Minutes – Executive Policy Committee – June 15, 2022

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – June 9, 2022

Item No. 4 **First Charge on 2023 Capital Budget for St Vital Bridge Rehabilitation; Delegation of Authority for Award and Over-Expenditures for St Vital Bridge Rehabilitation Contracts Exceeding $5,000,000, including Multi-Year Contracts within Council-Adopted Budgets – MM Ref No. 352-2022**

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 $15,600,000 be authorized in 2022, or prior to the adoption of the 2023 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 the St Vital Bridge Rehabilitation project.

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 construction contract exceeding $5,000,000 for the St Vital Bridge Rehabilitation project, in stages, 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 total cumulative amount of $45,000,000 shown therein provided they are within the Council Approved Budgets, or as a result of a first charge against the General Capital Fund.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve terms and conditions of the 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 – June 9, 2022

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

4. That, subject to approval of Recommendation 1, that authority be delegated to the Chief Administrative Officer to approve over expenditures for the contracts set out in Recommendation 2, provided that the contract value plus the over expenditure does not exceed the amount identified in Recommendation 2 and is within Council approved budgets, or as a result of a first charge against the General Capital Fund.

5. That verbal quarterly updates be provided to Standing Policy Committee on Infrastructure Renewal and Public Works on the staged award status and project progress commencing in January 2023 and continuing until the project is substantially completed.

6. 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 – June 9, 2022

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.

Yea:	Bowman, Allard, Browaty, Chambers, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

STANDING COMMITTEE RECOMMENDATION:

On June 9, 2022, 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 2023 Capital Budget for St Vital Bridge Rehabilitation; Delegation of Authority for Award and Over-Expenditures for St Vital Bridge Rehabilitation Contracts Exceeding $5,000,000, including Multi-Year Contracts within Council-Adopted Budgets – MM Ref No. 352-2022

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	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

The Public Service is recommending approval of a first charge on the 2023 Capital Budget for the St Vital Bridge Rehabilitation project, in the amount of $15,600,000, in order to ensure timely award of a construction contract in advance of adoption of the 2023 City of Winnipeg Capital Budget, expected to be in March 2023.

The construction contract for rehabilitation of the twin bridges and related roadworks will be awarded in stages requiring additional project funding forecasted for 2024 in the 2022 Capital Budget. A first charge on the 2024 Capital Budget will be requested as part of the 2023 budget process. Award of the first stage of construction will allow bridge rehabilitation to commence on the southbound bridge by January 2023 so that construction of the entire project can be completed by November 2024.

The Public Service is also recommending that, subject to the approval of the first charge above, the Chief Administrative Officer (CAO) be delegated the authority to award a construction contract exceeding $5,000,000, in stages, provided there is sufficient funding within the approved Capital Budget. The Contract will be competitively tendered following the City's Materials Management Policy. With the approval of the first charge above, it is anticipated there will be sufficient authorized budget in place to allow the CAO to award the first stage of this contract for the southbound bridge rehabilitation.

The construction contract will be tendered in the fall. Delegated authority is being requested to expedite the contract award process such that the Contractor can mobilize and commence construction in January 2023 in order make the project timelines for completion by November 2024.

The total project budget is $54,574,000 making it a major capital project subject to quarterly financial reporting to the Standing Policy Committee on Finance. Verbal quarterly updates on the project's staged award and construction progress to the Standing Policy Committee on Infrastructure Renewal and Public Works is recommended, similar to previous major capital projects such as Waverley Underpass.

RECOMMENDATIONS

1. That expenditures of up to an additional $15,600,000 be authorized in 2022, or prior to the adoption of the 2023 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 the St Vital Bridge Rehabilitation project.

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 construction contract exceeding $5,000,000 for the St Vital Bridge Rehabilitation project, in stages, 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 total cumulative amount of $45,000,000 shown therein provided they are within the Council Approved Budgets, or as a result of a first charge against the General Capital Fund.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve terms and conditions of the 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, subject to approval of Recommendation 1, that authority be delegated to the Chief Administrative Officer to approve over expenditures for the contracts set out in Recommendation 2, provided that the contract value plus the over expenditure does not exceed the amount identified in Recommendation 2 and is within Council approved budgets, or as a result of a first charge against the General Capital Fund.

5. That verbal quarterly updates be provided to Standing Policy Committee on Infrastructure Renewal and Public Works on the staged award status and project progress commencing in January 2023 and continuing until the project is substantially completed.

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

Council approval is required to make a first charge for an expenditure of Capital funds prior to the adoption of the 2023 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.

The Chief Administrative Officer has the authority to approve contract over-expenditures, where the accumulated amount for each contract, including over-expenditures, does not exceed five million dollars ($5,000,000), provided monies are available within the applicable capital or operating budget as approved by Council.

Council has the authority to delegate additional authority to the Chief Administrative Officer in accordance with The City of Winnipeg Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

Tendering and award of the construction contract, is expected to occur in fall of 2022 to allow bridge rehabilitation work to commence by January 2023.

