

Minutes – Standing Policy Committee on Public Works – September 10, 2026

REPORTS

Item No. 4 Approval of Contract Over-Expenditure for Construction Consultant / General Contractor (CC/GC) Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for Part A Work – RFP No. 746-2025B – Contract 2

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 the City approve an over-expenditure of 20.11% or \$2,000,000 on RFP No. 746-2025B – Contract 2 for Construction Consultant / General Contractor (CC/GC) Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for Part A Work awarded to Kiewit Construction Services ULC for a revised contract value of \$11,947,714.00, G.S.T. and M.R.S.T. extra as applicable.
2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Standing Policy Committee on Public Works – September 10, 2026

DECISION MAKING HISTORY:

Moved by Councillor Sharma,

That Rule 51(1.1) of the Procedure By-law No. 50/2007 be suspended to allow a submission made by Terry Wachniak received after 12:00 noon on the business day prior to the meeting, to be included in the minutes.

Carried

Moved by Councillor Eadie,

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

Carried

Terry Wachniak submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: Approval of Contract Over-Expenditure for Construction Consultant / General Contractor (CC/GC) Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for Part A Work – RFP No. 746-2025B – Contract 2

Critical Path: Standing Policy Committee on Public Works

AUTHORIZATION

Author	Department Head	CFO	CAO
A. Condon, P.Eng.	L. Nichols Acting for J. Berezowsky	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Public Service is requesting approval of an over-expenditure on the current phase of Arlington Bridge demolition and removal.

This work is part of project Contract 2 (demolition of the southern portion of the bridge). Contract 1 (planning) is already complete. Contract 3 will be issued to facilitate demolition of the northern portion of the bridge.

The required amount is an additional 20 percent (\$2 million). There is sufficient budget within the overall adopted 2025 Arlington Street Bridge – Demolition and Detailed Design project to support this contract over-expenditure.

Work planned for 2026 has been completed on time and under budget. This over-expenditure would allow preparation work to occur in advance of the planned 2027 demolition. It would support:

- Preparing the northern portion of the bridge deck for decommissioning
- Removing sidewalks to reduce the weight of product being lowered
- Bracing trusses
- Procuring counterbalance frames for existing piers

The total value of the work under this over-expenditure is \$3,800,000. However, as a result of current works being completed under budget, the savings would offset some of the over-expenditure.

Subject to the approval of this report, the approved contract value of RFP No. 746-2025B – Contract 2 will be \$11,947,714.00, G.S.T. and M.R.S.T. extra as applicable.

RECOMMENDATIONS

1. That the City approve an over-expenditure of 20.11% or \$2,000,000 on RFP No. 746-2025B – Contract 2 for Construction Consultant / General Contractor (CC/GC) Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for Part A Work awarded to Kiewit Construction Services ULC for a revised contract value of \$11,947,714.00, G.S.T. and M.R.S.T. extra as applicable.
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 total conditional amount to be paid by the City pursuant to all phases of the Project exceeds \$10 million and there are sufficient funds in an approved budget, the Standing Policy Committee on Public Works approval is required pursuant to Purchasing Policy F1-003.

IMPLICATIONS OF THE RECOMMENDATIONS

In accordance with D3.1(e), B10, B24.4 and B24.8 of RFP No. 746-2025B, the cost of the services is in accordance with open book pricing and fair market value specifications. The City may, at their discretion, award the contract in phases and if, after award of contract, the work is cancelled, the City reserves the right to terminate the contract. The proponent would be billed at its contract rates for actual time and effort incurred.

Due to the level of risk and need to coordinate closely with CPKC, Kiewit Construction Services ULC is billing at contract rates based on time and effort incurred, meaning actual amounts are adjusted downwards/or upwards from the estimate based on actual time and effort.

The financial status of the Project is as follows (next page):

Authorized Budget:

Arlington Street Bridge - Demolition & Detailed Design (See Note 1) **\$ 22,000,000.00**

Less: Previously Awarded Contracts & Costs (See Note 2) (19,314,333.72)

Remaining Authorized Budget **\$ 2,685,666.28**

Estimated Costs:

Construction Consultant Services \$ 2,000,000.00
Engineering Administration 100,000.00
Interest Overhead (See Note 3) 36,400.00
Administrative Overhead -

Total Estimated Costs **\$ 2,136,400.00**

Estimated Remaining Budget (See Note 4) 549,266.28

Note 1 – Budget Breakdown

Adopted Capital Budget:
Canada Community Building Fund \$2,000,000
External Debt 20,000,000
Total Adopted Budget \$22,000,000

