

Agenda – Council – September 30, 2020

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 16, 2020

Item No. 4 Budget Consolidation and Delegated Authority for the Wellington Crescent Riverbank, Path and Roadway Project – MM Ref No. 545- 2020 (Charleswood-Tuxedo-Westwood Ward)

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2020, 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 previously authorized budget for the Wellington Crescent Right of Way from Assiniboine Park to Academy Road in the amount of \$9,650,000 (as identified on page 2-100 of the 2020 Capital Budget, Volume 3) be consolidated into the 2020 Regional and Local Street Renewal Program.
2. That authority be delegated to the Chief Administrative Officer to approve and award competitively tendered general construction contracts exceeding \$5,000,000 associated with the Project, within the Council approved budget and not exceeding \$8,000,000.
3. That authority be delegated to the Chief Administrative Officer to approve over expenditures for general construction contracts set out in Recommendation 2, provided that the contract value plus the over expenditure does not exceed the amount identified in Recommendation 1 and are within Council approved budgets, or as a result of a first charge against the General Capital Fund.
4. That the issuance of a letter of credit to the Receiver General for Canada on behalf of Fisheries and Oceans Canada, or a similar financial instrument such as a surety bond as may be accepted by Fisheries and Oceans Canada, be approved in an amount equal to the costs of the Offsetting Plan for the potential loss of fish habitat in connection with the Project, to a maximum amount of \$750,000, for the purpose of submitting an Application for Project Authorization to the Minister of Fisheries and Oceans for the Project.
5. That subject to the approval of Recommendation 1, upon completion of the Project, any surplus budget be allocated on a pro-rata basis (or as otherwise agreed to by the departments) back to the respective programs to be reprioritized based on need at that time.
6. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Council – September 30, 2020

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 16, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 16, 2020, 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: Budget Consolidation and Delegated Authority for the Wellington Crescent Riverbank, Path and Roadway Project – MM Ref No. 545-2020

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Kibbins, P. Eng.	D. Patman for J. Berezowsky	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

This report requests Council authorization to consolidate the project Capital Budget under the Regional and Local Street Renewal Program, delegate authority to the CAO to award a construction contract exceeding \$5,000,000 and to approve over-expenditures associated with the construction contract, and authorize issuance of a letter of credit to the Fisheries and Oceans Canada (DFO).

Erosion and slope instabilities along the south bank of the Assiniboine River (Assiniboine Park to Doncaster Street) pose a risk to City assets including paths, gate chambers, outfalls, streets, and greenspaces. The Wellington Crescent Riverbank Path and Roadway Project (“the Project”) seeks to address this risk.

RECOMMENDATIONS

1. That previously authorized budget for the Wellington Crescent Right of Way from Assiniboine Park to Academy Road in the amount of \$9,650,000 (as identified on page 2-100 of the 2020 Capital Budget, Volume 3) be consolidated into the 2020 Regional and Local Street Renewal Program.
2. That authority be delegated to the Chief Administrative Officer to approve and award competitively tendered general construction contracts exceeding \$5,000,000 associated with the Project, within the Council approved budget and not exceeding \$8,000,000.
3. That authority be delegated to the Chief Administrative Officer to approve over expenditures for general construction contracts set out in Recommendation 2, provided that the contract value plus the over expenditure does not exceed the amount identified in Recommendation 1 and are within Council approved budgets, or as a result of a first charge against the General Capital Fund.
4. That Council approve the issuance of a letter of credit to the Receiver General for Canada on behalf of Fisheries and Oceans Canada, or a similar financial instrument such as a surety bond as may be accepted by Fisheries and Oceans Canada, in an

amount equal to the costs of the Offsetting Plan for the potential loss of fish habitat in connection with the Project, to a maximum amount of \$750,000, for the purpose of submitting an Application for Project Authorization to the Minister of Fisheries and Oceans for the Project.

5. That subject to the approval of Recommendation 1, upon completion of the Project, any surplus budget be allocated on a pro-rata basis (or as otherwise agreed to by the departments) back to the respective programs to be reprioritized based on need at that time.
6. 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

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 Material 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.

Council approval is required to issue a letter of credit.

