Minutes – Standing Policy Committee on Public Works – June 12, 2025

REPORTS

Item No. 10 Request for Over-Expenditure Authorization #1 for Portage and Main Pedestrian Opening – Tender No. 675-2024

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and approved the following:

1. That an over-expenditure of $808,000.00 or 5.00 percent on the construction contract awarded to M.D. Steele Construction Ltd., be approved for a revised contract amount not exceeding $16,952,035.75, plus G.S.T.

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

DECISION MAKING HISTORY:

Moved by Councillor Chambers,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

Councillor Sharma was absent from the vote on the above motion.

ADMINISTRATIVE REPORT

Title: Request for Over-Expenditure Authorization #1 for Portage and Main Pedestrian Opening – Tender No. 675-2024

Critical Path: Standing Policy Committee on Public Works

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Neirinck, P. Eng.	J. Berezowsky	T. Graham	M. Dryburgh, Acting Interim CAO

EXECUTIVE SUMMARY

On November 7, 2024, the Standing Policy Committee on Public Works awarded Tender No. 675-2024, as part of the opening of Portage and Main, to M.D. Steele Construction Ltd., in the estimated amount of $16,144,035.75, plus G.S.T.

The expected final contract cost for the work included in the tender is now estimated to be up to $16,952,035.75, plus G.S.T. There is sufficient project budget within the overall project to support the recommended contract adjustment. No new project funding is required.

The Public Service requests approval for a contract over-expenditure of $808,000.00 or five percent. This additional authority is required as original estimates were based on existing records and the physical conditions could not be visually inspected until work began and the area was uncovered. It is not expected that the use of the full contingency will be required.

RECOMMENDATIONS

1. That an over-expenditure of $808,000.00 or 5.00 percent on the construction contract awarded to M.D. Steele Construction Ltd., be approved for a revised contract amount not exceeding $16,952,035.75, plus G.S.T.

2. 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

As the accumulated amount of the contract value, including this over-expenditure, exceeds ten million dollars ($10,000,000), and there are sufficient funds in an approved budget, the appropriate Standing Policy Committee has the delegated authority to approve the contract over-expenditure.

IMPLICATIONS OF THE RECOMMENDATIONS

The financial status of the project is as follows:

Authorized Funding:		
2023 Non-Accelerated Street Renewal Program *(See Note 1)*	$	400,000.00
2024 Regional Street Renewal Program		3,960,000.00
2025 First Charge Regional Street Renewal Program		8,640,000.00
Total Approved Budget		13,000,000.00
Add:		
Regional and Local Street Renewal Program - prior year surplus		4,836,133.00
Downtown Streets/Sidewalks/Curb/Street Renewals - mulitple years		2,419,216.00
Various Locations to be identified - 2024		1,014,651.00
Total Additional Supporting Budget Identified		8,270,000.00
Less:		
Previous Awards & Costs		(20,309,438.01)
Total Authorized Funding	**$**	**960,561.99**
Estimated Project Costs		
Construction	$	808,000.00
Engineering Administration		40,400.00
Interest Overhead		16,020.00
Administrative Overhead		-
		864,420.00
Total Estimated Project Costs	**$**	**864,420.00**
Estimated Remaining Budget		96,141.99

Note 1 – Originally budgeted in the 2023 Capital Budget for the Portage Place Revitalization project and transferred to Portage Av & Main St Intersection project via Administrative Report to Council, March 21, 2024.

HISTORY/DISCUSSION

On November 7, 2024, the Standing Policy Committee on Public Works approved the following:

1. That, contingent upon reasonable confirmation from affected private property owners that consent will be granted in the form of a Construction Easement, or such other written confirmation from a property owner satisfactory to Legal Services, to enter and

undertake coordinated construction work on their property, the Standing Policy Committee approve an award, and that the City award, enter into, execute, and deliver a contract to M.D. Steele Construction Ltd., the firm that submitted the lowest responsive bid meeting all the requirements of the published Tender, in the estimated amount of $16,144,035.75, plus G.S.T. based on the Unit Prices identified in the low bidder's Tender submission for Portage and Main Pedestrian Opening – Tender No. 675-2024.

2. That the Winnipeg Public Service be directed to provide monthly verbal updates on the progress of the project to the Standing Policy Committee on Public Works.

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

The requested contract adjustment of $808,000.00 was identified and budgeted as such in the original report as a contingency. A contract adjustment of $808,000.00 or five percent is required for the following reasons:

1. There have been numerous contract changes to date including a credit of $167,650.00 applied to the contract as the Engineering Consulting Firm applied for the permits required for the project directly instead of the Contractor and an additional credit of $53,217.52 was applied to change the location of the Fire Department Connection for a total savings of ($220,867.52).

2. Various estimated quantities and changes in work are required or have exceeded the tendered quantities because the work could not be confirmed at the time of tender as it was not visible and was estimated based on records. The current estimated value is $632,127.89. Significant contract changes identified to date *(most notable in the total)* include the following:

    A. Fire Egress changes to temporarily close the SE corner staircase including new automated door controls, new fire control panel, and installations in the amount of $40,284.09.
    B. New SE corner staircase handrail and installation in the amount of $34,024.54.
    C. Changes to the NW corner tree planter abandonment and waterproofing details in the estimated amount of $30,000.00.
    D. Increased waterproofing quantities on the SE corner in the estimated amount of $130,000.00.
    E. SW corner compromised beam repairs in the estimated amount of $75,000.00.
    F. NW corner CN Telecommunications roof rebuild and repairs in the estimated amount of $100,000.00.

3. Contingency for additional changes and changes to estimated tendered quantities required to complete the work remains in the estimated amount of $396,739.63.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 24, 2025

Project Name: **First Year of Program** **2025**

Request for Over-Expenditure Authorization #1 for Portage and Main Pedestrian Opening – Tender No. 675-2024

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 864,420	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	864,420	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	56,420	-	-	-	-
Net Cost/(Benefit)	$ (56,420)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(56,420)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The total estimated cost of $864,420.00 (including overheads) will be funded by the Regional Street Renewal program with the cost allocated to Public Works Capital Project (#1804300224 - Portage Av&Main St Intersect). Incremental Revenue/Recovery represents the estimated Departmental Engineering and Corporate Interest overheads.

J. Ruby, 2025-04-26

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

CONSULTATION

This Report has been prepared in consultation with: Legal Services Department

OURWINNIPEG POLICY ALIGNMENT

Strategic Priority Action Plan alignment 4.9: Increase coordination to address speeding, traffic calming, properly designed streets, and modern road and sidewalk engineering

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

NA

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

NA

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: C. Titchkosky, C.E.T.
Date: April 28, 2025
File No: 24-B-01