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. 2 Award of Contract for City Archives Building Redevelopment – 380 William Avenue – Tender No. 788-2024B / Project No. 2023-058 (Point Douglas Ward)

STANDING COMMITTEE RECOMMENDATION:

On July 4, 2025, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, and submitted the following to Council:

1. That an amended project budget for the City Archives Building Redevelopment of $22,765,000 be approved and that the associated incremental project cost of $3,491,000 be funded by external debt as indicated in the capital detail sheet attached as Appendix A to this report.

2. That new capital external borrowing authority of $3,491,000 be approved and a borrowing by-law be enacted in accordance with Section 294 of the City of Winnipeg Charter.

3. That, subject to approval of Recommendation 2, the annual debt and finance charges of $254,000 (prorated to $155,000 in 2026) be referred to the 2026 budget process.

4. That the City award, enter into, execute and deliver a contract for the City Archives Building Redevelopment to Bockstael Construction Ltd., the lowest responsive bidder meeting the requirements of Tender No. 788-2024B, in the amount of $17,381,800.00 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").

5. 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.

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

STANDING COMMITTEE RECOMMENDATION (continued):

6. That the Chief Administrative Officer be delegated the authority to approve over-expenditures for the City Archives Building Redevelopment project awarded pursuant to this report to the maximum amount of $3,106,000 (18 percent) provided monies are available within the applicable capital budget, as approved by Council.

7. That the City Solicitor and Director of Legal Services be instructed to prepare a by-law in accordance with this report and bring same directly to Council for enactment.

8. 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, with the following amendment:

- Add the following new Recommendation 7 and renumber the remaining recommendation accordingly:

  "7. That the City Solicitor and Director of Legal Services be instructed to prepare a by-law in accordance with this report and bring same directly to Council for enactment."

and submitted the matter to the Executive Policy Committee and Council.

The following persons submitted communications in support of the matter:

- Tom Nesmith
- Blake Mueller
- Elizabeth-Anne Johnson
- Greg Bak, Professor, Department of History, University of Manitoba

ADMINISTRATIVE REPORT

Title: Award of Contract for City Archives Building Redevelopment – 380 William Avenue – Tender No. 788-2024B / Project No. 2023-058

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	Chris Klos, Acting Director	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

On April 28, 2025, a tender for the City Archives Building Redevelopment concluded. The lowest bid amount exceeded what was planned for construction services in the current budget. This increase is due to market conditions, like higher costs for materials and/or labour in the marketplace because of things such as increased demand and competition from other local construction projects.

After a review of this tender, the Chief Construction Officer has recommended risk management and mitigation strategies. This is to address any unexpected construction problems or cost changes.

If Council approves adding $3,491,000 to the project budget, it's recommended that the contract be awarded to Bockstael Construction Ltd. for $17,381,800 to move the project forward. Council had already approved $19,274,000 in funding for this project, including $12,582,564 in external debt. Approval of the current funding request would increase external debt funding to $16,073,564 and result in an amended total project budget of $22,765,000. The project budget also includes $4,958,200 in anticipated consultant services costs and contingencies.

The Public Service has been actively pursuing funding opportunities through federal and provincial grant programs and private partnerships. While no commitments have been secured yet, these efforts are ongoing. The Recommendations of this report comply with the applicable trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That an amended project budget for the City Archives Building Redevelopment of $22,765,000 be approved and that the associated incremental project cost of $3,491,000 be funded by external debt as indicated in the capital detail sheet attached as Appendix A to this report.

2. That new capital external borrowing authority of $3,491,000 be approved and a borrowing by-law be enacted in accordance with Section 294 of the City of Winnipeg Charter.

3. That, subject to approval of Recommendation 2, the annual debt and finance charges of $254,000 (prorated to $155,000 in 2026) be referred to the 2026 budget process.

4. That the City award, enter into, execute and deliver a contract for the City Archives Building Redevelopment to Bockstael Construction Ltd., the lowest responsive bidder meeting the requirements of Tender No. 788-2024B, in the amount of $17,381,800.00 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”).

5. 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.

6. That the Chief Administrative Officer be delegated the authority to approve over-expenditures for the City Archives Building Redevelopment project awarded pursuant to this report to the maximum amount of $3,106,000 (18 percent) provided monies are available within the applicable capital budget, as approved by Council.