IMPLICATIONS OF THE RECOMMENDATIONS

The capital program and project budgets to be consolidated 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 purpose of Recommendation 2 and 3 is to expedite the award process for a general construction contract expected to exceed \$5,000,000 as well as authority to approve over-expenditures to the same limits. Subject to approval of Recommendation 2 the Chief Administrative Officer will be able to approve an award of contract to the successful bidder.

Recommendation 4 will allow the City to submit a completed application for Project Authorization to DFO for the Project. The application and subsequent authorization by DFO is required prior to construction of erosion control on the riverbank. The cost to obtain and carry the Letter of Credit is estimated to be \$14,500.

HISTORY/DISCUSSION

Background

The south bank of the Assiniboine River between the Assiniboine Park and Doncaster Street has been experiencing ongoing riverbank instabilities and erosion, which is exposing City assets (roads, pathways, land drainage outfalls, other utilities, and greenspaces) to an unacceptable level of risk.

Detailed design and contract preparation of the recommended remediation alternative is underway. A contract will be tendered this fall such that riverbank remediation can occur over the winter and associated road and pathway works can occur in 2021.

See Appendix A for additional information on the project study and public engagement. See Appendix B for the recommended alternative.

Budget Consolidation

On March 20, 2020 Council adopted the 2020 Capital Budget, which detailed the following funding sources, for a total project budget of \$9,650,000 (Class 4 estimate, -30% to +60%).

Department	Source	Amount
PPD	*Riverbank Stabilization-Physical Asset Protection (re-budget \$0.524 million from 2016; \$0.809 million from 2017; \$0.308 million from 2018; utilize \$0.359 million from existing, approved 2018 & 2019 budgets; and \$0.5 million from the 2020 budget)	\$2,500,000
WWD	\$2.0 million from Outfall Rehabilitation program	\$2,000,000
PWD	**Up to \$3.0 million in 2020 and \$2.1 million in 2021 funded under the Public Works - Regional and Local Street Renewal program	\$5,100,000
Other	****Grant – Great Trail	\$50,000
Total		9,650,000

* PPD has updated this information subsequent to adoption of the 2020 Capital Budget

** The adopted 2020 Capital Budget includes an allocation of \$3.0 M of the 2020 Regional Local Street Renewal Program budget to the Wellington Crescent – Riverbank Stabilization Project. On March 20, 2020 with the adoption of the 2020 Capital Budget Council authorized a first charge on the 2021 budget of up to \$2.1 M for the Wellington Crescent Riverbank Stabilization Project.

*** On December 12, 2019 Council approved the 2020 Capital Budget: Riverbank Stabilization – Physical Asset Protection be increased by \$50,000 funded by the contribution from Trans Canada Trail.

The recommended design has been refined to a Class 3 cost estimate, in the amount of \$9,650,000 (-20% to +30%).

Consolidation of the project budget within the Regional and Local Street Renewal program will make accounting for, and reporting on, the financial status of the project less complex and more transparent. Project expenditures will be tracked in a single capital project. Funding surpluses or over-expenditures would be assigned to departmental sources pro-rata, or as otherwise agreed to by the departments. See Appendix C for summary of the approved budgets and first charges recommended for consolidation and Appendix D for a consolidated detail sheet.

Delegated Authority

The project is expected to occur in two major phases: riverbank stabilization work occurring over the winter of 2020-2021, and roadwork (including road construction, path construction, and

landscaping) occurring in the summer of 2021. It is critical that a construction contract be awarded in the Fall of 2020 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 \$5,000,000 is recommended. The project is expected to be substantially complete by the fall of 2021.

Letter of Credit for DFO Authorization

This project includes placing erosion control (rip rap) below the normal summer water level of the Assiniboine River. Due to the possible presence and habitat of a known Species at Risk, the Mapleleaf Mussel (*Quadrula quadrula*), this project will likely require Project Authorization approval from the Fisheries and Oceans Canada (DFO).

