Minutes – Executive Policy Committee – March 18, 2025

Report – Standing Policy Committee on Property and Development – March 6, 2025

Item No. 1 Award of Contract for St. James Civic Centre Facility Expansion – RFP No. 556-2024B / Project No. 2021-122 (St. James Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the City award, enter into, execute and deliver a contract for St. James Civic Centre Facility Expansion to Bird Construction Group, the most advantageous responsive bidder meeting the requirements of RFP No. 556-2024B, in the amount of $12,313,500.00 (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 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. Subject to the approval of Recommendation No.1, that authority be delegated to the Chief Administrative Officer to approve over-expenditures for the St. James Civic Centre Facility Expansion project awarded pursuant to this report, in the maximum amount of $2,400,000 in contingency funding, 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.

Report – Standing Policy Committee on Property and Development – March 6, 2025

DECISION MAKING HISTORY:

Moved by Councillor Duncan,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 6, 2025, 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 St. James Civic Centre Facility Expansion – RFP No. 556-2024B / Project No. 2021-122

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

The Public Service is recommending an award of contract for Phase 2 – Facility Expansion works at St. James Civic Centre. The project includes:

- renovating the existing facility hall and washrooms;
- providing new facility programming and staff spaces; and
- providing new dedicated administration and service spaces for the St. James Assiniboia 55+ Centre.

Construction costs for this phase are valued at $12,313,500.00 (MRST included, GST extra).

The Recommendations of this report comply with the applicable trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver a contract for St. James Civic Centre Facility Expansion to Bird Construction Group, the most advantageous responsive bidder meeting the requirements of RFP No. 556-2024B, in the amount of $12,313,500.00 (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 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. Subject to the approval of Recommendation No.1, that authority be delegated to the Chief Administrative Officer to approve over-expenditures for the St. James Civic Centre Facility Expansion project awarded pursuant to this report, in the maximum amount of $2,400,000 in contingency funding, 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 Contract amount exceeds ten million ($10,000,000) Council has the authority to approve the Award of Contract.

Only Council has the authority to delegate authority for potential contract over-expenditures.

IMPLICATIONS OF THE RECOMMENDATIONS

Financial Implications

The funding for this project is provided from the following Community Services Capital Account #003-181000-620650-6362800121.

The proposed bid/contract amount of $12,313,500 exceeds the pre-tender Class 1 Cost Estimate of $11,932,986 obtained in July 2024, but is within both the range of accuracy established at this level of cost refinement (-5% to +10%, equal to $11,336,337 to $13,126,285) and the available budget approved by Council. Both the Assets and Project Management Department (as the procurement agent) and Community Services Department (as the budget holder) are of the opinion there are sufficient funds to award the proposed contract and to proceed with the project. Contingencies within the approved funding will be the source used to address any additional 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)	$6.9 million	$2.9 million
Person Years of Employment	67	20
Federal Government Tax Revenue	$0.8 million	$0.3 million
Provincial Government Tax Revenue	$0.8 million	N/A

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

The evaluated expenditure for this project is $14.0 million. The expenditure and estimated impacts are in 2025 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 GDP at basic prices simple multiplier for non-residential building construction [BS23B000] 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

Constructed in 1967, St. James Civic Centre (SJCC) is one of the largest public recreation complexes serving the west end of Winnipeg. It features an indoor arena, a swimming pool, a 350-seat auditorium, a weight room, and smaller multi-purpose spaces.

Aquatic and recreation facilities typically have a useful life of 50 years. At 57 years old, SJCC is past its rated lifespan and a multi-phase facility renewal and expansion program has been planned to update the facility.

Phase 1 – A Building Systems Upgrade project, in the amount of $7,789,473, was recently completed at the site, where the following items were upgraded (intended to support the proposed Phase 2 project):

- Critical mechanical and electrical systems
- Replaced two failing roofs
- Refreshed the South Lobby and Lobby washrooms
- Repurposed the second floor into a new mechanical and electrical room
- Added accessibility improvement, including a Universal Toilet Room (UTR)
- Added a new material lift to provide safer, improved access to storage areas in the basement
- Added a fire suppression system to the facility
- Brought building systems up to current code

<u>Phase 2 – Facility Expansion Project</u>

The Facility Expansion Project will include renovation of approximately 825 square metres (SM) plus an addition of approximately 1,380 SM of floor area. The new primary addition of space replaces programming space that was previously on the second floor and basement levels, moving it to the main floor so that all programming is accessible and integrated into the facility.

The St. James Assiniboine 55+ Senior Centre (SJA55+) has been working collaboratively with the City on the SJCC Expansion project. The organization is planning to relocate to the SJCC once the Phase 2 Facility Expansion work is complete.

