Agenda – Executive Policy Committee – April 16, 2024

Report – Standing Policy Committee on Property and Development – April 11, 2024

Moved by Councillor

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.

Item No. 2 Award of Contract for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street – Tender No. 750-2023B – Project No. 2020-130 (St. Boniface Ward)

STANDING COMMITTEE RECOMMENDATION:

On April 11, 2024, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City award, enter into, execute and deliver a Contract for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street to Tractus Group Incorporated, doing business as Tractus Projects, the lowest responsive bidder meeting the requirements of Tender No. 750-2023B, in the amount of $6,761,480.00 MRST included, GST extra (the "Agreement") and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing "the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement required and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That, subject to approval of Recommendations 1 and 2, the Chief Administrative Officer be delegated the authority to approve over-expenditures for the Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street project awarded pursuant to this report in the maximum amount of $1,900,000 provided monies are available within the applicable capital budget as approved by Council.

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

Agenda – Executive Policy Committee – April 16, 2024

Report – Standing Policy Committee on Property and Development – April 11, 2024

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 11, 2024, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Award of Contract for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street – Tender No. 750-2023B – Project No. 2020-130

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report recommends an award of contract to Tractus Group Incorporated, doing business as Tractus Projects, for the Construction Services for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald St. – Tender No. 750-2023B – Project No. 2020-130.

The plan for the Construction Services for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald St. is part of the Council-adopted 2021 Capital Budget, which included $5,360,000 in funding from the Canada Community Building Fund (Federal Gas Tax) to support facility renewal and upgrades to Bonivital Pool. In March of 2023, the Province of Manitoba approved a contribution of $4,522,269 through the Arts, Culture and Sport in Community Fund (ACSC) resulting in a total project budget of $9,882,269.

The recommendations of this report are compliant with the Materials Management Policy and applicable trade agreements.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver a Contract for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street to Tractus Group Incorporated, doing business as Tractus Projects, the lowest responsive bidder meeting the requirements of Tender No. 750-2023B, in the amount of $6,761,480.00 MRST included, GST extra (the “Agreement”) 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”).

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement required and the 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.

3. That, subject to approval of Recommendations 1 and 2, the Chief Administrative Officer be delegated the authority to approve over-expenditures for the Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street project awarded pursuant to this report in the maximum amount of $1,900,000 provided monies are available within the applicable capital budget as approved by Council.

4. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total bid amount exceeds $5,000,000.00, and there are sufficient funds in an approved budget, the award must be approved by the Standing Policy Committee on Property and Development pursuant to Materials Management Policy.

The Public Service is requesting delegated authority for potential contract over-expenditures which can only be provided by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

The funding for this project is provided from Community Services Department “Boni-Vital Pool Renewal” Capital Project budget (Account #6362400321). Sufficient budget is available for the project to proceed with the Award of Tender No. 750-2023B.

On March 17, 2023, the Province of Manitoba approved a contribution of $4,522,269 through the Arts, Culture and Sport in Community Fund (ACSC) resulting in a total project budget of $9,882,269.

The lowest responsive bid of $6,761,480 MRST included, GST extra, is within the Class 1 Cost Estimate of $7,294,000 obtained prior to tender in June of 2023. There is sufficient funding within the capital budget of $9,882,269 to award the proposed Contract and proceed with the project. Contingencies within approved funding will be the funding source used to address any unforeseen costs.

Economic Impact Analysis (EIA)
The estimated direct and indirect economic impact of this expenditure is:

Economic Impact	**Manitoba**	**Rest of Canada**
Gross Domestic Product (GDP)	$6.0 million	$0.7 million
Person Years of Employment	60	5
Federal Government Tax Revenue	$0.7 million	$0.1 million

Provincial Government Tax Revenue	$0.6 million	N/A

Source: Statistics Canada. Table 36-10-0595-01 Input-output multipliers, detail level.

The evaluated expenditure for this project is $7.7 million. The expenditure and estimated impacts are in 2024 dollars. Contingency and internal staff costs are excluded from the analysis. Some additional elements of the expenditure may be excluded to align with macroeconomic accounting principles.

