Minutes – Executive Policy Committee – March 7, 2018

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – February 27, 2018

Item No. 3 2019 Industrial Street Location Approvals; First Charge against 2019 Capital Budget – Regional and Local Streets Program; Delegation of Authority for the 2018/2019 Local Street Renewal Program – Industrial/Commercial Streets Projects

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 the 2019 projects listed in Appendix A be approved for the 2019 City of Winnipeg funded Capital Local Street Renewals - Industrial/Commercial Streets.

2. Subject to approval of Recommendation 1, that expenditures in the value of $8,860,000 as identified in Appendix A be authorized in 2018 or prior to the adoption of the 2019 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of projects associated with the 2018/2019 Local Street Renewal Program – Industrial/ Commercial Streets Contracts.

3. Subject to approval of Recommendation 1 and 2, that authority be delegated to the Chief Administrative Officer to award, and that the City enter into, execute, and deliver, two competitively tendered construction contracts exceeding $5,000,000 as identified in Appendix A 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") to the maximum amounts shown therein provided there are sufficient funds in an approved budget or pursuant to Recommendation 2.

4. Subject to approval of Recommendations 1 and 2, that authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contracts set out in Recommendation 3 and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

5. Subject to approval of Recommendations 1 and 2, that authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contracts set out in Recommendation 1 provided there are sufficient funds in an approved budget or pursuant to Recommendation 2.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – February 27, 2018

STANDING COMMITTEE RECOMMENDATION (continued):

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – February 27, 2018

DECISION MAKING HISTORY:

Moved by Councillor Morantz,

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 February 27, 2018, 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: 2019 Industrial Street Location Approvals; First Charge Against 2019 Capital Budget – Regional and Local Streets Program; Delegation of Authority for the 2018/2019 Local Street Renewal Program – Industrial/Commercial Streets Projects

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.	D. Domke Acting Director of Public Works	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Local Streets Renewal Program – Industrial/Commercial Streets is being delivered as two two-year construction contracts. The Industrial/Commercial Streets Projects are being delivered as a multi-year program on a trial basis. The construction industry has indicated to the City that by better utilizing earlier tendering and completing larger contracts will result in a more competitive bidding environment to the advantage of the City.

The 2019 project locations outlined in this report require approval from the Standing Policy Committee on Infrastructure Renewal and Public Works as they are included in the Local Street Renewal Program.

In order to award the construction work in 2018, a first charge of $8,860,000 against the 2019 Capital Budget is required. The Public Service is recommending that Council approve the first charge to the 2019 Capital Budget for the following two projects:

1. 2018/2019 Local Streets Renewal Program – Industrial/Commercial Streets Contract 1
2. 2018/2019 Local Streets Renewal Program – Industrial/Commercial Streets Contract 2

The report also requests that the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $5,000,000 including contract over-expenditures in order to ensure efficiency and avoid delays.

Appendix A provides additional project information including budget information, values of first charge recommended and maximum requested delegation authority.

RECOMMENDATIONS

1. That the 2019 projects listed in Appendix A be approved for the 2019 City of Winnipeg funded Capital Local Street Renewals - Industrial/Commercial Streets by the Standing Policy Committee on Infrastructure Renewal and Public Works.

2. Subject to approval of Recommendation 1, that expenditures in the value of $8,860,000 as identified in Appendix A be authorized in 2018 or prior to the adoption of the 2019 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of projects associated with the 2018/2019 Local Street Renewal Program – Industrial/ Commercial Streets Contracts.

3. Subject to approval of Recommendation 1 and 2, that authority be delegated to the Chief Administrative Officer to award, and that the City enter into, execute, and deliver, two competitively tendered construction contracts exceeding $5,000,000 as identified in Appendix A 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") to the maximum amounts shown therein provided there are sufficient funds in an approved budget or pursuant to Recommendation 2.

4. Subject to approval of Recommendations 1 and 2, that authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contracts set out in Recommendation 3 and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

5. Subject to approval of Recommendations 1 and 2, that authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contracts set out in Recommendation 1 provided there are sufficient funds in an approved budget or pursuant to Recommendation 2.

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

REASON FOR THE REPORT

The approval of individual projects for Local Street Renewals - Industrial/Commercial Streets is required from the Standing Policy Committee on Infrastructure Renewal and Public Works.

Council approval is required for a first charge for an expenditure of Capital funds prior to the adoption of the 2019 Capital Budget.

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.

Pursuant to the Materials Management Policy Administrative Standard No. FM-002, the Chief Administrative Officer has the authority to approve over-expenditures, where the accumulated amount for each contract, including over-expenditures, does not exceed $5,000,000.

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 authorization requires a first charge on the 2019 Capital Budget to allow the award of contracts prior to the adoption of the 2019 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter.

The purpose of Recommendation 1 is to authorize Public Works to complete work on the 2019 streets listed in Appendix A. The purpose of Recommendations 2, 3, 4 and 5 is to make available funding for two year construction contracts, expedite the award process for construction contracts expected to exceed $5,000,000, and give authority to approve over-expenditures to the same limits. Upon approval of Recommendation 1, 2, 3, 4 and 5 the Chief Administrative Officer will be able to approve an award of contract to the successful bidder and approve contract over-expenditures without further Standing Policy Committee or City Council approval, thereby avoiding potential delays to project timelines and potential increased project costs.

