Minutes – Executive Policy Committee – November 12, 2019

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 4, 2019

Item No. 4 Air Force Way Realignment Phase 2 – Project Authorization and Capital Assistance Program Agreement with Department of National Defence & Single Source Negotiation and Award of Contract for Consulting Services

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 an increase to the 2019 Capital Budget be authorized to include up to $1,500,000 in funding from the Capital Assistance Program of the Department of National Defence.

2. That the City enter into a contribution agreement (so-called "Contribution Agreement #2") with the Department of National Defence setting out the terms and conditions of the DND funding of up to $1,500,000 for construction of the Air Force Way Realignment.

3. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of Contribution Agreement #2 between the City and DND 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.

4. That the Chief Administrative Officer be authorized to negotiate and approve amendments to the terms and conditions, including funding amounts, to Contribution Agreement #2 between the City and DND 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.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 4, 2019

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

5. That the City enter into, execute and deliver all agreements with the Winnipeg Airports Authority as determined necessary by the City Solicitor / Director of Legal Services with respect to the Project and that the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of such agreements in accordance with this Report and such terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That a Single Source Negotiation with, and that the City enter into, execute, and deliver, and award a contract to, WSP Canada Group Limited be approved for consulting engineering services not exceeding $150,000 plus GST and MRST, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Consulting Ancillary Agreements").

7. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the consulting engineering services contract to WSP Canada Group Limited, and the Consulting 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.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 4, 2019

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

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.

Carried

Moved by Councillor Allard,

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 November 4, 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: Air Force Way Realignment Phase 2 – Project Authorization and Capital Assistance Program Agreement with Department of National Defence & Single Source Negotiation and Award of Contract for Consulting Services

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Neirinck, P. Eng.	J. Berezowsky	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Department of National Defence (DND) approached the City of Winnipeg to close a portion of Air Force Way (AFW) to comply with DND base security requirements. In order to provide continued public access to Hangar Line Road (Winnipeg Airports Authority) after the closure of AFW, an alternate connection of Air Force Way to Hangar Line Road is required. DND has asked the City to manage the design and construction of the realignment of AFW from Silver Avenue to Hangar Line Road, south of Canadian Forces Base (CFB) Winnipeg. The DND Capital Assistance program will fund all costs directly related to the design and construction of the AFW realignment, including City of Winnipeg overhead and administration costs.

Phase 1 of this project was previously completed and consisted of design work by the City for DND, and was authorized by Council on March 25, 2015. The Phase 1 agreement between the City and DND was executed on March 31, 2015, which included funding for Phase 1 works in the amount of $97,997.50. A map of the proposed AFW realignment is shown in Appendix A.

DND has expressed a desire to proceed to Phase 2 of the agreement, which would advance this project to construction. This report seeks the necessary Council approvals to advance this project.

The Recommendation(s) included in this Report complies with the requirements of the various trade agreements and the City's Materials Management Policy

RECOMMENDATIONS

1. That Council authorize the increase to the 2019 Capital Budget to include up to $1,500,000 in funding from the Capital Assistance Program of the Department of National Defence.

2. That the City enter into a contribution agreement (so-called “Contribution Agreement #2”) with the Department of National Defence setting out the terms and conditions of the DND funding of up to $1,500,000 for construction of the Air Force Way Realignment.

3. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of Contribution Agreement #2 between the City and DND 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.

4. That the Chief Administrative Officer be authorized to negotiate and approve amendments to the terms and conditions, including funding amounts, to Contribution Agreement #2 between the City and DND 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.

5. That the City enter into, execute and deliver all agreements with the Winnipeg Airports Authority as determined necessary by the City Solicitor / Director of Legal Services with respect to the Project and that the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of such agreements in accordance with this Report and such terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That a Single Source Negotiation with, and that the City enter into, execute, and deliver, and award a contract to, WSP Canada Group Limited be approved for consulting engineering services not exceeding $150,000 plus GST and MRST, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Consulting Ancillary Agreements”).

7. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the consulting engineering services contract to WSP Canada Group Limited, and the Consulting 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.

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

REASON FOR THE REPORT

City Council approval is required to amend Capital Budgets and to enter into Funding Agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

An amendment to the 2019 Capital Budget is required to include funding in the amount of $1,500,000 for the construction of the Air Force Way Realignment. The Department of National Defence Capital Assistance Program will fund all costs directly related to the construction of the Air Force Way Realignment, including City of Winnipeg overhead and administration costs.

HISTORY/DISCUSSION

History – Phase 1 Agreement

The northerly portion of Air Force Way ("AFW") currently falls within the standoff radius of the Department of National Defence ("DND") base located at 600 Air Force Way. DND approached the City of Winnipeg to close a portion of AFW for security reasons. The Public Service is not supportive of the closure unless AFW is realigned to connect with the privately held Hangar Line Road on Winnipeg Airports Authority ("WAA") property. DND has consented to the realignment and asked the City to manage the design and construction of the realignment of AFW from Silver Avenue to Hangar Line Road, south of 17 Wing Canadian Forces Base in Winnipeg. The realignment of AFW is required to meet DND's security requirements. Refer to the proposed roadway alignment in Appendix A.

