Agenda – Executive Policy Committee – July 8, 2025

Report – Standing Policy Committee on Property and Development – July 4, 2025

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. 1 Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five Years Under the Terms of Bid Opportunity No. 577-2004 / Purchasing Division Reference No. 592-2025

STANDING COMMITTEE RECOMMENDATION:

On July 4, 2025, 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 undertake single source negotiations for, and award, enter into, execute and deliver a five-year extension on an existing service contract with the St. Vital Minor Hockey Association Inc. for the operation of the St. Vital Centennial Arena at 580 St. Anne's Road for the period from August 1, 2025, to July 31, 2030, in the estimated amount of $1,865,334 plus applicable taxes 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 extension to the existing service contract 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 the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – July 8, 2025

Report – Standing Policy Committee on Property and Development – July 4, 2025

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 4, 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: Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five Years Under the Terms of Bid Opportunity No. 577-2004 / Purchasing Division Reference No. 592-2025

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Stefanyshen A/Manager of Municipal Accommodations	Chris Klos A/Director	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

The existing Service Contract for the operation of St. Vital Centennial Arena with the St. Vital Minor Hockey Association Inc. (SVMHA) is scheduled to expire on July 31, 2025. This contract will replace the expiring contract until July 31, 2030.

The SVMHA expressed interest in extending the contract for an additional five-year period from August 1, 2025, to July 31, 2030. The previous arena service contract that was awarded to SVMHA has been performed to the satisfaction of the Public Service.

The award of this contract will not result in the redeployment of CUPE staff and will result in a net financial benefit to the City of Winnipeg of approximately $145,000 over the term of the agreement.

The Recommendations included in this Report comply with the requirements of the various trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That the City undertake single source negotiations for, and award, enter into, execute and deliver a five-year extension on an existing service contract with the St. Vital Minor Hockey Association Inc. for the operation of the St. Vital Centennial Arena at 580 St. Anne's Road for the period from August 1, 2025, to July 31, 2030, in the estimated amount of $1,865,334 plus applicable taxes 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 extension to the existing service contract 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 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 total conditional amount to be paid by the City pursuant to the contract exceeds $1,000,000 and the contract is for a purchase that obligates the City to expenditures on future budgets, Council approval is required pursuant to the Purchasing Policy F1-003.

IMPLICATIONS OF THE RECOMMENDATIONS

The Municipal Accommodations Division, Assets and Project Management Department, will incur approximately $1.865 million in operating costs for the St. Vital Arena over the five-year term of the agreement. These costs will be recovered from the Community Services Department. In addition, the Community Services Department will receive approximately $145,000 from the SVMHA over the term of the agreement.

HISTORY/DISCUSSION

On June 29, 2005, Council approved the award of service contract (RFP 577-2004) for the operation of the St. Vital Centennial Arena to the St. Vital Minor Hockey Association Inc. (SVMHA) for a five-year period (August 1, 2005, to July 31, 2010). At that time, Council approved “that the Chief Administrative Officer be delegated the authority to extend the contract for an additional five years if it is determined to be in the best interests of the City.” In October 2010, the service contract was extended under the same conditions for an additional five years from August 1, 2010, to July 31, 2015.

Upon expiry of the extension on July 31, 2015, the Manager of Purchasing granted single source approval to extend the existing agreement to November 30, 2015.

On March 3, 2016, the SVMHA had provided confirmation that they wish to extend the agreement under the same terms and conditions as RFP 577-2004 for an additional five-year term.

On July 5, 2016, Council approved that single source negotiations and award of the existing service contract with the SVMHA for the operation of the St. Vital Centennial Arena at 580 St. Anne’s Road be extended for an additional five years for the period from August 1, 2015, to July 31, 2020, pursuant to B4.1 (b) of the Purchasing Policy where the supply is made by a public sector body, and the consideration is fair and reasonable.

On March 11, 2020, the SVMHA had provided confirmation that they wish to extend the agreement under the same terms and conditions as RFP 577-2004 for an additional five-year term.

