Minutes – Executive Policy Committee – December 3, 2019

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 19, 2019

Item No. 4 First Charge on 2020 Capital Budget for Regional and Local Street Renewal Program

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 expenditures of up to an additional $37,750,000 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 2020 Regional and Local Street Renewal Program as identified in Appendix A of this report.

2. 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 – November 19, 2019

DECISION MAKING HISTORY:

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 19, 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: First Charge on 2020 Capital Budget for Regional and Local Street Renewal Program

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 an additional first charge on the 2020 Regional and Local Street Renewal Program Capital Budget in the amount of $37,750,000 in order to ensure timely award of engineering design contracts and roadway construction contracts in advance of adoption of the 2020 City of Winnipeg Capital Budget. Council has previously approved first charges in the amount of $28,786,000 on the 2020 Capital Budget within the Regional and Local Street Renewal Program. Upon approval of the recommendations of this report the total Council approved first charge on the 2020 Regional and Local Street Renewal Program will be $66,536,000.

RECOMMENDATIONS

1. That expenditures of up to an additional $37,750,000 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 2020 Regional and Local Street Renewal Program as identified in Appendix A of this report.

2. 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.

IMPLICATIONS OF THE RECOMMENDATIONS

Tendering and award of engineering design contracts and general construction contracts for several road renewal projects under the 2020 Regional and Local Streets Renewal Program is

expected to occur in late 2019 and early 2020. The purpose of Recommendation 1 is to allow a first charge of up to an additional $37,750,000 prior to adoption of the 2020 Capital Budget, for several projects within the Regional and Local Street Renewal Program. 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.

HISTORY/DISCUSSION

On March 20, 2019, with the adoption of the 2019 Capital Budget, Council authorized first charges in 2019 or prior to the adoption of the 2020 capital budget in the amount of $28,286,000 for various locations within the Regional and Local Street Renewal Program.

On September 26, 2019, Council approved a first charge of $500,000 to allow award of contracts to ensure timely delivery of projects associated with the Regional Street Renewal Program for St. James Street – Notre Dame Avenue to Omand's Creek.

On September 26, 2019, Council adopted the Road Construction Working Group Report, and directed the Winnipeg Public Service to implement the recommendations of that report, including, specifically:

1.C. *Incorporate recommendation B.3, "That the City of Winnipeg tender 70% to 80% of the following year's road work from November to January, and the balance from January to March" into its 2020 multi-year budget submission.*

In order to award contracts between November and March (prior to adoption of the Capital Budget) of any given year and meet the recommendation, there must be sufficient budget approved by Council. It is expected that the 2020 Capital Budget will not be approved by Council until the end of March, 2020.

The additional first charge for construction contracts is to allow for early tendering and award of as many contracts that can be practically prepared and tendered ahead of the approved 2020 Capital Budget. The Public Service intends to fully comply with the Road Construction Working Group tendering recommendations for the 2021 construction season. The 2020 construction season will be a transition year.

The additional first charges identified for engineering design contracts are to ensure construction tenders for the 2021 construction season are prepared early enough to comply with the intent of the above recommendation.

Appendix A identifies a breakdown by location of the additional first charge request.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 31, 2019

Project Name:

First Year of Program **2019**

First Charge on 2020 Capital Budget for Regional and Local Street Renewal Program

	2019	2020	2021	2022	2023
Capital					
Capital Expenditures Required	$ 37,750,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 37,750,000	$ -	$ -	$ -	$ -
Funding Sources:					
Federal Gas Tax	$ -	$ -	$ -	$ -	$ -
Federal New Building Canada Fund (NBFC)	5,528,000	-	-	-	-
Province of Manitoba Accelerated Regional Roads	5,528,000	-	-	-	-
Regional Street Renewal Reserve	6,194,000	-	-	-	-
Local Street Renewal Reserve	20,500,000	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ 37,750,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 37,750,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,724,579	-	-	-	-
Net Cost/(Benefit)	$ (1,724,579)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (1,724,579)	$ -	$ -	$ -	$ -

Additional Comments: A first charge of $37,750,000 on the 2020 Regional and Local Street Renewal Program is requested, increasing the total first charge approval to $66,536,000. The 2020 Forecast of the 2019 Adopted Capital Budget includes $111,622,000 for the Regional and Local Street Renewal Program, with $71,386,000 allocated to the Accelerated Regional Street Renewal Program, $2,000,000 allocated to the Non-Accelerated Regional Street Renewal Program, and $38,236,000 allocated to the Local Street Renewal Program. The funding sources are included in the 2019 Adopted Capital Budget, and will be adjusted for these projects once the 2020 Capital Budget is adopted. The Incremental Revenue/Recovery represents the estimated Department Engineering Administration, Corporate Interest and Administrative Overheads. Approval is required in 2019 to put Council authorization in place to award construction and consulting contracts in 2019, a portion of 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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: M.N. Stainton, P. Eng.
Date: November 1, 2019
File No: 20-CG

Attachments:

APPENDIX A: Breakdown of First Charge Requests

APPENDIX A: Breakdown of First Charge Requests

Projects for which contracts could be advertised and awarded by March 31, 2019:

Project	Purpose of Award	Amount
Day St / Pandora Av	Design	$250,000.00
Dunkirk Dr – Fermor Av to St Mary's Rd	Design	$350,000.00
Salter St – Dufferin Av to Mountain Av	Design	$400,000.00
Portage Av EB – Woodlawn Av to Garden Rd	Design	$500,000.00
Pembina Hw – Ru Des Trappistes to Ducharme Av	Design	$300,000.00
Lagimodiere Bv – Springfield Rd to 200m S of Headmaster Rw	Design	$500,000.00
Sargent Av – Empress St to St James St	Design	$300,000.00
Selkirk Av – Arlington St to McPhillips St	Design	$700,000.00
Pembina Hw – McGillivray Bv to Chevrier Bv	Design	$900,000.00
William Av – Arlington St to McPhillips St	Design	$150,000.00
Jubilee Av – Osborne St to Pembina Hw	Design	$900,000.00
Portage Av WB – David St to Charles St	Design	$900,000.00
Lagimodiere Bv SB – Reenders Dr to Regent Av W	Design	$500,000.00
Keewatin St – Selkirk Av to Logan Av	Design	$300,000.00
King Edward St – Park Lane to Logan Av	Design	$150,000.00
Regent Av W – Plessis Rd to Rougeau Av	Design	$300,000.00
Henderson Hw SB – McLeod Av to Leighton Av	Design	$150,000.00
Downtown Streets*	Construction	$6,300,000.00
Maryland St – Fawcett Av to Maryland Br	Construction	$3,400,000.00
Local Streets (previously identified locations**)	Construction	$19,700,000.00
Local Sidewalks	Construction	$800,000.00
TOTAL		**$37,750,000.00**

* *On March 20, 2019 with the adoption of the 2019 capital budget Council approved a first call of $1.7 on the forecast 2020 budget of $8 million. This report is requesting that the remaining $6.3 million of the 2020 forecast amount be first called.*

** *Locations for local streets contracts to be tendered upon the approval of the first call requested in this report were previously identified to the Standing Policy Committee on Infrastructure Renewal and Public Works on May 28, 2019 as deferred projects that would be awarded as a first priority going forward.*