Minutes – Executive Policy Committee – February 14, 2023

Report – Standing Policy Committee on Public Works – February 7, 2023

Item No. 8 Delegation of Authority for Award and Over-Expenditures of Nine (9) Public Works Regional and Local Street Renewal Contracts Exceeding $5,000,000 Including Multi-Year Contracts within Council Approved Budgets – MM Reference No. 991-2022

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the following to Council:

1. That, subject to the approval of the 2023 Capital Budget, authority be delegated to the Chief Administrative Officer to award, and approve, that the City enter into, execute, and deliver nine (9) competitively tendered construction contracts exceeding $5,000,000 as identified in Appendix A 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 amounts shown therein provided they are within the Council Approved Budgets, or as a result of a first charge against the General Capital Fund.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contracts set out in Recommendation 1 and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to approve over expenditures for the contracts set out in Recommendation 1, provided that the contract value plus the over expenditure does not exceed the amounts identified in Recommendation 1 (Appendix A) and they are within Council approved budgets, or as a result of a first charge against the General Capital Fund.

4. 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 – February 14, 2023

Report – Standing Policy Committee on Public Works – February 7, 2023

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

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 Lukes,

That the recommendation of the Standing Policy Committee on Public Works be concurred in and forwarded to Council.

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On February 7, 2023, the Standing Policy Committee on 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: Delegation of Authority for Award and Over-Expenditures of Nine (9) Public Works Regional and Local Street Renewal Contracts Exceeding $5,000,000 Including Multi-Year Contracts Within Council Approved Budgets – MM Reference No. 991-2022

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Stainton, P.Eng.	B. Neirinck on behalf of J. Berezowsky	N/A	M. Jack

EXECUTIVE SUMMARY

The Public Service is recommending that, subject to the approval of the 2023 Capital Budget, the Chief Administrative Officer (CAO) be delegated the authority to award nine (9) construction contracts exceeding $5,000,000 and approve contract over-expenditures to the upset limits identified below, which will be within the Council approved budgets for those projects. For clarity, all contracts will be competitively tendered following the City's Materials Management Policy and that with the adoption of the 2023 Capital Budget, it is anticipated there will be sufficient authorized budget in place to allow the CAO to award these contracts. The nine (9) contracts are as follows:

1. Downtown Streets Accelerated Regional Street Renewal Project; Contract 4 – Broadway Rehabilitation – Osborne St to Main St including Broadway Trees. The maximum construction contract delegation authority requested is $6,500,000.00.

2. Archibald Street Accelerated Regional Street Renewal Project; Contract 3 for the reconstruction of Archibald Street – Plinguet Avenue to Doucet Street. The maximum construction contract delegation authority requested is $6,500,000.00.

3. Watt/Munroe/Johnson Accelerated Regional Street Renewal Project; Contract 3 for the Johnson Avenue W reconstruction – Levis Street to Henderson Highway. The maximum construction contract delegation authority requested is $6,000,000.00.

4. McPhillips Street/Salter Avenue – Non-Accelerated Street Renewals; Contract for McPhillips Street S/B – Machray Avenue to Mountain Avenue and Salter Street – Inkster Boulevard to Jefferson Avenue. The maximum construction contract delegation authority requested is $6,500,000.00

5. Selkirk Avenue – Non-Accelerated; Contract for Selkirk Avenue – Main Street/Salter Street. The maximum construction contract delegation authority requested is $5,500,000.00

6. Pandora/Warde – project from the 2022 additional provincial funding agreement; Contract for Pandora Avenue E – Wayoata Street to Ravenhurst Street and Warde Avenue – Dakota Street to St Mary's Road. The maximum construction contract delegation authority requested is $6,000,000.00

7. 2023 Local Streets Renewals; Contract for 23-R-03 Local Streets projects packaged for continuity may exceed $5,000,000 The maximum construction contract delegation authority requested is $6,000,000.00

8. 2023 Local Streets Renewals; Contract for 23-R-04 Local Streets projects packaged for continuity may exceed $5,000,000. The maximum construction contract delegation authority requested is $6,500,000.00

9. Industrial Street Renewals – Non-Accelerated; Contract including industrial streets in the St Boniface Industrial Park area. The maximum construction contract delegation authority requested is $6,400,000.00.

Delegated Authority is being requested in order to expedite the award process for these projects. Appendix A, attached, provides additional project information including budget information, maximum requested delegation authority, and the anticipated schedule for the construction contracts. Three of the above projects (1-3) include funding from the National Building Canada Fund Application.