On May 29, 2020, Council approved that single source negotiations and award of the existing service contract with the SVMHA for the operation of the St. Vital Centennial Arena at 580 St. Anne's Road be extended for an additional five years; for the period from August 1, 2020, to July 31, 2025, pursuant to B4.1 (b) of the Purchasing Policy where the supply is made by a public sector body, and the consideration is fair and reasonable.

On April 9, 2025, the SVMHA had provided confirmation that they wish to extend the agreement under the same terms and conditions as RFP 577-2004 for an additional five-year term.

The contract annual cost is a base management payment, which was $145,000 for the 2024-2025 operating season and is increased annually by the rate of inflation (assumed to be three percent/annum). During the term of this extension, it is anticipated that $792,912[1] will be received by the SVMHA in management fees. The SVMHA will also receive an incentive fee of all revenue collected less the annual management fee, multiplied by 90 percent. Revenue, based on historical averages, is estimated at $2,253,707 over the five years of the contract. The cost of the contract extension over five years is estimated at $1,865,334 excluding GST and is provided for in the current operating budget of Municipal Accommodations Division. As such, based on historical revenue, the resulting net benefit to the City of Winnipeg is approximately $146,079 over the term of the contract.

B4.4 of the Purchasing Policy states, "Where the request for Single Source negotiation exceeds the strictest thresholds of the various Trade Agreements, $200,000 for construction/$75,000 for goods and services, a cost/benefit analysis must accompany the request." In comparing the operational costs through the last five-year extension between the St. Vital Arena and a comparable, City operated arena (Century Arena), it was determined that an operational savings of $602,000 were realized as a result of this agreement during this period.

The SVMHA has the experience and resources to complete the work of this contract and has performed this contract to the satisfaction of the Public Service.

The SVMHA is a CRA-registered charity; therefore, single source negotiations are permitted under B4.1 (b) of the Purchasing Policy and the various trade agreements, being The Canadian Free Trade Agreement (2016) ("CFTA"); the New West Partnership Trade Agreement ("NWPTA"); and the Comprehensive Economic and Trade Agreement (2017) ("CETA"). Similar exceptions to B4.1 (b) of the Purchasing Policy are contained in Part V, Section C, 2 (b) of NWPTA; Article 504.11 (i) (v) of CFTA; and Article 19.3 (2) (d) of CETA.

[1] Based on the 2024/25 management fee of $145,000 increased by an assumed inflation factor of 3.00% per annum.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 16, 2025

Project Name:

First Year of Program **2025**

Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five Years Under the Terms of Bid Opportunity No. 577-2004 / Purchasing Division Reference No. 592-2025

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ 373,000	$ 373,000	$ 373,000	$ 373,000	$ 373,000
Less: Incremental Revenue/Recovery	402,000	402,000	402,000	402,000	402,000
Net Cost/(Benefit)	$ (29,000)	$ (29,000)	$ (29,000)	$ (29,000)	$ (29,000)
Less: Existing Budget Amounts	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent operating costs to be incurred by Muncipal Accommodations over the five-year term of the agreement ($1.865 million in total), which will be recovered from the Community Services Department (CmS). In addition, CmS is anticipated to receive $145,000 in net revenue from the St. Vital Minor Hockey Association over the term of the agreement. The latter amount represents the net benefits to City of Winnipeg.

Mike McGinn June 16, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services
- Legal Services
- Corporate Finance – Purchasing Division

OURWINNIPEG POLICY ALIGNMENT

Goal: Economic Prosperity
Objective: Ensure transparent and predictable conditions are in place to support desired business growth through attraction, investment, and retention.
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.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #5 – Low Carbon and Energy Efficient Buildings

Direction 5.2 Improve Energy Performance of New Buildings

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal #4: Community Well-Being Supports for those in Greatest Need are increased

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

SUBMITTED BY

Department: Assets & Project Management
Division: Municipal Accommodations
Prepared by: Glen Stefanyshen, Superintendent of Building, Asset Operations and Energy Mgmt.
Date: June 16, 2025
File No: MA2025-072

Attachments: N/A