further Standing Policy Committee or City Council approval, thereby avoiding potential delays to project timelines and potentially increased project costs.

HISTORY/DISCUSSION

Background

A number of community initiatives are underway to renew the Tache Promenade including enhanced pedestrian connections and viewing locations, as well as connections to The Forks, the Canadian Museum for Human Rights, St. Boniface Hospital, St. Boniface Basilica, Provencher Boulevard, Downtown, and the Red River.

This capital project consists of riverbank stabilization, construction of a Tree Top lookout, and expansion of the sidewalk forming part of the St. Boniface River Trail.

On May 18, 2017, TREK Geotechnical Inc. was awarded a contract for Professional Consulting Services for Tache Promenade per RFP No. 180-2017. Design work is currently ongoing.

It was determined that a budget of $10,000,000 is required, based on current Class 2 cost estimates. The discrepancy from the 2017 Capital Budget can be attributed to a number of factors including:

- The 2017 Capital Budget was based on a conceptual level 4 estimate of construction costs. Additional engineering work has resulted in more detailed cost estimates.

- Additional project scope is required, including an allowance for road construction, and street lighting impacts.

- An additional 140 meters of riverbank stabilization as well as erosion protection work is required to complete riverbank works between Avenue de la Cathedrale and the Provencher Bridge to ensure long-term stability of the riverbank. This additional stabilization work will address the remaining gaps in riverbank stability improvements from Rue Despins to just north of the Provencher Bridge.

- Current estimates include engineering, overhead costs, and a contingency allowance.

Funding Summary

If approved, the total 2017 Tache Promenade Project budget will include consolidated funding that is part of the 2014, 2015, and 2016 Parks and Recreation Enhancement (PREP) program, the Land Dedication Reserve Fund (LDRF) and the 2014 Tache Promenade Project. This consolidation into the 2017 Tache Promenade Project will allow for greater transparency of the total project costs and improve project cost tracking.

The Project budget will be amended to reflect reduced funding including:
- a $200,000 reduction from the Winnipeg Arts Council;
- a $103,000 adjustment to reflect actual committed funding from The Winnipeg Foundation as the original amount was an error in the budget; and
- a reduction of $50,000 in the other previously authorized balances.

The Project budget will increase by $5.165 million, for a total amended budget of $10.0 million (Class 2 estimate), with the funding identified from the following sources:
- $1,965,000 transferred from the Public Works Non-specified account;
- $1,500,000 from the Riverbank Stabilization Program (going toward riverbank stabilization components of work);
- $1,000,000 from the Disraeli Bridges project;
- $500,000 Canada 150 contribution; and
- $200,000 from the Building Communities Initiative II Program.

The 2017 Capital Budget Sheet for the project identified $3,885,000 in City funding composed of $3,000,000 in interim financing and consolidation of other past funding identified below. Some of the identified past funding has been partially spent.

The previously authorized budget included funding from the Winnipeg Arts Council Inc. in the amount of $200,000. However, the Winnipeg Arts Council Inc. (WAC) has advised that their 2017 funding is no longer available. The project budget has been reduced accordingly. Nonetheless, public art will still be incorporated into the infrastructure. The WAC has committed $200,000 in funding towards public art installation as part of the Public Art Strategy Capital Program Budget for 2018, subject to Council approval of the Public Art Strategy for that year.

The 2017 Capital Budget detail sheet included external funding of $1,103,000 from The Winnipeg Foundation for the tree top lookout feature; however the actual commitment has always been $1,000,000. The City has received written confirmation from The Winnipeg Foundation confirming a $1,000,000 funding commitment to the project.

A contribution from the Canada 150 Community Infrastructure Program (as delivered by Western Economic Diversification Canada) has been identified in the amount of $500,000. This contribution was initially awarded to Entreprises Riel Inc. to be contributed to the project, but will now be paid directly to the City.

The additional 140 meters of riverbank stabilization will be funded in the amount of $1,500,000 out of the 2015 and 2016 Capital Budget under Riverbank Stabilization – Physical Asset Protection (Project # 6351300215 and 6351300216) where the segment of riverbank along Tache between Provencher and Cathedrale has been identified as one of the top riverbank stabilization priorities.

New funding in the amount of $200,000 is available from the Building Communities Initiative II Program (a cost-shared capital initiative developed jointly by The City of Winnipeg and the Province).

$200,000 from the Land Dedication Reserve Fund (LDRF) remains, subject to approval by the Riel Community Committee.

To make up the remaining shortfall, a budget transfer of $1,965,000 is proposed from the Public Works Non-specified capital account. The City also anticipates recovery of expenses from a third party on the Disraeli Bridges Project between $1.5 million and $1.6 million and is requesting that $1,000,000 from that amount is allocated to this project.

