**Minutes – Executive Policy Committee – January 17, 2023**

**Report – Standing Policy Committee on Water, Waste and Environment – January 6, 2023**

**Item No. 1 Request for First Charge Against the 2023 Capital Budget for Water and Waste Department Capital**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water, Waste and Environment and submitted the following to Council:

1. That expenditures of up to $2,000,000.00 be authorized in 2022, or prior to the adoption of the 2023 Capital Budget, as a first charge against the Sewage Disposal System Fund, to allow for the award of contracts to ensure timely delivery of projects associated with the 2023 Asset Refurbishment and Replacement Program.

2. That expenditures of up to $1,800,000.00 be authorized in 2022, or prior to the adoption of the 2023 Capital Budget, as a first charge against the Solid Waste Disposal Fund, to allow for the award of contracts to ensure timely delivery of projects associated with the 2023 Brady Road Resource Management Facility - Cell Construction Program.

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

**Minutes – Executive Policy Committee – January 17, 2023**

**Report – Standing Policy Committee on Water, Waste and Environment – January 6, 2023**

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Standing Policy Committee on Water, Waste and Environment be concurred in and forwarded to Council.

| | | |
|---|---|---|
| Yea: | Gillingham, Browaty, Lukes, Mayes, Orlikow, Rollins | 6 |
| Nay: | | 0 |

Carried

STANDING COMMITTEE RECOMMENDATION:

On January 6, 2023, the Standing Policy Committee on Water, Waste and Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** **REQUEST FOR FIRST CHARGE AGAINST THE 2023 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL**

**Critical Path:** **Standing Policy Committee on Water, Waste, and Environment - Executive Policy Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| C. D. Wiebe, P. Eng., CAMP, Manager of Engineering Services | C. D. Wiebe, P. Eng., CAMP. Acting Director, Water and Waste | C. Kloepfer | M. Jack |

## EXECUTIVE SUMMARY

Council approval is required before the adoption of the 2023 Capital Budget in order to procure contracts in a timely manner for the following projects funded from the 2023 Capital Budget:

- Asset Refurbishment and Replacement Program
- Brady Road Resource Management Facility - Cell Construction

Upon approval of a first charge against the 2023 Capital Budget for these projects, the Department will proceed with the standard procurement process as per the Materials Management Policy and Administrative Standard FM-002.

## RECOMMENDATIONS

1. That expenditures of up to $2,000,000.00 be authorized in 2022, or prior to the adoption of the 2023 Capital Budget, as a first charge against the Sewage Disposal System Fund, to allow for the award of contracts to ensure timely delivery of projects associated with the 2023 Asset Refurbishment and Replacement Program.

2. That expenditures of up to $1,800,000.00 be authorized in 2022, or prior to the adoption of the 2023 Capital Budget, as a first charge against the Solid Waste Disposal Fund, to allow for the award of contracts to ensure timely delivery of projects associated with the 2023 Brady Road Resource Management Facility - Cell Construction Program.

3. 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 for a first charge for expenditures of Capital funds prior to the adoption of the 2023 Capital Budget.

## IMPLICATIONS OF THE RECOMMENDATIONS

The recommendations, if approved, will allow a first charge on the 2023 Capital Budget to permit the award of contracts prior to the adoption of the 2023 Capital Budget.

Funds in the amount of $5,000,000.00 are included in the 2023 forecast of the 2022 Capital Budget submission for the Asset Refurbishment and Replacement Program, Account Distribution No. 445 181000 200752 20300005YY. Up to $2,000,000.00 is requested for a First Charge. Contracts awarded will not exceed 30% of the Approved 2022 Capital Budget for the Sewage Disposal System Fund.

Funds in the amount of $1,800,000.00 are included in the 2023 forecast of the 2022 Capital Budget submission for the Brady Road Resource Management Facility – Cell Construction program, Account Distribution No. 445 181000 200753 20620004YY. Up to $1,800,000.00 is requested for a First Charge. Contracts awarded will not exceed 30% of the Approved 2022 Capital Budget for the Solid Waste Disposal Fund.

