Agenda – Executive Policy Committee – September 17, 2019

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 12, 2019

Moved by Councillor

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 four business days preceding the committee meeting, be considered by Committee.

Item No. 2 Capital Budget First Charge and Delegated Authority – Dublin Avenue Bridge Replacement and Regional Street Improvements Project

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2019, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service submitted the following to Council:

1. That expenditures of up to $500,000 be authorized in 2019, or prior to the adoption of the 2020 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 Regional Street Renewal Program (Regional Mill and Fill / Overlay Preservation Works) for St. James Street – Notre Dame Avenue to Omand's Creek.

2. That subject to approval of Recommendation 1, that authority be delegated to the Chief Administrative Officer to award, and approve, that the City enter into, execute, and deliver, a competitively tendered general construction contract for the Dublin Avenue Bridge Replacement and Regional Street Improvements Project exceeding $5,000,000 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 a maximum amount of $10,000,000, provided there are sufficient funds in a Council approved budget, or as a result of the first charge against the General Capital Fund pursuant to Recommendation 1.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 12, 2019

STANDING COMMITTEE RECOMMENDATION (continued):

4. That authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contracts set out in Recommendation 2, provided that expenditures do not exceed the delegated amounts in Recommendation 2 and they are within a Council approved budget, or as a result of the first charge against the General Capital Fund pursuant to Recommendation 1.

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

Agenda – Executive Policy Committee – September 17, 2019

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 12, 2019

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2019, 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: Capital Budget First Charge and Delegated Authority – Dublin Avenue Bridge Replacement and Regional Street Improvements 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	P. Olafson, Interim CFO	D. Wardrop, Acting Interim CAO

EXECUTIVE SUMMARY

This report recommends a first charge on the 2020 Regional and Local Street Renewal Program Capital Budget for the St. James Street (Notre Dame Avenue to Omand's Creek) renewal works in the amount of $500,000, work which will be delivered as part of an overall general construction contract encompassing bridge replacement and regional street renewals on Dublin Avenue and St. James Street.

This report also recommends that the CAO be delegated the authority to award a construction contract not exceeding $10,000,000 and approve over-expenditures where there are sufficient funds in an approved budget. This will ensure timely award of the general construction contract, allowing bridge replacement work to occur during the winter of 2019-2020 while water levels in the creek are low.

RECOMMENDATIONS

1. That expenditures of up to $500,000 be authorized in 2019, or prior to the adoption of the 2020 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 Regional Street Renewal Program (Regional Mill and Fill / Overlay Preservation Works) for St. James Street – Notre Dame Avenue to Omand's Creek.

2. That subject to approval of Recommendation 1, that authority be delegated to the Chief Administrative Officer to award, and approve, that the City enter into, execute, and deliver, a competitively tendered general construction contract for the Dublin Avenue Bridge Replacement and Regional Street Improvements Project exceeding $5,000,000 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 a maximum amount of $10,000,000, provided there are sufficient funds in a Council approved budget, or as a result of the first charge against the General Capital Fund pursuant to Recommendation 1.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve terms and conditions of contracts set out in Recommendation 2 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 authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contracts set out in Recommendation 2, provided that expenditures do not exceed the delegated amounts in Recommendation 2 and they are within a Council approved budget, or as a result of the first charge against the General Capital Fund pursuant to Recommendation 1.

5. 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

Council approval is required to make a first charge for an expenditure of Capital funds prior to the adoption of the 2020 Capital budget.

Pursuant to B.8.2 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.

The Materials Management Policy further provides that in all other cases, the Chief Administrative Officer shall forward a recommendation to the appropriate Standing Committee including a recommendation, where appropriate, for funding the difference between the budgetary provision and the consideration to be paid by the City pursuant to the proposed contract. The award of the contract can be approved by the Standing Committee if it is able to identify sufficient available funds in an alternative budget approved by Council. Otherwise, Council approval is required for the award of the proposed contract.

The Standing Policy Committee on Infrastructure Renewal and Public Works does not have authority to delegate its Materials Management Policy award authority to an employee. However, 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

Tendering and award of a general contract for construction for this project is expected to occur in 2019. The purpose of Recommendation 1 is to allow a first charge of up to $500,000 in 2019 prior to adoption of the 2020 Capital Budget, for the Regional Street Renewal Program (Regional Mill and Fill / Overlay Preservation Works) for St. James Street – Notre Dame Avenue to Omand's Creek, work which will be part of the scope of the general construction contract. Therefore, authorization of a first charge on the 2020 Annual Program Capital Budgets is required to allow the award of contracts prior to the adoption of the 2020 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter. First charge approvals for the remaining components of the project have previously been approved by Council.

The purpose of Recommendation 2 is to expedite the award process for a general construction contract expected to exceed $5,000,000.

Upon approval of Recommendation 2, 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 lengthy delays to project timelines and potentially increased project costs.

Recommendation 4 will allow the CAO to approve over expenditures for the general construction contract if required, provided there are sufficient funds within the approved budget, avoiding potential delays during the delivery phase of the project.