7. 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 conditional amount to be paid by the City pursuant to the contract exceeds $10,000,000.00 (MRST included, GST extra) and the contract is requesting an amendment to the project budget, Council approval is required pursuant to the Purchasing Policy F1-003.

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

IMPLICATIONS OF THE RECOMMENDATIONS

The funding for this project is provided from City Clerk’s Capital Account 003-181000-040664-0704000123, presently funded in the amount of $19,274,000. Sufficient funding will be available for the project to proceed with the award of Tender No. 788-2024B, subject to Recommendation 1 being approved by Council. The lowest responsive bid of $17,381,800.00 exceeds the Class 1 Estimate of $14,154,000 prepared prior to tender in February, 2025. Both the Assets and Project Management Department as the procurement agent and City Clerk’s as the budget holder, are of the opinion there will be sufficient funding within an amended project capital budget of $22,765,000 to award the proposed Contract and proceed with the project, subject to

the approval of Recommendation 1. Contingencies within the approved funding will be the source used to address any unforeseen costs.

HISTORY/DISCUSSION

The Archive Building was funded by the Carnegie Foundation and erected in 1903 as Winnipeg's first library. An addition to the building was added in 1908 to accommodate the increasing demand for books. The building continued to function as a library until 1977 when the Millennium Library (then called the Centennial Library) was built. It reopened as a library less than a year later after public demand.

From 1977 to 2013, the Winnipeg Archives was housed in the Carnegie Library at 380 William Avenue, a heritage building in downtown Winnipeg. City of Winnipeg Archives collection is widely recognized as one of the most complete collections of municipal records in Canada.

As archival programming needs and requirements changed, in December 2010, a Facility Renewal and Redevelopment Study was undertaken by Cibinel Architects Ltd. The comprehensive report produced detailed facility renewal and renovation plans, drawings, outline specifications and cost estimate.

In 2013, a major roof replacement project, which was established as an initial phase of a larger facility redevelopment, was underway when a rainstorm caused significant damage to the building's interior and approximately 450 boxes of archival records. The collection was salvaged; affected records were recovered through treatment, and the collection was re-located to a temporary facility at 50 Myrtle Street, in the Pacific Industrial area of Winnipeg. After the water inundation occurred the building was stabilized, however repairs to make the building fit for re-occupancy were not undertaken as, at the time, a major building renovation with significant interior alterations was anticipated. Since closure in 2013 the building has been maintained and operated by the City, but not occupied.

In 2019-2020, City Clerk's engaged external consultants to prepare spatial and functional requirements for the Archives program, and to generate options for relocating operations. This process involved background review of preceding reports, a benchmarking study of similar archival organizations and their facilities, and in-depth interviews with City of Winnipeg Archives staff and stakeholders to examine current and projected activities, spaces, and collections. The resulting Functional Program included:

- Environmentally controlled vault space (Class A) for 20 years of collections growth
- Functional space for archival, digitization, and conservation activities
- Public programming and display space to support access and knowledge transfer
- Spaces supporting Reconciliation activities, including for smudging, ceremonies, learning and display
- Research space to provide for increased activity in an appropriate setting
- Administrative space supporting staff growth to 20 years

The study outcome identified facility redevelopment of the City Archives Building as the most cost-effective and preferred alternative. The study and its deliverables form the basis for the

current facility redevelopment scope, and the design and pre-tender work to be undertaken in the current assignment.

The following is a list of facility improvement projects undertaken by the City since 2000:

- Foundation waterproofing, including new weeping tile drainage system which includes three sump pits and dual submersible pumps - 2008
- Barrier Free upgrades to the public washrooms – 2008
- Façade repairs to exterior limestone – 2010
- Barrier Free access to main entrance approach – 2010
- Barrier Free access and restoration of main entrance and foyer – 2011
- Roof structure and membrane replacement – 2013
- Property fence restoration – 2013

On March 22, 2023, the Council-approved Capital Budget included $12.69 million for City of Winnipeg Archives - The Winnipeg 150 Legacy Project. An additional $6.584 million was included in the 2025 Capital Budget approved by Council on January 29, 2025.

Design work for the City Archives Building Redevelopment commenced on August 29, 2023 with the City contracting with MCM Architects Inc. for design and contract administration services.

On December 20, 2024, Request for Qualification (RFQ) 788-2024A to qualify contractors was posted on MERX. The RFQ closed on January 24, 2025 with six submissions.