HISTORY/DISCUSSION

On December 12, 2017, Council adopted the 2018 Capital Budget which included $116,000,000 for the 2018 Regional and Local Street Renewal, of which $60,298,000 was allocated to the Local Street Renewal Program. The 2018 Adopted Capital Budget included a forecast amount of $116,236,000 for the 2019 Regional and Local Street Renewal Program, of which $61,798,000 was allocated to the Local Street Renewal Program.

The Industrial/Commercial Streets Projects are being delivered as a multi-year program on a trial basis. The construction industry has indicated to the City that by better utilizing earlier tendering and completing larger contracts will result in a more competitive bidding environment to the advantage of the City. The Local Street Renewal Program – Industrial/Commercial Streets projects were selected as trial locations for the delivery of two year construction contracts. As a result, first charge on the 2019 Capital Budget is required to award the multi-year construction contracts.

On January 30, 2018, it is anticipated that the Standing Policy Committee on Infrastructure Renewal and Public Works will approve the project locations for the 2018 Capital Budget – Local Street Renewals, Lane Renewals, Thin Bituminous Overlays (TBO) and Granular Roadway Improvements authorizing Public Works to complete the 2018 project locations listed in Appendix A.

2018/2019 Local Street Renewal Program – Industrial/Commercial Streets Contract 1

- Advertising of the construction contract for this project is expected to occur in February of 2018 for a period of 30 calendar days. Project construction is scheduled to commence in May 2018 with completion in September 2019. Award of a contract by a standing committee of Council can take four to eight weeks depending on the bid opportunity submission deadline date relative to committee meetings. Approval of a contract award report by the Chief Administrative Officer can be accomplished in approximately three weeks from the bid submission deadline date. In addition, the Canada–European Union Comprehensive Economic and Trade Agreement (CETA) that recently came into effect require construction contracts greater than $8,500,000 be advertised for 30 Calendar

Days where previously we advertised for as little as 14 Calendar Days. The foregoing constraints would affect the ability to deliver the Work.

2018/2019 Local Street Renewal Program – Industrial/Commercial Streets Contract 2

- Advertising of the construction contract for this project is expected to occur in February of 2018. The anticipated value of this contract does not exceed the threshold for application of CETA and can therefore be tendered for 14 Calendar Days. Project construction is scheduled to commence in May 2018 with completion in August 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 16, 2018

Project Name:

First Year of Program **2018**

2019 Industrial Street Location Approvals; First Charge Against 2019 Capital Budget – Regional and Local Streets Program; Delegation of Authority for the 2018/2019 Local Street Renewal Program – Industrial/Commercial Streets Projects

	2018	2019	2020	2021	2022
Capital					
Capital Expenditures Required	$ 8,860,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 8,860,000	$ -	$ -	$ -	$ -
Funding Sources:					
Cash to Capital	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Local Street Renewal Reserve	8,860,000	-	-	-	-
Other	-	-	-	-	-
	$ 8,860,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 8,860,000				
Total Additional Debt Required					
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	444,515	-	-	-	-
Net Cost/(Benefit)	$ (444,515)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(444,515)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: A first charge of $8,860,000 on the 2019 Regional and Local Street Renewal Program is requested. The 2019 Forecast of the 2018 Adopted Capital Budget includes $116,236,000 for the Regional and Local Street Renewal Program, with $61,798,000 allocated to the Local Street Renewal Program. The Funding Sources are those identified in the 2018 Adopted Capital Budget Forecast. The Incremental Revenue/Recovery represents the Department Engineering Administration and Corporate Interest and Administrative Overheads.

"Original signed by J. Ruby, CPA, CA"

J. Ruby, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:
Legal Services Department as to Legal Issues

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: A. Condon, P. Eng., Streets Project Engineer
Date: January 10, 2018
File No: 18-RI-01, 18-RI-02

Attachments: Appendix A

Appendix A – Project Summary Table

Project	Location	Project Year	First Charge Required	Value of First Charge	Anticipated Contract Value	Maximum Requested Delegation of Authority
Local Streets Renewal Program – Industrial/Commercial Streets – Contract 1	Moray Avenue – Murray Park Rd. to Saulteaux Cs. North Leg	2018	No	N/A	$500,000	**$12,700,000**
	Saulteaux Cr. East Leg – Moray Ave. to Moray Ave.	2018	No	N/A	$2,200,000	
	Fife St. – Inkster Blvd. to College Ave.	2018	No	N/A	$5,200,000	
	Saskatchewan Ave. – Sturgeon Rd. to #2450 Saskatchewan Ave.	2019	Yes	$3,390,000	$2,800,000	
	Hutchings St. – Inkster Blvd. to Sheppard St.	2019	Yes	$2,340,000	$2,000,000	
First Charge to the 2019 Capital Budget				$5,730,000		
Local Streets Renewal Program – Industrial/Commercial Streets – Contract 2	Henlow By. – Fultz Blvd. to Scurfield Blvd.	2018	No	N/A	$2,600,000	**$5,500,000**
	Higgins Av – Princess St. to Henry St.	2019	Yes	$3,130,000	$2,900,000	
First Charge to the 2019 Capital Budget				$3,130,000		
Total Value of First Charge to the 2019 Capital Budget Recommended in this Report				**$8,860,000**		