On December 17, 2013, the 2014 Capital Budget was adopted by City Council, which included $1,100,000 in funding for the 2014 Traffic Engineering Improvements – Various Locations Program. Subsequently, on March 25, 2015, City Council authorized an increase to the 2014 Capital Budget to include $100,000 in funding from the DND Capital Assistance Program for the design and cost estimate work (Phase 1) for the AFW realignment.

On March 18, 2015 WSP Canada Group Limited (formerly WSP Canada Inc.) ("WSP") was awarded a single source consulting services assignment in the amount of $93,900.00 plus MRST for the preliminary and detailed design services for the AFW realignment.

On March 31, 2015, the City and DND executed Contribution Agreement #1 for Phase 1 of the project, in the amount of $97,997.50. The DND Capital Assistance program funded all costs directly related to the design of the AFW realignment, including City of Winnipeg overhead and administration costs.

Discussion

Since the completion of the design work under the Phase 1 Agreement, DND has expressed a desire to advance this project to construction (Phase 2). To do so, the City will need to enter into a funding agreement with DND (Contribution Agreement #2), and complete the required property transfers.

The DND Capital Assistance program will fund all costs directly related to the design and construction of the AFW realignment, including City of Winnipeg overhead and administration costs. Amendment of the 2019 Capital Budget is required to allocate the funds and administer the project. The contribution agreement (and budget amendment) is based on a Class 2 (accuracy -10% to +20%) cost estimate for the work.

Closure of an existing portion of Air Force Way right-of-way (to the north of Silver Avenue) will be required, which will be transferred to DND. A portion of DND property is required to be opened as right-of-way, and will encompass the realigned Air Force Way roadway. The required road closings, openings and bylaw(s) will be brought forward to Council in separate reports by the Public Service. The City and DND are currently working to finalize the exact road geometry.

The City may be required to enter into agreements with the WAA, including obtaining any necessary permits and licenses to complete construction work on WAA property (including

connection of the realigned AFW roadway to Hangar Line Road), as well as shared lane drainage agreements. Ancillary agreements may be required with the WAA to deal with private utility services within the project area.

The project is expected to impact a portion of the Assiniboine Golf Club (AGC). The AGC leases the golf course from the City of Winnipeg. The Public Service will recommend a lease amendment to Council at a later date to facilitate the AFW realignment

WSPcompleted the detailed design work under Phase 1 of the project, and is therefore the most capable to execute the work of Phase 2 within the project schedule. A single source negotiation and award will be based on a detailed proposal and terms of reference, qualified personnel, and detailed fee estimates under this upset limit. Single source negotiation and award of contract with WSP is compliant with the New West Partnership Trade Agreement ("NWPTA"), which incorporates the requirements of the Canadian Free Trade Agreement ("CFTA"). CFTA Article 513(c)(ii) allows for limited tendering in cases where additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services would cause significant inconvenience or substantial duplication of costs for the procuring entity. There is an equivalent exception in Part V, Section C, Article 2(g) of NWPTA, and the Materials Management Policy B4.1(f).

Hiring a different firm for detailed design and contract administration services at this stage in the project would result in significant duplication of detailed design work already carried out by WSP in Phase 1 of this project. The cost of the engineering services provided will be included in DND funding under Contribution Agreement #2. DND has confirmed that a single source award of contract to WSP is acceptable and costs will be eligible under the Capital Assistance Program funding.

The City will not award or execute, as applicable, contracts to major vendors (consultants, contractors, utility agencies, etc.) until the City and DND have executed a funding agreement for the applicable work.

Manitoba Sustainable Development has confirmed that an Environment Act License will not be required for this project.

DND is in the process of completing the indigenous consultation required for this project.

Construction is expected to occur during the 2020 summer construction season. Clearing and grubbing of vegetation in the proposed road alignment is expected to occur between January and March, 2020.

Realignment of the road will achieve the security objectives desired by DND, and maintain public access to Hangar Line Road, which is a private road operated by the WAA. The realigned AFW is intended to be opened as right-of-way and will be the responsibility of the City to maintain in perpetuity. Closing and opening of rights-of-way will be subject to Council approval under separate reports.

A portion of Yellow Ribbon Trail will require realignment to accommodate the work, and may result in short term closures of a portion of the Yellow Ribbon Trail during construction.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 7, 2019

Project Name:

Air Force Way Realignment Phase 2 - Project Authorization and Capital Assistance Program Agreement with Department of National Defense

First Year of Program **2019**

	2019	2020	2021	2022	2023
Capital					
Capital Expenditures Required	$ 1,500,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 1,500,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Department of National Defense Capital Assistance Program	1,500,000	-	-	-	-
Total Funding	$ 1,500,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,500,000				
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 Department of National Defense Capital Assistance program funds of up to $1,500,000 will be used to pay the costs related to Phase 2 of Air Force Way realignment. The $1,500,000 funding will increase the 2019 Public Works Capital program and a new capital project will be added (1833002119 - Air Force Way Realign-Ph 2).

"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:
The Department of Planning, Property and Development (as to property issues)
Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: Cam Ward, P.Eng.
Date: October 7, 2019
File No: 15-A-01

Attachments:

Appendix A – Proposed Roadway Alignment

Appendix A – Proposed Roadway Alignment