An application for Project Authorization to DFO requires that the project proponent obtain a letter of credit (or similar financial instrument as may be suitable to DFO, such as a surety bond) issued in DFO's favour. DFO will not grant Project Authorization until a complete application is submitted. Failure to obtain a letter of credit will delay obtaining DFO Project Authorization, which is required to be in place prior to the start of construction. Failure to obtain authorization would result in deferring part or all of the riverbank erosion control measures until later in the project, adding additional costs, and impacting the overall project schedule.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 13, 2020

Project Name:

First Year of Program 2020

Budget Consolidation and Delegated Authority for the Wellington Crescent Riverbank, Path and Roadway Project – MM RefNo. 545-2020

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Capital					
Capital Expenditures Required	\$ 9,650,000	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	9,650,000	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	436,640	-	-	-	-
Net Cost/(Benefit)	<u>\$ (436,640)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	(436,640)	-	-	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Capital expenditures required represent the estimated project costs for the Wellington Crescent Riverbank, Path and Roadway project. Existing budgeted costs represent the Council approved budgets and first charges approved to deliver the project, no additional funding is required. This report recommends the consolidation of these budgets into one Wellington Crescent River Bank Stabilization Project (Capital Project #1806400120) within the Regional and Local Street Renewal Program (see Appendix C for details of approved capital budgets recommended for consolidation). Incremental Revenue/Recovery represents the Departmental Engineering and Corporate Interest overheads.					

"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:
Planning, Property and Development Department
Water and Waste Department

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: Cam Ward, P.Eng.
Date: August 14, 2020
File No: 20-R-07

Attachments: Appendix A - Design Development and Public Engagement
Appendix B - Recommended Design Map
Appendix C - Budget Consolidation Schedule
Appendix D - Consolidated Capital Project Detail Sheet

Design Development

In 2015, the City identified this section of riverbank as one of the highest risk under the Riverbank Asset Management System (RAMS). RAMS is an asset management tool that has been used to evaluate over 200 City-owned riverbank sites on the Red and Assiniboine Rivers by characterizing riverbank conditions and the potential consequences if problematic conditions are not addressed. In 2016, the City initiated a geotechnical investigation and monitoring program in the same year that cracks appeared in the active transportation trail in the vicinity of Wellington Crescent at Handsart Boulevard. In 2017, the riverbank failed, causing the pathway to be unsafe. A 200 m long temporary granular path was installed along the north side of Wellington Crescent as a temporary measure. City assets including outfalls, the Wellington Crescent roadway, and remaining portions of the pathway remain at risk.

To begin studying the problem and looking for solutions to protect the at-risk assets within the project area, a Request for Proposal (RFP #622-2018) was advertised in July, 2018 for functional and preliminary design services. The study was awarded to Kontzamanis Graumann Smith MacMillan Inc. (“KGS”) on August 30, 2018.

Options considered to address the riverbank stability problems included:

- 1) improvements to the riverbank such as erosion protection and bank stabilization measures; and,
- 2) relocation of City assets outside the at-risk areas.

A functional design was prepared considering three primary remediation strategies.

- Strategy 1 featured riverbank stabilization, erosion protection, and a large rock berm in the river to provide stability. This strategy was rejected as infeasible due to hydraulic impacts to the Assiniboine River.
- Strategy 2 used a combination of both approaches: riverbank stabilization, erosion protection, and partial roadway relocation, primarily between Girton Boulevard and Doncaster Street.
- Strategy 3 minimized the amount of riverbank stabilization works, and instead focused primarily on road relocation from Park Boulevard to Doncaster Street. This strategy was unable to protect two major land drainage outfalls (which cannot be relocated as their purpose is to provide land drainage to the river itself).

Thus, the recommended functional design strategy was determined to be Strategy 2.

Public Engagement

In April 2019, meetings were held with adjacent property owners and project stakeholders to present the findings of the functional design study, and receive feedback. A project webpage was also launched and signs were posted along the Wellington Crescent path to share information with the community and path users about the project. Through these meetings, participants identified the following preferences:

- 1) a desire to keep Wellington Crescent on its current alignment between Park Boulevard and Doncaster Street, and;
- 2) a desire to further explore the opportunity to completely close this section of Wellington Crescent to vehicular traffic, and convert it to an active transportation greenway (thereby eliminating the need to realign the road away from the river).

