Minutes – Executive Policy Committee – July 13, 2022

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – July 5, 2022

Item No. 1 Air Force Way Realignment Phase 2 – Amendment of Project Authorization

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 Council authorize an amendment to the 2019 Capital Budget to include funding from the Capital Assistance Program of the Department of National Defence in an amount equal to, and conditional upon execution of, a contribution agreement between the City of Winnipeg and the Department of National Defense (DND) pursuant to Recommendation 2.

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

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.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – July 5, 2022

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

6. That a Single Source Negotiation with, and that the City enter into, execute, and deliver, and award a contract to, WSP Canada Inc. be approved for consulting engineering services in the estimated amount of $250,000 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 Inc., 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 – July 5, 2022

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.

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 5, 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: Air Force Way Realignment Phase 2 – Amendment of Project Authorization

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

On November 21, 2019, Council authorized a new project for a realignment of Air Force Way that is to be fully funded by the Department of National Defence (DND).

The Council report, attached as Appendix A, authorized the following to move the project forward:

- An increase to the 2019 Capital Budget to include up to $1,500,000 in funding from the Capital Assistance Program of the DND.
- The City to enter into a contribution agreement with the DND for funding of up to $1,500,000 for construction of the Air Force Way Realignment.
- A single source negotiation and award of consulting engineering services to WSP Canada Inc. not exceeding $150,000.
- Various recommendations pertaining to the above.

Subsequently, the COVID-19 pandemic delayed the start of this project. Since that time, escalation of costs for construction and professional consulting services has occurred, requiring the authorized amounts to increase.

This report serves to amend the previous amounts approved by Council.

Construction is now expected to occur in 2023.

The Recommendations of this Report are compliant with the Materials Management Policy and applicable Trade Agreements.

RECOMMENDATIONS

1. That Council authorize an amendment to the 2019 Capital Budget to include funding from the Capital Assistance Program of the Department of National Defence in an amount equal to, and conditional upon execution of, a contribution agreement between the City of Winnipeg and the Department of National Defense (DND) pursuant to Recommendation 2.

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

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 Inc. be approved for consulting engineering services in the estimated amount of $250,000 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 Inc., 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

Council approval is required to amend Capital Budgets, to enter into Funding Agreements, and approve Single Source Negotiations for Consulting Services exceeding $75,000.

IMPLICATIONS OF THE RECOMMENDATIONS

An amendment to the 2019 Capital Budget is required to increase funding to an estimated total amount of $2,500,000 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

On November 21, 2019, Council adopted the recommendations of the report "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." The full Council minutes and administrative report are attached as Appendix A.

This project was delayed by the COVID-19 pandemic. Since that time, escalation of costs for construction and professional consulting services has occurred, such that updated project cost estimates exceed the previously authorized amounts. Thus, this report recommends increasing the project budget and associated contribution agreement with the Department of National Defence (DND) to an estimated $2,500,000, and increasing the single source award to WSP Canada Inc. for consulting services to an estimated $250,000. The final amounts are subject to the execution of a contribution agreement between the City and DND.

The overall project, including consulting services, is wholly funded by DND. After a contribution agreement between the City and DND is executed pursuant to Recommendation 2, a 2019 Capital Budget amendment will occur such that the total project budget is equal to the amount of the contribution agreement. 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.

This procurement is subject to the New West Partnership Trade Agreement ("NWPTA"), which incorporates the requirements of the Canadian Free Trade Agreement ("CFTA"). Part V, Section 3, Clause 2 (g) of NWPTA states as follows "(g) where it can be demonstrated that only one supplier is able to meet the requirements of a procurement;"

There is a corresponding exception in Section B4.1 (f) of the Materials Management Policy, which reads as follows: "(f) the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier."

In this case, WSP Canada Inc. (formerly WSP Canada Group Limited) was the Consultant on the earlier phase of the Air Force Way Realignment project. Performance of the additional supply of services by WSP Canada Inc. for Phase 2 is acceptable in the circumstances because the services being performed by another consultant would cause significant inconvenience or duplication of cost to the procuring entity.

Construction is expected to occur in 2023.

FINANCIAL IMPACT

Financial Impact Statement **Date:** May 27, 2022

Project Name: **First Year of Program** **2022**

Air Force Way Realignment Phase 2 – Amendment of Project Authorization

	2022	2023	2024	2025	2026
Capital					
Capital Expenditures Required	$ 2,500,000				
Less: Existing Budgeted Costs	1,500,000				
Additional Capital Budget Required	$ 1,000,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Department of National Defense					
Capital Assistance Program	1,000,000				
Total Funding	$ 1,000,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,000,000				
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: Council has previously authorized up to $1,500,000 for this project fully funded by the Department of National Defense. The COVID-19 pandemic caused this project to be delayed and no funding agreement or capital project was created subsequent to the Council decision of November 21, 2019. Approval of this report will increase the project budget to $2,500,000, fully funded by the Department of National Defense Capital Assistance program (project # 1833002119 - Air Force Way Realign - Ph2).

J. Ruby, 2022-05-26
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: Cam Ward, P.Eng.
Date: May 27, 2022
File No: 15-A-01

Attachments:

Appendix A: Council Minutes – November 21, 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 Service“