A summary of available funding and changes from the identified budget is presented in Appendix A, a revised Capital Project Detail Sheet is included as Appendix B, and a summary of the Public Works Non-specified Capital account balance is included as Appendix C.

Project Schedule

The project is expected to occur in two major phases: riverbank stabilization and foundation work occurring over the winter of 2017-2018, and surface work (such as sidewalks and landscaping) occurring in the summer of 2018. It is critical that a construction contract be awarded in the Fall of 2017 in order to complete the riverbank stabilization work over the winter, while river levels are low. In order to award a construction contract in a timely manner, delegation of authority to the CAO to award contracts exceeding $5M is recommended.

The project is expected to be complete by the fall of 2018.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 22, 2017

Project Name: **First Year of Program** **2017**

Budget Consolidation, Amendment and Authorization of the 2017 Tache Promenade Project

	2017	2018	2019	2020	2021
Capital					
Capital Expenditures Required	$ 10,000,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	4,835,000	-	-	-	-
Additional Capital Budget Required	$ 5,165,000	$ -	$ -	$ -	$ -
Funding Sources:					
Public Works Non-specified account	$ 1,965,000	$ -	$ -	$ -	$ -
Riverbank Stabilization budget	1,500,000	-	-	-	-
Disraeli Bridges Project	1,000,000				
Building Communities Initiative II	200,000	-	-	-	-
Canada 150 contribution	500,000				
Total Funding	$ 5,165,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
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 existing budget costs of $4,835,000 are the previously approved budgets of $5,188,000 net of amounts of $353,000 no longer available.

It is recommended that Council-approved program budgets, as identified in the 2017 Capital Budget for the Tache Promenade Project (6361000417) be consolidated including $200,000 from the 2014 Tache Promenade project (6351800414), $100,000 from 2014 Parks and Recreation Enhancement Program (PREP) (1857001114), $135,000 from 2015 PREP (1857000115), $200,000 from 2016 PREP (1857000116), and $200,000 from the Land Dedication Reserve Fund

A Capital Budget increase of $5,165,000 is required which will be funded by the transfer of Capital Budget of $1,500,000 from the Riverbank Stabilization - Physical Asset Protection program (6351300215 - $500,000, and 6351300216 - $1,000,000), $1,965,000 from the Public Works Non-specified account (18970000NS), $1,000,000 from the Disraeli Bridges project, and $200,000 from the Building Communities Initiative II program, along with a $500,000 Canada 150 contribution.

"Original Signed by J. Ruby, CPA., CA"
Jason Ruby, CPA, CA
Manger of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:
Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity – Collaborate with all public, private, and community economic development agencies to advance economic advantages. Encourage activities beneficial to the Winnipeg economy.

01-5 Recreation – Work with community partners to provide services that are responsive to the community's recreation and leisure needs. Plan for sustainable and connected recreation and leisure infrastructure.

Our Winnipeg Section 02-2
- Promote the use of rivers and riverbanks
- Support waterway management

SUBMITTED BY

Department: Public Works Department
Division: Engineering
Prepared by: C. D. Ward, P. Eng., Bridge Projects Engineer
Date: August 28, 2017
File No:

Attachments:
Appendix A – Funding Summary
Appendix B – PP&D Capital Project Detail Sheet
Appendix C – PW Non-specified Capital Account Summary

APPENDIX A

Table 1: Funding Summary

Funding Source Description (*)		Previously Adopted Budgets	Draft Amended Budgets	Changes
Tache Promenade - project #6361000417				
2-138	Cash to capital	$ 3,000	$ 3,000	$ -
2-138	Winnipeg Foundation	$ 1,103	$ 1,000	$ (103)
2-138	Winnipeg Arts Council (WAC) - 2017	$ 200	$ -	$ (200)
		$ 4,303	$ 4,000	$ (303)
Funds in other projects earmarked for Tache Promenade in 2017 Capital Budget				
2-139	2014 Tache Promenade Project	$ 200	$ 200	$ -
2-139	2014 Parks and Recreation Enhancement Program	$ 100	$ 100	$ -
2-139	2015 Parks and Recreation Enhancement Program	$ 165	$ 135	$ (30)
2-139	Land Dedication Reserve Fund	$ 200	$ 200	$ -
2-139	2016 Parks and Recreation Enhancement Program	$ 220	$ 200	$ (20)
		$ 885	$ 835	$ (50)
	sub-total - previously approved budgets	$ 5,188	$ 4,835	$ (353)
New Funding Sources - subject to appropriate approvals				
-	Public Works Non-specified account	$ -	$ 1,965	$ 1,965
-	Riverbank Stabilization (PPD - 6351300215 and 6351300216)	$ -	$ 1,500	$ 1,500
-	Disraeli Bridges Project	$ -	$ 1,000	$ 1,000
-	Canada 150 contribution (**)	$ -	$ 500	$ 500
-	Building Communities Initiative II	$ -	$ 200	$ 200
		$ -	$ 5,165	$ 5,165
	Total project funding	**$ 5,188**	**$ 10,000**	**$ 4,812**

Summary	
Previously approved budgets	$ 5,188
Amounts from previously approved budgets no longer available	$ (353)
New Funding Sources	$ 5,165
Revised project budget	$ 10,000

(*) - Page numbers in this column are from the 2017 Adopted Capital Budget.