Hearing the preferences of the adjacent property owners, both of these alternatives were investigated further by the project team, and were completed in March 2020. These alternatives are not recommended because:

Alternative Designs Investigated	
1) Retaining wall to keep Wellington Cres. in current location	2) Close Wellington Cres. to vehicular traffic
Costly - would increase the required project budget to \$15.5 M (Class 4 estimate), or approximately 50%;	Would result in unacceptable traffic impacts on Doncaster Street and Nanton Boulevard.
Installation would require tie-back anchors, adding complexity and risk	Regardless of use of the street, riverbank stabilization works would still be required. This option did not result in significant cost savings.
Result in significant loss of riparian forest	The condominium complex at 1800 Wellington has a legal approach to Wellington Crescent, therefore Wellington Crescent most likely cannot be removed from Service at least between Chattaway Blvd. and Doncaster St.

On June 1, 2020, a follow-up meeting was held with adjacent property owners and stakeholders previously engaged in April 2019. Due to COVID-19 public health orders on in-person gatherings, the meeting was held on a virtual (video conferencing) platform. During this meeting, the results of the additional investigations, including traffic impact study results, were shared with participants. The updated recommended design was also presented, which had been refined since the April 2019 meeting. The event included a presentation followed by a question and answer period.

On June 2, 2020, public engagement opportunities for the community and general public were launched online to comply with COVID-19 public health orders. Over 1,900 postcards were mailed to residents in the project area, a social media campaign was launched, and signs were posted along the Wellington Crescent walk bike path to promote the public engagement opportunities. Public engagement aimed to collect feedback on the design and understand residents' interests and concerns. The public was invited to:

- View the updated recommended design on the project webpage
- Attend one of two webinar meetings
- Take an online survey
- Connect with the project team using the virtual Q & A
- Answer a quick online poll

Residents unable to access the internet were encouraged to contact the project team by phone to ask questions and provide feedback. The City continued to receive feedback on the project from the public until July 19, 2020. The table below outlines some of the key themes that the City heard through the public engagement.

Theme	What We Heard
Wellington Crescent closure	<ul style="list-style-type: none"> Some participants would like Wellington Crescent closed to vehicular traffic to enhance active transportation and reduce traffic in the community. Other participants would like Wellington Crescent to remain open to vehicular traffic to maintain access and prevent increased traffic on local residential streets. Participants inquired about including other streets in a closure including Academy Road and Doncaster Street, or closing a larger section of Wellington Crescent including up to Route 90 and beyond.
Traffic	<ul style="list-style-type: none"> Participants noted that traffic volumes and speeds are high along Wellington Crescent. Participants are interested in opportunities for traffic calming measures along Wellington Crescent and in the neighbourhood.
Active Transportation	<ul style="list-style-type: none"> Participants noted that safe crossings should be a priority for this project including at the intersection of Park Boulevard and Wellington Crescent in front of the Assiniboine Park entrance. Participants noted that the current walk bike path is narrow for the high volume of users and should be widened. Participants noted that Wellington Crescent could be closed to improve active transportation opportunities.
Trees	<ul style="list-style-type: none"> Participants value the boulevard trees along Wellington Crescent and the riverbank trees. Participants are concerned about tree loss and unintentional impacts to tree roots during excavation.
Wildlife and heritage resources	<ul style="list-style-type: none"> Participants noted the importance of protecting the potential heritage resources in the riverbank. Participants expressed concerns about impacts to wildlife from the project.
Public Engagement	<ul style="list-style-type: none"> Participants wanted opportunities for the entire community to view the recommended design and provide feedback on the project.
Riverbank impacts	<ul style="list-style-type: none"> Participants are concerned that the proposed stabilization techniques on the south riverbank will negatively impact the north riverbank

Additional public engagement materials are available on the project website:
www.winnipeg.ca/wellingtonriverbank.