Phase 2 scope includes:

- New primary single-story addition containing a share-use kitchen, three multi-purpose rooms, a dance studio, as well as dedicated spaces for SJA55+. This primary addition will also include a new pool viewing area and open public lounge (+/- 1,340 SM);

- New small single-story addition at the southeast to replace an existing staff room. The existing staff room is a previous addition that is in poor condition. The new addition in this area will include an office and a staff room, and will provide maintenance and egress connections to the facility (+\- 40 SM);
- Interior renovation to the main building entry, the hall and hall washrooms; and,
- Site work will include a new parking lot layout, curbing, lighting, and landscaping. A dedicated pedestrian pathway (an “allée”) will provide a safe and welcoming connection between the bus stop at Ness Avenue and the main building entrance.

On September 26, 2019, Council approved an application to the Investing in Canada Infrastructure Program – Community, Culture and Recreation Infrastructure Stream (ICIP). On July 2, 2021, project funding for the SJCC Expansion project was approved through ICIP. Under the ICIP, the Government of Canada and the Province of Manitoba are contributing a combined total of $9,694,226 towards the SJCC Expansion project, while the City is contributing $4,311,774. The project had an approved total budget of $14,006,000 and the ICIP Contribution Agreement was fully executed on August 30, 2022.

In May 2023, an updated Class 2 cost estimate was obtained that identified significant construction escalation cost increases driven by ongoing market volatility. To address this concern, on October 26, 2023, Council approved increasing the project budget by $3.0 million from $14.006 million to $17.006 million, with the increase to be funded through municipal debt. Section 6.3 of the executed ICIP Contribution Agreement limits changes to the project scope and requires that the City notify the Province if the total costs of the project will differ materially from the amount identified in the agreement. The City’s Chief Financial Officer sent a notice regarding this budget revision to the Province’s Manager of Strategic Initiatives and Alternative Delivery on January 23, 2024.

On May 16, 2023, Request for Qualification (RFQ) No. 189-2023A was posted on MERX for St. James Civic Centre Facility Expansion. The RFQ closed on June 6, 2023, with nine submissions. Given the revised project funding affected the project timeline, the decision was made to cancel RFQ 189-2023A and issue a new RFQ. This allowed any contractor who might not have been able to accommodate the previous project timeline an opportunity to submit a proposal. Contractors who were short-listed under RFQ 189-2023A were also invited to submit a new proposal.

On July 4, 2024, a new RFQ No. 556-2024A was posted on MERX for St. James Civic Centre – Facility Expansion. The RFQ closed on July 24, 2024 with seven submissions.

Following evaluation, five Proponents (listed alphabetically below) were shortlisted to participate in the RFP stage:

- Bird Construction Group
- Bockstael Construction Limited
- Graham Construction and Engineering LP
- Penn-Co Construction Canada (2003) Ltd.
- Tractus Group Incorporated

On September 27, 2024, Request for Proposal (RFP) No. 556-2024B was posted on MERX for St. James Civic Centre Facility Expansion.

The RFP closed on November 28, 2024, with four responsive submissions:

- Bidder 1 $12,197,280.00 RFP compliant bid
- Bird Construction $12,313,500.00 RFP compliant bid
- Bidder 3 $12,751,545.98 RFP compliant bid
- Bidder 4 $16,492,500.00 RFP compliant bid

A three member evaluation committee consisting of representatives from LM Architectural Group (the design Consultant and Contract Administrator), Community Services, and Assets and Project Management, reviewed the submissions using the Purchasing Standard Scoring Matrix spreadsheet. The submissions were evaluated based on the following criteria:

(a) Compliance by the Proponent with the requirements of the Request for Qualification, or acceptable deviation therefrom	(pass/fail)
(b) Qualification Application Submission	(pass/fail)
(c) Total Bid Price	60%
(d) Project Schedule and Phasing Plan	35%
(e) Social Procurement	5%

Working independently, each member of the evaluation committee reviewed and scored each proposal using the rating criteria defined in the RFP and the evaluation rating matrix was submitted to Purchasing prior to the close of the RFP. The average ratings for each line item were then determined by calculation and/or consensus in a group discussion with Purchasing. The overall scores were calculated, and are shown in the summary table below:

RFP 556-2024B Evaluation Criteria	**Points**	Submissions Received			
		Bidder 1	**Bird Construction**	**Bidder 3**	**Bidder 4**
Compliance	Pass / fail	pass	pass	pass	pass
Qualification	Pass / fail	pass	pass	pass	pass
Total Bid Price	60	60.00	59.43	57.39	44.37
Project Schedule and Phasing Plan	35	23.50	32.00	31.00	18.00
Social Procurement	5	0.29	3.53	1.76	3.24
Total Evaluation Score	**100**	**83.79**	**94.96**	**90.16**	**65.61**

The proposal received from Bird Construction Group scored the highest overall, rating of 94.96 out of 100, and their lump sum price is the second lowest of the fees received. Bird Construction Group scored highest due to the following criteria:

- Proposal schedule included a three-month time savings.
- Construction Phasing Plan indicated minimal programming disruption to the existing programming space.
- Robust Indigenous and Social policies and programs to provide employment opportunities, training and apprenticeship programs, and intentionally purchase from Indigenous and diverse businesses.