RECOMMENDATIONS

1. That, subject to the approval of the 2023 Capital Budget, authority be delegated to the Chief Administrative Officer to award, and approve, that the City enter into, execute, and deliver nine (9) competitively tendered construction contracts exceeding $5,000,000 as identified in Appendix A 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 amounts shown therein provided they are within the Council Approved Budgets, or as a result of a first charge against the General Capital Fund.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contracts set out in Recommendation 1 and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to approve over expenditures for the contracts set out in Recommendation 1, provided that the contract value plus the over expenditure does not exceed the amounts identified in Recommendation 1 (Appendix A) and they are within Council approved budgets, or as a result of a first charge against the General Capital Fund.

4. 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.

Pursuant to the Material Management Policy Administrative Standard No. FM-002, the Chief Administrative Office has the authority to approve over-expenditures, where the accumulated amount for each contract, including over-expenditures, does not exceed $5,000,000.

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

There are no immediate implications to the Recommendations of this report. The purpose of the Recommendations is to expedite the award process for construction contracts expected to exceed $5,000,000, and to delegate the authority to approve over-expenditures to the same delegated limits.

HISTORY/DISCUSSION

Previous applicable City of Winnipeg Capital Budgets have been adopted by City Council on these respective dates:

- 2019 Capital Budget, adopted on March 20, 2019.
- 2020 Capital Budget, adopted on March 20, 2020.
- 2021 Capital Budget, adopted on December 16, 2020.
- 2022 Capital Budget, adopted on December 15, 2021.
- New 2022 Capital Projects – New Provincial Funding for Road Construction, Rehabilitation, Preservation and Road Repairs, adopted on July 21, 2022.

Funding for the Broadway Trees element of the Broadway rehabilitation project, in the amount of $3,000,000, is subject to the approval of finalization of a contribution agreement with the City and His Majesty the King in Right of Canada, and adoption of the 2023 Capital Budget.

With the adoption of the 2022 Capital Budget, Council authorized first charges on the 2023 Regional and Local Street Renewal program in the amount of $76,500,000. As the Regional and Local Street Program is a scalable program, budgets are reallocated as required including allocations of surplus within the program.

The past, current and future budget allocations for the projects in this request are shown in Table 1, below.

Project	Previously Adopted Budgets *(2019-2022)*	Approved First Charge on 2023 Forecast Capital Budget	Remaining 2023 Forecasted Budget *(Pending Adoption)*
Downtown Streets	$26,050,000	$10,070,000	$3,000,000
Archibald	$15,500,000	$0	$0
Watt/Munroe/Johnson	$15,800,000	$4,000,000	$0
McPhillips Street/Salter Avenue	$100,000 $500,000	$1,100,000 $5,100,000	$0
Selkirk Avenue	$550,000	$5,500,000	$0
Pandora/Warde	$8,051,695.34	n/a	$0
2023 Local Streets Renewals	n/a	n/a	$39,792,000*
2023 Industrial Streets Renewal	n/a	n/a	$15,890,000*

Table 1 – Capital Budget allocations

*First charge on total 2023 Local program approved in the 2022 budget of $7.5M to allow for initial works to be awarded as required across the total local program. No amount included in the table as the 2023 local street forecast is represented in the next column.

Delegation of the authority to award the nine (9) contracts in this report is requested in order to expedite the award process for the nine contracts listed below. Additional information is provided in Appendix A.

1. **Downtown Streets** Accelerated Regional Street Renewal Project; Contract 4 – Broadway Rehabilitation – Osborne St to Main St including Broadway Trees.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Contract 4 will consist of a single year construction contract that will include Broadway rehabilitation in one direction, scheduled to commence in May 2023 with completion in October 2023. Construction in the other direction will be procured in a 2024 contract.
    - The maximum construction contract delegation authority requested is ***$6,500,000.00***.
    - $3,000,000 of grant funding for Broadway Trees is subject to the finalization of a contribution agreement with the City and His Majesty the King in Right of Canada, and adoption of the 2023 Capital Budget.

2. **Archibald Street** Accelerated Regional Street Renewal Project; Contract 3 for the reconstruction of Archibald Street – Plinguet Avenue to Doucet Street.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,500,000.00***.

3. **Watt/Munroe/Johnson** Accelerated Regional Street Renewal Project; Contract 3 for the Johnson Avenue W reconstruction – Levis Street to Henderson Highway.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,000,000.00***.

4. **McPhillips Street/Salter Avenue** – Non-Accelerated Street Renewals; Contract for McPhillips Street S/B – Machray Avenue to Mountain Avenue, and Salter Street – Inkster Boulevard to Jefferson Avenue.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,500,000.00***

5. **Selkirk Avenue** – Non-Accelerated; Contract for Selkirk Avenue – Main Street/Salter Street;
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$5,500,000.00***

6. **Pandora/Warde** – Project from 2022 additional provincial funding agreement; Contract for Pandora Avenue E – Wayoata Street to Ravenhurst Street and Warde Avenue – Dakota Street to St Mary's Road;
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,000,000.00***

7. **2023 Local Streets Renewals**; Contract for 23-R-03 Local Streets projects packaged for continuity may exceed $5,000,000.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,000,000.00***

8. **2023 Local Streets Renewals**; Contract for 23-R-04 Local Streets projects packaged for continuity may exceed $5,000,000.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,500,000.00***

9. **Industrial Street Renewals** – Non-Accelerated; Contract including industrial streets in the St Boniface Industrial Park area.
    - Advertising of this construction contract is expected in the winter/early spring of 2023, for a period of two weeks. Construction is scheduled to commence in May 2023 with completion in October of 2023.
    - The maximum construction contract delegation authority requested is ***$6,400,000.00***.