Recommended Design

The recommended design strategy shown in Appendix B is most favourable. This strategy includes a combination of road and path relocation, together with riverbank stabilization and erosion control measures to provide long-term protection of City assets and the communities they serve. The road realignment will be completed entirely within the existing roadway right-of-way, and no land acquisition is required for the Project. The alignment of the road has been refined to achieve the geotechnical stability targets, while minimizing the loss of high-value

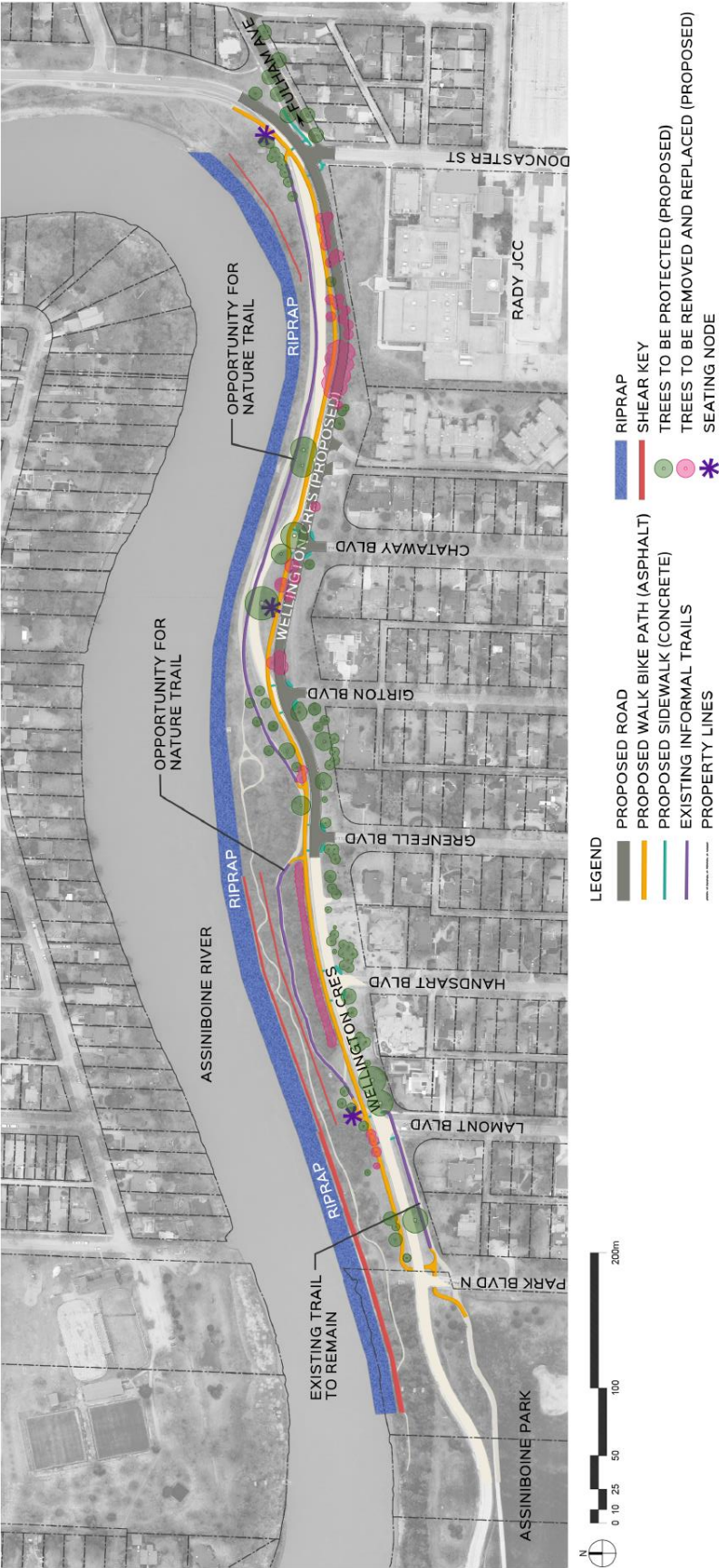
boulevard trees along Wellington Crescent, and at the same time, minimizing the degree to which the roadway is shifted away from the river.

A “do nothing” (defer investment) approach is not recommended. Sudden riverbank failure may result in unanticipated loss of service, and result in more costly emergency repairs to the riverbank. It is more economical to stabilize riverbanks before extensive or catastrophic failures have occurred.