Per the RFP, the stated available budget for the Work is $13,500,000.00. As the most advantageous evaluated bid is within the stated applicable budget for the Work, none of the bid deductions provided for in the RFP were applied.

The City of Winnipeg Project Manager has interviewed Bird Construction Group and is satisfied that they understand the scope of work, and have the necessary resources and experience to perform the work of the contract in accordance with the requirements of the RFP. The Public Service recommends that the contract for St. James Civic Centre Facility Expansion be awarded to Bird Construction Group, being the most responsive and qualified Proponent submitting the most advantageous proposal to the City, in the amount of $12,313,500.00 including MRST, plus GST as applicable.

The City of Winnipeg Project Manager has verified that Bird Construction Group is COR certified with the Construction Safety Association of Manitoba, Certificate #132107-21 (expiration date July 2027), and the company is in good standing with the Workers Compensation Board of Manitoba. The requirements for Bid Securities, and the execution of a formal contract are waived for this purchase in accordance with the authority delegated to the Manager of Purchasing pursuant to Administrative Standard FM-002.

In the opinion of the Assets and Project Management Department, Bird Construction Group has the skills and resources to satisfactorily complete the Work. The bid is open for acceptance until April 27, 2025.

The City will issue an award letter in lieu of execution of Contract documents. Construction will not commence prior to the Award of Contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 14, 2025

Project Name:

First Year of Program **2025**

Award of Contract for St. James Civic Centre Facility Expansion – RFP No. 556-2024B / Project No. 2021-122

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 12,559,388	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	12,559,388	-	-	-	-
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	245,888	-	-	-	-
Net Cost/(Benefit)	$ (245,888)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(245,888)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the contract amount of $12,313,500 + short-term financing charges of $105,888 on the City's share of funding and corporate admin fees of $100,000 + Municipal Accommodations admin & Asset Management Office overheads of $40,000. The $205,888 and $40,000 are offset by equal recoveries in the current budgets of the Corporate Finance Department and Municipal Accommodations Division respectively.

Mike McGinn Jan. 14, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services Department
- Legal Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance
Objective: Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture.
Policy: 1.4 Integrated Knowledge and Resources
Coordinate inter-departmental systems, project and resources, making the best use of internal and external expertise to better understand service needs, find the most appropriate solutions, optimize resources, and maximize community outcomes.

Goal: Environmental Resilience
Objective: Promote low-carbon, energy-efficient buildings through low-energy building design, construction and retrofitting.
Policy: 2.12 Eliminate Fossil Fuel Dependence
Reduce greenhouse gas emissions from existing and new buildings, including municipally-owned buildings and facilities, and associated infrastructure, through the promotion of renewable energy sources; energy efficiency uses and performance measures; and low-carbon construction, retrofit and demolition methods that maximize the lifecycle of buildings.

Goal: Economic Prosperity
Objective: Make strategic use of community and regional assets to optimize local economic competitiveness.
Policy: 3.16 Optimize Facility Access
Maximize the use of existing municipal assets to promote recreation, community development, and social interaction, while optimizing equitable access, infrastructure reinvestments, service delivery methods and resource management.

Goal: Good Health and Well Being
Objective: Support positive health outcomes through the built and natural environments.
Policy: 4.8 Building Safety
Enforce compliance with building codes and property maintenance standards, to ensure housing quality, safe building occupancy, and extended building lifecycles.
Policy: 4.9 Inclusive Public Places
Provide and promote the amenities, and the design and maintenance standards, necessary to ensure accessible, safe and sanitary conditions in gathering spaces frequented by the public.
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: Social Equity
Objective: Uphold human rights so that no one is left behind.

Policy: 5.1 Equitable Service Access
Provide municipal services through an age-friendly lens that promotes equitable access for all, with a focus on the youngest, oldest, and systemically disadvantaged members of the community.

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

Section 5: Poverty Reduction Goals and Objectives

- Goal 6: All City Services are Equitable, Inclusive and Accessible

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Kathy Roberts, Project Coordinator
Date: January 24, 2025
File No: MA2024-199