## HISTORY/DISCUSSION

In order to procure contracts in a timely manner for the following projects funded from the 2023 Capital budget, Council approval is required before the adoption of the 2023 Capital Budget:

- Asset Refurbishment and Replacement Program
- Brady Road Resource Management Facility - Cell Construction

**ASSET REFURBISHMENT AND REPLACEMENT PROGRAM**
The Primary Clarifiers and inlet channels are part of the original 1937 construction of the North End Sewage Treatment Plant (NEWPCC). Approximately $1,000,000.00 is required from the 2023 budget to award a contract to assess the condition of the clarifiers and implement any identified rehabilitation works. This work is time sensitive as it involves shutdowns that must occur in low flow, winter conditions. This work will also improve fats, oil, and grease removal which will benefit downstream processes such as the digesters.

Approximately $1,000,000.00 is required for the West End Sewage Treatment Plant (WEWPCC) screening and grit removal project, which is a requirement for the NEWPCC Biosolids Facilities project. Sludge that is hauled to the NEWPCC for treatment will need to meet new specifications for screening and grit removal. The work will also benefit the operation of the existing digesters by removing rags and grit that would otherwise accumulate within the digester tanks.

Council authorization for an expenditure of up to $2,000,000.00 before the 2023 Capital budget is adopted, as a first charge on the 2023 Capital Budget, is required in order to procure

contractors to begin the work on the NEWPCC Primary Clarifiers and to procure a design consultant for the WEWPCC screening and grit removal project.

**BRADY ROAD RESOURCE MANAGEMENT FACILITY - CELL CONSTRUCTION**
The current landfill cell is expected to reach capacity by Q4 2023. The new cell must be completed (or operational) before then for operations to continue. The cell must be completed and operational by Q3 2023 to allow waste to be placed one meter above ground level prior to winter to avoid freezing of the leachate pipes. Procurement of this project is required in early February 2023 to allow the award of contracts to ensure timely delivery of this project.

Council authorization for an expenditure of up to $1,800,000.00 before the 2023 Capital budget is adopted, as a first charge on the 2023 Capital Budget, is required in order to procure contractors to begin work on the Cell Construction.

These contracts cannot be awarded without approved funds in place. Upon approval of a first charge against the 2023 Capital Budget for the projects listed above, the Department will proceed with the standard procurement process as per the Materials Management Policy and Administrative Standard FM-002.

**FINANCIAL IMPACT**

## Financial Impact Statement **Date:** November 15, 2022

## Project Name:

### REQUEST FOR FIRST CHARGE AGAINST THE 2023 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL

**COMMENTS:**

The Department is requesting First Charge on the 2023 capital budget in order to proceed with procurement of goods and services including consultants for assessment, preliminary and detailed design work for upcoming contracts for construction works for these projects. Award Reports to the appropriate award authority for these projects would follow subject to Council approval of the First Charge.

The recommendations, if approved, will allow a first charge on the 2023 Capital Budget to permit the award of contracts prior to the adoption of the 2023 Capital Budget.

Funds in the amount of $5,000,000.00 are included in the 2023 forecast of the Capital Budget submission for the Asset Refurbishment and Replacement Program, Account Distribution No. 445 181000 200752 20300005YY. Up to $2,000,000.00 is requested for a First Charge.

Funds in the amount of $1,800,000.00 are included in the 2023 forecast of the Capital Budget submission for the Brady Road Resource Management Facility – Cell Construction program, Account Distribution No. 445 181000 200753 20620004YY. Up to $1,800,000.00 is requested for a First Charge.

*Lucy Szkwarek, CPA, CGA*

Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

## CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department (as to legal issues)

## OURWINNIPEG POLICY ALIGNMENT

This report aligns with OurWinnipeg 2045 policies as follows:

**Leadership and Good Governance**
Objective 1: Establish and implement priority actions through evidence-informed decision-making processes.

Policy 1.6 Results-Based Budgeting: Invest City resources in prioritized, proactive, long-term community-beneficial outcomes.

**Environmental Resilience:**
Objective 1: Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.
Objective 5: Protect and value ecosystems as essential components to life.

Policies:
2.1 Climate Action Targets: Pursue GHG reduction targets with a sense of urgency through meaningful climate action.
2.2 Climate Action Investment: Make climate action a higher priority by demonstrating its economic, social and environmental benefits to decision-makers.
2.17 Regional Water Resource Management: Protect local and regional watershed resources from the negative impacts of development, flooding and pollution.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

**SUBMITTED BY**

Department: Water and Waste
Division: Engineering Services
Prepared by: L. Harrington, P. Eng.
Date: November 15, 2022
File No.: 020-07-06-01-01

ATTACHMENTS:

Appendix A: Detail Sheets