Approval of Recommendation 1 will allow a first charge of up to an additional $15,600,000 prior to adoption of the 2023 Capital Budget to award the contract. Authorization of a first charge on the 2023 Capital Budget is required to allow the award of contracts prior to the adoption of the 2023 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter.

Approval of Recommendation 2 will expedite the award process for the staged construction contract expected to exceed $5,000,000, and to delegate the authority to approve contract over-expenditures to the same delegated limits.

HISTORY/DISCUSSION

The 2021 Capital Budget adopted by Council on December 16, 2020, included funding for the St Vital Bridge Rehabilitation Project in the amount of $2,000,000. In the 2022 Capital Budget, adopted by Council on December 15, 2021, $6,074,000 is included as budget in 2022, with $15,600,000 forecast for 2023, and $23,200,000 forecast for 2024. In addition, under the Regional and Local Streets Renewal program (RLSR), a forecast amount of $5,700,000 is included in 2024, for roadworks renewals associated with the St Vital Bridge Rehabilitation Project. The budget allocations are shown in the table below:

	2021	2022	2023	2024
	Adopted	*Adopted*	*Forecast*	*Forecast*
St Vital Bridge Rehabilitation Project	$2,000,000	$6,074,000	$15,600,000[1]	$23,200,000
St Vital Bridge Renewal Roadworks (under RLSR)	-	-	-	$5,700,000
TOTALS	**$2,000,000**	**$6,074,000**	**$15,600,000**	**$28,900,000**

[1]requested First Charge for this project.

The total budget allocation for the project is $52,574,000.

The construction contract for rehabilitation of the twin bridges and related roadworks will be awarded in stages requiring additional project funding of $28,900,000 forecasted for 2024 in the 2022 Capital Budget. A first charge on the 2024 Capital Budget will be requested as part of the 2023 budget process. Award of the first stage of construction will allow bridge rehabilitation to commence by January 2023 so that construction can be completed by November 2024.

In order to award a construction contract between November 2022 and March 31, 2023, when the 2023 Capital Budget must be adopted, there must be sufficient budget approved by Council. It is expected that the 2023 Capital Budget will not be approved by Council until the end of March, 2023.

The Public Service is also recommending that, subject to the approval of the first charge, the Chief Administrative Officer (CAO) be delegated the authority to award a construction contract exceeding $5,000,000, in stages, provided there is sufficient funding within the approved Capital Budget. The Contract will be competitively tendered following the City's Materials Management Policy. With the approval of the first charge above, it is anticipated there will be sufficient authorized budget in place to allow the CAO to award the first stage of this contract for the southbound bridge rehabilitation.

The construction contract will be tendered in the fall. Delegated authority is being requested to expedite the contract award process such that the Contractor can mobilize and commence construction in January 2023 in order make the project timelines for completion by November 2024.

The total project budget is $54,574,000 making it a major capital project subject to quarterly financial reporting to the Standing Policy Committee on Finance. Verbal quarterly updates on the project's staged award and construction progress to the Standing Policy Committee on Infrastructure Renewal and Public Works is recommended, similar to previous major capital projects such as Waverley Underpass.

Delegation limits of this magnitude have been previously approved by Council. For example, on October 26, 2016 Council approved delegated authority to the CAO to award a construction contract up to $85,000,000 for the Waverley Underpass Project.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 12, 2022

Project Name:

First Year of Program 2022

First Charge on 2023 Capital Budget for St Vital Bridge Rehabilitation; Delegation of Authority for Award and Over-Expenditures for St Vital Bridge Rehabilitation Contracts Exceeding $5,000,000, including Multi-Year Contracts within Council-Adopted Budgets – MM Ref No. 352-2022

	2022	2023	2024	2025	2026
Capital					
Capital Expenditures Required	$ 15,600,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 15,600,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Frontage Levy	4,531,000	-	-	-	-
Canada Community-Building Fund (Gas Tax)	11,069,000	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ 15,600,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 15,600,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	628,791	-	-	-	-
Net Cost/(Benefit)	$ (628,791)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(628,791)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: A first charge of $15,600,000 on the 2023 St. Vital Bridge Rehabilitation budget is requested. The 2023 Forecast of the 2022 Adopted Capital Budget includes $15,600,000 for the St. Vital Bridge Rehabilitation project. The funding sources are included in the 2022 Adopted Capital Budget, and will be adjusted for this project once the 2023 Capital Budget is adopted and external funding committments are finalized. The Incremental Revenue/Recovery represents the Department Engineering Administration, Corporate Interest, and Administrative Overheads. Approval is required in 2022 in order to put Council authorization in place to award the construction contract in the fall of 2022, expenditures will occur in 2023.

J. Ruby, 2022-05-03

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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: M.N. Stainton, P. Eng.
Date: May 12, 2022
File No: 23-CG