FINANCIAL IMPACT

Financial Impact Statement **Date:** December 22, 2022

Project Name:

Delegation of Authority for Award and Over-Expenditures of Nine (9) Public Works Regional and Local Street Renewal Contracts Exceeding $5,000,000 Including Multi-Year Contracts Within Council Approved Budgets – MM Reference No. 991-2022

COMMENTS:

There is no financial impact associated with the recommendations in this report at this time.

Financial impact will occur upon award of contract and over-expenditure approvals, if required. All contracts will be competitively tendered following the City's Materials Management Policy. The delegations in the report only allow the CAO to award and approve over-expenditures if sufficient budgets have been authorized by Council.

J. Ruby, 2022-12-23

J. Ruby, CPA, CA
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

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: M.N. Stainton, P.Eng.
Date: December 23, 2022
File No: 19-C-07, 19-C-11, 19-C-09, 20-B-01,23-C-02, 23-C-03, 23-C-04, 23-C-05, 23-R-03, 23-R-04, 23-R-05, 23-RI-02, 23-CG

Attachments: APPENDIX A: Project Summary Table

APPENDIX A: Project Summary Table

Project	Contract	Project Year *(Construction)*	Previous Budgets (2019-2022)	Approved First Charge on 2023 Forecast Capital Budget	Remaining 2023 Forecasted Budget – Pending Adoption	Anticipated First Charge on 2024 Capital Budget – Based on forecast identified in 2022 Adopted Budget	Requested Maximum Total Delegated Authority for Contract Award and/or Over-expenditure Approval
Downtown Streets (Contract 4)	Broadway Rehabilitation – Osborne St/ Main St including Broadway Trees	2023	$26,050,000	$10,070,000	$3,000,000[i]	$0	**$6,500,000.00**
Archibald (Contract 3)	Archibald St – Plinguet Av/ Doucet St	2023	$15,500,000	$0	$0	$0	**$6,500,000.00**
Watt/ Munroe/ Johnson (Contract 3)	Johnson Av W reconstruction – Levis St/ Henderson Hw	2023	$5,600,000	$4,000,000	$0	$0	**$6,000,000.00**
McPhillips St/ Salter Av	• McPhillips St S/B - Machray Av/ Mountain Av • Salter St - Inkster Bv/ Jefferson Av	2023	$100,000 $500,000	$1,100,000 $5,100,000	$0	$0	**$6,500,000.00**
Selkirk Av	Selkirk Av – Main St/ Salter St	2023	$550,000	$5,500,000	$0	$0	**$5,500,000.00**
Pandora/ Warde	• Pandora Av E -Wayoata St/ Ravenhurst St • Warde Av - Dakota St/ St Mary's Rd	2023	$8,051,695.34[ii]	n/a	$0	n/a	**$6,000,000.00**
2023 Local Streets Contract 23-R-03	Local Streets projects packaged for continuity may exceed $5,000,000	2023	$0	n/a[iii]	$39,792,000[iv]	n/a	**$6,000,000.00**
2023 Local Streets Contract 23-R-04	Local Streets projects packaged for continuity may exceed $5,000,000	2023					**$6,500,000.00**
2023 Local Streets Industrial Contract 23-RI-02	Industrial street renewal locations packaged for continuity is likely to exceed $5,000,000	2023	$0		$15,890,000[v]		**$6,400,000.00**

[i] Added program budget for the Broadway Tree Initiative; subject to the approval of finalization of a contribution agreement with the City and His Majesty the King in Right of Canada, and adoption of the 2023 Capital Budget.

[ii] Warde and Pandora were adopted into the 2022 Capital Budget with the motion of July 21, 2022, to accept funding from the Province of Manitoba in the amount of $8,851,695.54, with $800,000 to be dedicated to granular surface roadway repairs.

[iii] First charge on total 2023 Local program approved in the 2022 budget of $7.5M to allow for initial works to be awarded as required across the total local program. No amount included in the table as the total 2023 local street forecast is represented in the next column.

[iv] Total 2023 Local Street Renewals and Alley Renewals (contracts are combined), which will include these local streets contracts.

[v] Total 2023 Industrial Street Renewals budget which will include this Industrial Streets Contract.