HISTORY/DISCUSSION

This project includes the replacement of the Dublin Avenue Bridge over Omand's Creek as well as Regional Street Renewal works including the reconstruction of Dublin Avenue between Notre Dame Avenue and St. James Street, the rehabilitation of St. James Street from Dublin Avenue to Saskatchewan Avenue, and finally the mill and fill preservation of St. James Street from Notre Dame Avenue to Omand's Creek. Bridge replacement work is scheduled to occur over the winter months of 2019-2020, followed by the regional street renewal works in the 2020 summer construction season.

Project funding sources are as follows:

1. The Dublin Avenue Bridge (Omand's Creek) project for bridge replacement works;
2. The Dublin Avenue – Notre Dame Avenue to St. James Street reconstruction project as part of the Accelerated Regional Street Renewals within the Regional and Local Street Renewal Program;
3. St. James Street – Dublin Avenue to Saskatchewan Avenue rehabilitation project as part of the Accelerated Regional Street Renewals within the Regional and Local Street Renewal Program; and
4. St. James Street – Notre Dame Avenue to Omand's Creek mill and fill preservation as part of the Accelerated Regional Street Renewals within the Regional Mill and Fill/Overlay Preservation Works.

The 2018 Capital Budget adopted by Council on December 12, 2017, includes $700,000 for the Dublin Avenue Bridge (Omand's Creek) project.

The 2019 Capital Budget adopted by Council on March 20, 2019 includes $700,000 for the Dublin Avenue Bridge (Omand's Creek) project as well as authorization of a first charge of up to $3,300,000 in 2019 on the 2020 Dublin Avenue Bridge (Omand's Creek) project.

On March 20, 2019 Council authorized first charges of up to $6,700,000 in 2019 on the 2020 Dublin Avenue-Notre Dame Avenue to St. James Street accelerated regional street renewal project, and up to $2,700,000 on the 2020 St. James Street–Dublin Avenue to Saskatchewan Avenue accelerated regional street renewal project.

Project funding sources are summarized in Table 1.

Table 1

Project Component	Funding Source	Amount	Notes
Bridge Replacement			
Dublin Avenue Bridge (Omand's Creek)	2018 Capital Budget	$700,000	--
	2019 Capital Budget	$700,000	--
	2020 Capital Budget	$3,300,000	First charge authorized as part of 2019 Capital Budget.
Regional Street Renewal Program (Accelerated)			
Dublin Ave. Notre Dame to St. James (Reconstruction)	2020 Capital Budget	$6,700,000	First charge authorized as part of 2019 Capital Budget.
St. James St. Dublin to Saskatchewan (Rehabilitation)	2020 Capital Budget	$2,700,000	First charge authorized as part of 2019 Capital Budget.
St. James St. Notre Dame to Omand's Creek	2020 Capital Budget Forecast of the 2019 Adopted Capital Budget	$500,000	This report is seeking first charge authorization on the 2020 Capital Budget.
Total		**$14,600,000**	

In order to undertake this project within the expected timelines in 2020, a tender for a general construction contract needs to be awarded prior to Council approval of the 2020 Capital Budget. Delay in funding approval may delay award of contracts for this project, which could cause increased costs to the City.

Furthermore, this project will combine the bridge replacement work and regional street renewals into a single general construction tender, taking advantage of economies of scale, and result in efficient project delivery and improved coordination. The bridge replacement component of the work must be carried out in the 2019-2020 winter months during low water levels in Omand's Creek. Delegated authority to the CAO for award of the general construction contract over $5,000,000 will allow for timely award and adherence to the project schedule. Failure to award the general construction contract in 2019 could result in project delays of up to one year and additional costs.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 13, 2019

Project Name:

First Year of Program **2019**

Capital Budget First Charge and Delegated Authority – Dublin Avenue Bridge Replacement and Regional Street Improvements Project

	2019	2020	2021	2022	2023
Capital					
Capital Expenditures Required	$ 500,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 500,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Federal New Building Canada Fund (NBFC)	-	-	-	-	-
Province of Manitoba Accelerated Regional Roads	-	-	-	-	-
Regional Street Renewal Reserve	$ 500,000	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ 500,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 500,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	30,000	-	-	-	-
Net Cost/(Benefit)	$ (30,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (30,000)	$ -	$ -	$ -	$ -

Additional Comments: A first charge of $500,000 on the 2020 Regional and Local Street Renewal Program is requested. The 2020 Forecast of the 2019 Adopted Capital Budget includes $500,000 for St. James Street - Notre Dame to Omand's Creek identified within the Regional and Local Street Renewal Program. The funding sources are included in the 2019 Adopted Capital Budget, and will be adjusted for this project once the 2020 Capital Budget is adopted and external funding commitments are finalized. The Incremental Revenue/Recovery represents the Department Engineering Administration and Corporate Interest and Administrative Overheads. Approval is required in 2019 in order to put Council authorization in place to award the construction contract in 2019, expenditures will occur in 2020.

"Original Signed by J. Peters, CPA, CGA"

J. Peters, CPA, CGA
Acting Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with: N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: Cam Ward, P. Eng., Bridge Projects Engineer
Date: August 13, 2019
File No: 18-G-02