Following evaluation, three Proponents (listed alphabetically below) were qualified to participate in the Tender stage:

- Bockstael Construction Ltd.
- Graham Construction and Engineering LP
- Tractus Projects

Tender 788-2024B was issued to qualified bidders on MERX on March 7, 2025, and closed on April 28, 2025. Graham Construction and Engineering LP was not able to submit a bid within the allotted tender period. The evaluation resulted with two bids for the full scope of work as set forth in the tender package as follows:

1.	Bockstael Construction Ltd.	$17,381,800.00
2.	Tractus Projects	$17,715,120.00

The Chief Construction Officer has reviewed the low bid amount respective to the Class 1 cost estimate and agrees that cost escalation is likely attributable to market conditions; i.e. incremental costs for materials and/or labour in the marketplace arising for various reasons,

such as increased demand/competition with other local construction activity. The Chief Construction Officer has performed a supplementary risk assessment and has recommended risk management and mitigation strategies to the City project team for addressing construction issues/cost influences potentially arising during the work.

The Manager of Purchasing has advised that each of the bid submissions was accompanied by an acceptable bid security.

The Contract Administrator has verified that Bockstael Construction Ltd. is COR certified with the Construction Safety Association of Manitoba, Certificate #10412-98 (expiration date: December 2025) and the company is in good standing with the Workers Compensation Board of Manitoba. The Contract Administrator is of the opinion that Bockstael Construction Ltd. 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 are open for acceptance until August 26, 2025. Construction will not commence prior to the Award of Contract.

Borrowing Authority
Incremental borrowing authority of $3.491 million is required for the project detailed in this report. As at the date of this report, $12,582,564 of the $19,274,000 budget is financed by external debt. Approval of the current funding request would increase external debt funding to $16,073,564.

The project team continues to seek out external funding opportunities and apply to federal and provincial grant programs, including the Art, Culture and Sport in Community Fund, the Canada Cultural Spaces Fund, and the Green and Inclusive Community Building Program. Other areas actively explored include green energy, efficiency, and sustainability funding, Efficiency Manitoba programs, community and cultural program funds, and private donors.

These efforts have not resulted in firm funding commitments to date but are ongoing.

Debt Strategy
On February 22, 2024, Council adopted an updated Debt Strategy for total City borrowing.

If Council decides to fund this project through debt and approves additional borrowing authority of $3,491,000 for the City Clerk's Archives Building Redevelopment, $146 million of City borrowing capacity will remain.

The impact of this debt financing falls within the debt limits established in the Council Policy as outlined in the table below:

Total City net debt as a percentage of revenue not to exceed	100%
Forecasted peak rate including proposed debt from this report	94.4%

FINANCIAL IMPACT

Financial Impact Statement

Date: June 12, 2025

Project Name:

First Year of Program **2025**

Award of Contract for City Archives Building Redevelopment – 380 William Avenue – Tender No. 788-2024B / Project No. 2023-058

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 22,765,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	19,274,000	-	-	-	-
Additional Capital Budget Required	$ 3,491,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	3,491,000	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ 3,491,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 3,491,000				
Total Additional Debt Required	$ 3,491,000				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 501,000	$ 1,170,000	$ 1,170,000	$ 1,170,000
Less: Incremental Revenue/Recovery	425,000	-	-	-	-
Net Cost/(Benefit)	$ (425,000)	$ 501,000	$ 1,170,000	$ 1,170,000	$ 1,170,000
Less: Existing Budget Amounts	(425,000)	346,000	916,000	916,000	916,000
Net Budget Adjustment Required	$ -	$ 155,000	$ 254,000	$ 254,000	$ 254,000

Additional Comments: Capital expenditures consist of the contract amount of $17,381,800 + short-term financing and corporate admin fees of $345,000 + 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. Also included is $4,958,200 in anticipated consultant services costs and contingencies. Net (operating) budget adjustment amounts represent debt service costs on the incremental debt-funded capital budget amount of $3,491,000. It is assumed that the additional debt is issued in 2026.

Mike McGinn June 12, 2025
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- City Clerk's Department
- Legal Services Department
- Chief Construction Officer

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance
Objective: Establish and implement priority actions through evidence-informed decision-making processes.
Policy 1.7: Equitable Service Access
Identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships. Remove systemic barriers to participation, based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, physical or mental ability, official language used, citizenship status, socio-economic status, geographic location or climate change vulnerability.

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

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
Date: June 12, 2025
File No: MA2025-064

Attachments: Appendix A – Capital Detail Sheet