APPENDIX B

PP&D Capital Project Detail Sheet

PLANNING PROPERTY AND DEVELOPMENT DEPARTMENT - GENERAL CAPITAL FUND

Project Name:	**Tache Promenade**
Standing Policy Committee:	Property and Development, Heritage, and Downtown Development
Dept ID:	
Department:	**Planning, Property and Development**
Service:	City Beautification
Project:	6361000417
OurWinnipeg:	Prosperity

AUTHORIZATION	Previous Budgets	2017 Estimate	FORECAST 2018	2019	2020	2021	2022	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)		10,000	-	-	-	-	-	-	10,000
Financed by:									
Cash to Capital		5,100			3,000			3,000	8,100
Interim Financing from General Capital Fund / (Repayment)		3,000			(3,000)			(3,000)	-
Land Dedication Reserve		200						-	200
Building Communities Initiative II		200							200
Winnipeg Foundation		1,000						-	1,000
Canada 150		500						-	500
								-	-

CASH FLOW	2017	2018	2019	2020	2021	2022	Beyond 2022	Total
Project Costs ($000's)	8,500	1,500	-	-	-	-	-	10,000
Financed by:								
Cash to Capital	4,335	765		3,000				8,100
Interim Financing from General Capital Fund / (Repayment)	2,550	450		(3,000)				-
Land Dedication Reserve	170	30						200
Building Communities Initiative II	170	30						200
Winnipeg Foundation	850	150						1,000
Canada 150	425	75						500
								-

NET OPERATING IMPACT ($000's)	2017	2018	2019
Operating costs			
External debt and finance charges			
Transfer to General Capital Fund	5,100		
Total Direct Costs	5,100	-	-
Less: Incremental Revenue/Recovery	276	49	-
Net Cost/(Benefit)	4,824	(49)	0
Incremental Full Time Equivalent Positions	-	-	-

Class Estimate: 3

A number of community initiatives are underway to renew the Tache Promenade including enhanced pedestrian connections and viewing locations as well as connections to: the Canadian Museum for Human Rights, St. Boniface Hospital, St. Boniface Basilica, Provencher Boulevard, the Downtown, and with the Red River.

This capital project consists of riverbank stabilization, construction of a Tree Top Lookout, including a public art component, and expansion of the sidewalk forming part of the St. Boniface River Trail.

APPENDIX C

Public Works Department			
Non-Specified Capital Account - 18970000NS			
as of August 21, 2017			
	Transfers In	**Transfers Out**	**Balance**
Balance at January 1, 2017			$0
3/31/17 - 2016 Capital Review	$1,569,028		$1,569,028
4/30/17 - Capital Review - 1831100216 - Traffic Signals Loops	$1,215		$1,570,243
5/1/2017 - Director approved transfer to 1807000117 - Developer Payback for land purchase at Peguis and Ravelston		$85,000	$1,485,243
6/9/2017 - Director approved transfer to 1804000508 - Inkster-Keewatin/Brookside to correct invoice charged to 1804002608 - PR221 - Inkster Blvd project in error		$79,655	$1,405,588
6/29/2017 - SPCIRPW approved transfer to 1815000112 - Sand/Salt Storage Facility		$325,000	$1,080,588
8/7/2017 - Transfer to 1853000217 - Community and Neighborhood Parks - New for Halter Park purchase approved by the Acting Director of Public Works		$15,938	$1,064,650
Balance at August 21, 2017			$1,064,650
add: transfer in from the 2017 Capital Review (Note 1)			$1,513,887
Forecasted funds available - as at date of Report			$2,578,537
Note 1 - Project Surpluses identified in 2017 Capital Review			
1803000112 - Plessis Road Twinning and Grade Separation	820,000		
1831000115 - Traffic Engineering Improvements	370,138		
1831300115 - Traffic Signals - Jefferson & Adsum	185,355		
1801000114 - Chief Peguis Trail Roundabout	87,062		
1807000215 - Developer Payback - AG 30/12	46,840		
1816010315 - SMIR - Curing Efficiency	4,492		
	$ 1,513,887		