The design presented in Appendix B is thus the most favourable design solution. The project will:

- Protect significant City assets that are currently at risk;
- Provide an improved active transportation connection between the Assiniboine Park and Doncaster Street that meets current standards for width and illumination;
- Improve the pavement condition on Wellington Avenue primarily between Grenfell Boulevard and Doncaster Street.
- Minimize tree loss to the extent possible, and limit the environmental footprint of the project.

On July 7, 2020, a motion was brought forward by the Assiniboia Community Committee to be heard at Standing Policy Committee on Infrastructure Renewal and Public Works (SPCIRPW). SPCIRPW received the recommendation of the Assiniboia Community Committee as information.



Appendix C

Summary of the approved capital budgets recommended for consolidation into the Wellington Crescent River Bank Stabilization Project (1806400120) within the Regional and Local Street Renewal Program.

Department	Project Description	Budget Amounts to be Consolidated (in thousands)
PPD	Adopted 2020 Riverbank Stabilization - Physical Asset Protection Program	\$ 2,141
PPD	Adopted 2018 and 2019 Riverbank Stabilization - Physical Asset Protection Program	\$ 359
PPD	Council Approved Grant - 2020 Riverbank Stabilization - Physical Asset Protection Program	\$ 50
WWD	Adopted Outfall Rehabilitation Program Budget	\$ 2,000
PWD	Adopted 2020 Regional and Local Street Renewal Budget allocated to Wellington Crescent River Bank Stabilization Project	\$ 3,000
PWD	Council approved first charge on 2021 capital budget for Wellington Crescent River Bank Stabilization Project	\$ 2,100
Total Consolidated Project Budget - subject to approval of recommendation #1		\$ 9,650

Appendix D – Consolidated Capital Detail Sheet

Consolidated Capital Detail Sheet for Illustrative Purposes

PUBLIC WORKS - GENERAL CAPITAL FUND

Project Name:	Wellington Crescent Riverbank, Path and Roadway Project (Part of the Regional and Local Street Renewal Program)		
Standing Policy	Infrastructure Renewal and Public Works		
Dept ID:	180604		
Department:	Public Works	Service:	Roadway Construction and Maintenance / Land Drainage and Flood Control
Project:	1806400120	OurWinnipeg	Sustainability / Environment

AUTHORIZATION	Previous Budgets	2020	FORECAST					Five-Year Forecast Total	Six-Year Total
			2021	2022	2023	2024	2025		
Project Costs (\$000's)	-	9,650	-	-	-	-	-	-	9,650
Financed by:									
Local Street Renewal Reserve		5,100	-					-	-
Transfer from Sewage Disposal System Fund		2,000						-	5,100
External Grant - Great Trail		50						-	2,000
Cash to Capital		1,932						-	50
Debt		568						-	1,932
									568

CASH FLOW		2020	2021	2022	2023	2024	2025	Beyond 2025	Total
Project Costs (\$000's)		1,490	7,200	960	-	-	-	-	9,650
Financed by:									
Local Street Renewal Program		765	3,825	510	-	-	-		-
Transfer from Sewage Disposal System Fund		300	1,500	200	-	-	-		5,100
External Grant - Trans Canada Trail		50	-	-	-	-	-		2,000
Cash to Capital		290	1,449	193	-	-	-		50
Debt		85	426	57					1,932
									568

NET OPERATING IMPACT (000's)		2021	2022	2023	2024	2025	2026
Operating costs							
Debt and finance charges							
Transfer to General Capital Fund							
Total Direct Costs		-	-	-	-	-	-
Less: Incremental Revenue/Recovery		65	327	44	-	-	-
Net Cost/(Benefit)		(65)	(327)	(44)	-	-	-
Incremental Full Time Equivalent Positions		-	-	-	-	-	-

Class Estimate: 3

Project will deliver a combination of road and path relocation, together with riverbank stabilization and erosion control measures to provide long-term protection of City assets and the communities they serve. The alignment of the road has been refined to achieve the geotechnical stability targets, while minimizing the loss of high-value boulevard trees along Wellington Crescent, and at the same time, minimizing the degree to which the roadway is shifted away from the river.