Minutes – Executive Policy Committee – March 18, 2025

Report – Standing Policy Committee on Public Works – March 4, 2025

Item No. 3 Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project: Delegation of Authority for Award and Over-Expenditure – Purchasing Ref No. 95-2025

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 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 $10,000,000 for the Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project, 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 $25,000,000, which is intended to cover the total construction award amount including contingencies, 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, subject to approval of Recommendation 1, authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contract provided that the contract value plus the over-expenditure does not exceed the cumulative amount identified in Recommendation 1 and is within Council approved budgets, or as a result of a first charge against the General Capital Fund.

3. 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 Public Works – March 4, 2025

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 4, 2025, 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.

David Grant submitted a communication in opposition to the matter.

ADMINISTRATIVE REPORT

Title: Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project: Delegation of Authority for Award and Over-Expenditure – Purchasing Ref No. 95-2025

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Neirinck, P.Eng.	M. Cantor, acting for J. Berezowsky	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

The Public Service is recommending the Chief Administrative Officer (CAO) be delegated authority to award a contract up to $25,000,000. This exceeds the current $10,000,000 authority. The CAO could also approve over-expenditures up to the cumulative $25 million total. Authority is limited by the funding within the approved Capital Budget. The Contract will be competitively tendered following the City's Purchasing Policy.

Award of the contract will allow bridge and road work to start on the southbound lanes by May 2025. Bridge and road rehabilitation of the northbound lanes will start in 2026. Construction of the entire project can be completed by November 2026.

The construction contract will be tendered in March 2025. Construction must start in early May 2025 to complete the southbound lanes by Fall 2025 ahead of a winter shutdown. Completion is expected by November 2026.

The total forecasted project budget is $30,500,000 which makes this a major capital project subject to quarterly reporting.

RECOMMENDATIONS

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 $10,000,000 for the Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project, 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 $25,000,000, which is intended to cover the total construction award amount including contingencies, 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, subject to approval of Recommendation 1, authority be delegated to the Chief Administrative Officer to approve over-expenditures for the contract provided that the contract value plus the over-expenditure does not exceed the cumulative amount identified in Recommendation 1 and is within Council approved budgets, or as a result of a first charge against the General Capital Fund.

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 to delegate the authority to award a contract where the value of the contract exceeds the Chief Administrative Officer's authority of $10,000,000 pursuant to Section B8.2 of the City's Purchasing Policy.

Council approval is to delegate the authority to the Chief Administrative Officer to approve contract over-expenditures, where the accumulated amount for each contract, including over-expenditures, exceeds ten million dollars ($10,000,000), 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 March 2025 to allow bridge and road rehabilitation work to commence by May 2025.

Approval of Recommendation 1 will expedite the award process for the contract, which is expected to exceed $10,000,000.

The total recommended delegation of $25,000,000 is intended to cover the total construction award amount including over expenditures. Delegation limits of this magnitude have been approved by Council before. For example, on June 23, 2022 Council approved delegated authority to the CAO to award a construction contract up to $45,000,000 for the St Vital Bridge Rehabilitation Project.

The award of the construction contract remains subject to budget approval.

HISTORY/DISCUSSION

Background

The 2023 Capital Budget (adopted by Council on March 22, 2023) and the 2024 Capital Budget (adopted by Council on March 20, 2024) includes funding of $1,000,000 and $2,000,000 respectively for the Pembina Highway Overpass at Abinojii Mikanah (Bishop Grandin)

Rehabilitation and Related Works Project ("project"). On March 20, 2024 Council authorized a first charge on the 2025 Capital Budget for the project in the amount of $4,100,000 from the Regional Street Renewal Program (RSRP). Further, as of this report finalized on January 24, 2025, the 2025 Preliminary Capital Budget identifies forecasted funding of $17,400,000 for the project and $3,278,000 in the Regional and Local Street Renewal Program (RLSRP) – Recreational Walkways and Bike Pathway Renewals segment, of which $2,000,000 would be allocated to the project. The 2025 Preliminary Capital Budget identifies a 2026 forecasted amount of $4,000,000 from the RSRP for the project. The total forecasted budget as described equates to $30,500,000.

The proposed budget for the project is presented in a table immediately below ('000's).

Budget Item	2023	2024	2025	2026
	Adopted	Adopted	Forecast	Forecast
Pembina Highway Overpass (Abinojii Mikanah) Rehabilitation	$1,000	$2,000	$17,400	$0
Pembina Hwy & Abinojii Mikanah Overpass Ramps (under RSRP)	$0	$0	$4,100 [1]	$4,000
Recreational Walkways and Bike Pathway Renewals (under RLSRP)	$0	$0	$2,000	$0
TOTALS	**$1,000**	**$2,000**	**$23,500**	**$4,000**

[1] 2025 First Charge approved by Council on March 20, 2024

Award of this contract will allow bridge and road rehabilitation to commence on the southbound lanes by May 2025, and bridge and road rehabilitation of the northbound lanes in 2026, so that construction of the entire project can be completed by November 2026.

The project will be tendered in March with a projected bid closing date of April 1, 2025. After tender bids are received, approximately two weeks is required to review and evaluate them. The construction contract must be awarded by mid-April in order for the Contractor to mobilize on site by early May. There is insufficient time to prepare and process an award report for a public agenda (Standing Policy Committee on Public Works) on that timeline.

In addition, without delegated authority, contract over-expenditures that are still within the project budget would require Standing Policy Committee on Public Works approval thus delaying payment to the Contractor. Upcoming Prompt Payment legislation would result in interest charges for late payments.

FINANCIAL IMPACT

Financial Impact Statement Date: January 24, 2025

Project Name:

Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project: Delegation of Authority for Award and Over-Expenditure – Purchasing Ref No. 95-2025

COMMENTS:

There is no immediate financial impact as a result of this report. For clarity, financial impact will occur at time of award. Approval to delegate authority to the CAO to award the construction contract for the project is required in order to meet the proposed timelines. The award of the construction contract remains subject to budget approval.

J. Ruby, 2025-01-27

J. Ruby, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department (as to legal issues)
- Purchasing (as to procurement issues)

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: J. Matthew Hildebrand, P.Eng.
Date: January 27, 2025
File No: 23-G-02