The 2019 Gross Domestic Product at basic prices simple multiplier for repair construction [BS23D000] was used to assess this investment. Federal and provincial government tax revenue estimates include GST, MRST, personal income taxes, corporate income taxes and other sources of taxes and fees. These are estimated using the multipliers noted above in conjunction with effective tax rates calculated from the economic accounts produced by Statistics Canada.

HISTORY/DISCUSSION

On December 16, 2020, Council adopted the 2021 Capital Budget which included $5,360,000 funded using Federal Gas Tax to support facility renewal and upgrades to Bonivital Pool. Project work commenced in 2021 with the City contracting with LM Architectural Group for design and contract administration services.

On September 22, 2023, RFQ 750-2023A for qualified contractors was posted. The evaluation produced three qualified bidders meeting a threshold passing mark of 75 points. Tender 750-2023B was issued to qualified bidders via MERX on January 11, 2024, and closed on February 6, 2024. The evaluation resulted with three bids with Tractus Group Incorporated as the lowest bidder.

1. Con-Pro Industries Canada Ltd. $7,006,147.00 (GST Extra)
2. Ernst Hansch Construction Ltd. $6,845,970.00 (GST Extra)
3. Tractus Group Incorporated $6,761,480.00 (GST Extra)

The Manager of Purchasing has advised that all bids were accompanied by an acceptable bid security.

The Contract Administrator has verified that Tractus Group Incorporated is COR certified with the Construction Safety Association of Manitoba, Certificate #84905-15 (expiration date May 2024) and the company is in good standing with the Workers Compensation Board of Manitoba. The Contract Administrator, having interviewed Tractus Group Incorporated in a pre-award meeting to discuss the Scope of Work and their qualifications, is of the opinion that Tractus Group Incorporated has the necessary resources and experience to perform the Work in accordance with the specifications.
The City will issue an award letter to the successful bidder in lieu of the execution of a formal contract.

The Bids were open for acceptance until April 6, 2024. However, bid extension letters were sent out to all bidders. Tractus Group Incorporated signed the extension letter accepting to extend the validity period of their offer until May 6, 2024.

Construction will not commence prior to the Award of Contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 8, 2024

Project Name:

First Year of Program 2024

Award of Contract for Construction Services for Interior Renovation of Bonivital Pool Renewal – 1215 Archibald Street – Tender No. 750-2023B – Project No. 2020-130

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required	$ 6,999,347	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	6,999,347	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	237,867	-	-	-	-
Net Cost/(Benefit)	$ (237,867)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(237,867)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the contract amount of $6,761,480 + short-term financing and corporate admin fees of $157,867 + Municipal Accommodations admin & project management overheads of $80,000. The latter two amounts are offset by equal recoveries in the current budgets of the Corporate Finance Department and Municipal Accommodations Division respectively.

Mike McGinn Mar. 8, 2024

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: Good Health and Well-Being
Objective: Enable access to basic needs for good physical and mental health.
Policy: 4.11 Equitable Service Access
Prioritize equitable access to recreation and parks systems, services and infrastructure, in order to: Enable active living; connect people and nature; create supportive environments; build community capacity; and achieve desired health outcomes, with a focus on children and youth.

Goal: City Building
Objective: Ensure that land use, transportation and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infrastructure capacity.
Policy: 6.29 New Communities
Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative, to achieve complete communities, including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services, and digital communication technology.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity: Corporate Leadership
Key Direction: 1.6 Reduce Consumption and Increase Waste Diversion

Strategic Opportunity: Low Carbon and Energy Efficient Buildings
Key Direction: 5.2 Improve Energy Performance of New Buildings

Strategic Opportunity: Community Climate Resiliency
Key Direction: 7.2 Increase and Preserve Tree Canopy

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy 2021-2031 as follows:

They embody the following Guiding Principles:

- We will Uphold Human Rights
- We will Honour Relationships and Reconciliation with Indigenous Peoples
- We will Promote and Maintain the Welfare of all Residents
- We will Develop Trust and Meaningful Partnerships to find solutions and drive change

They align with the following Goals and Objectives:

- Goal 6: All City Services are Equitable, Inclusive and Accessible
- Related 10-year Objective A: Residents have equitable access to City services, in particular demographic groups who experience marginalization

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Dennis Flores, Project Coordinator
Date: March 8, 2024
File No: MA2024-034