Note 2 – Previously Awarded Contracts and Costs

Description	Amount with M.R.S.T where applicable
Tetra Tech Inc. - Extension to services for fees for Decommissioning Planning	\$740,000.00
Tetra Tech Inc. - Extension to services for fees for Detailed Design/Engineering for the new bridge, Part 1 (M.R.S.T = \$78,750.00)	\$3,828,750.00
Tetra Tech Inc. – Extension to services for fees for contract administration for Decommissioning of the existing bridge – Part A 2026 Works	\$484,500.00
Kiewit Construction Services ULC - Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 1 Services	\$1,689,950.00
Kiewit Construction Services ULC - Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Part A Works	\$9,947,714.00
Canadian Pacific Kansas City (CPKC) – Railway Project Management Services Associated with Arlington Bridge Decommissioning Project	\$696,147.00
Canadian Pacific Kansas City (CPKC) – Removing the west end bay of the existing craneway – Services Associated with Arlington Bridge Decommissioning Project	\$51,873.00
Canadian Pacific Kansas City (CPKC) – Railway Temporary Crossing Planks Supply Associated with Arlington Bridge Decommissioning Project	\$280,789.00
Canadian Pacific Kansas City (CPKC) – Railway Temporary Crossing Installation	\$271,657.00

Metal Supermarkets – Supply of Steel Rectangular Tube to brace the Arlington Pratt Truss spans (M.R.S.T. = \$1,928.77)	\$47,262.69
Insurance – Wrap-up policy (M.R.S.T. = \$7,000.00)	\$107,000.00
Internal Services – Traffic Services, Underground Structural Services	\$10,420.00
Overheads	\$1,158,271.03
<i>Total Previously Awarded Contracts and Costs</i>	<u><i>\$19,314,333.72</i></u>

Note 3 – Corporate Interest Overhead Calculation

In accordance with FM-004 Appendix J, the rate for this overhead is 2% only on the City's share of funding. The City's share of funding for this project is approximately 90.91%, therefore the adjusted Corporate Interest overhead rate for this project is 1.82%.

Adopted Capital Budget:	
Canada Community Building Fund	\$2,000,000
External Debt (City Share)	<u>20,000,000</u>
Total Adopted Budget	<u>\$22,000,000</u>

Corporate Interest overhead - \$36,400.00 (2,000,000 x 0.0182)

Note 4 – Estimated Remaining Budget Contingency Calculation

Remaining budget/Adopted Budget
 $\$549,266.28 / \$22,000,000 = 2.50\%$

HISTORY/DISCUSSION

The City initiated a Construction Consultant/General Contractor (CC/GC) alternative delivery model for the Decommissioning of the Arlington Street Bridge over CPKC Yards ("the project").

The CC/GC model uses a two-phased approach:

- In Phase 1, the City engaged a construction consultant to design the decommissioning plan for the bridge and develop its scope, schedule, and cost; and
- In Phase 2, the City engaged in a general contractor to complete the actual decommissioning work.

The CC/GC model allows for the construction consultant engaged for the Phase 1 design work to bid on the Phase 2 construction work if certain conditions are met. There are currently three contracts planned under RFP No. 746-2025, which are described below:

Contract 1 – Phase 1 Planning

On February 12, 2026, the Chief Financial Officer (CFO) awarded a contract for CC/GC Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 1 Services – RFP No. 746-2025 to Kiewit Construction Services ULC ("Kiewit"), in the amount of \$248,305.00, G.S.T. and M.R.S.T. extra as applicable.

On July 29, 2026, the CFO approved a contract over-expenditure of 580.60 percent or \$1,441,645.00 for the conceptual scheme and basic outline of the camelback spans from existing piers. Engineering hours were required to verify the technical requirements of removing the deck and the sidewalk with the span in place, modifying the spans for lowering to the ground and designing temporary structures and construction devices to facilitate the deconstruction. These details were needed to support further cost and schedule refinement.

Contract 2 – Phase 2 – Part A – Demolition of Southern Portion of Bridge

On May 25, 2026, the Standing Policy Committee on Public Works approved the award of contract for the provision of CC/GC Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for Part A Work – RFP No. 746-2025B to Kiewit in the amount of \$9,947,714.00, G.S.T. and M.R.S.T. extra as applicable. This Contract consists demolition of Part A of the Arlington Street Bridge which is the southern portion of the bridge encompassing Spans 1 to 18 including related substructure units as identified in RFP No. 746-2025B. This work was successfully completed two months ahead of schedule and approximately \$1,800,000.00 under budget (final costs are being evaluated).

Contract 3 – Phase 2 – Part B – Demolition of the Remaining Bridge – See Appendix A

This contract has not been awarded. The work is scheduled for 2027, which will encompass the demolition work for the remainder of the bridge. The work under this contract will be far more complex and CPKC's imposed timelines of work in the yard in 2027 are more restrictive, so it is essential to therefore commence with select elements of work, in order to be ready for the main works in 2027. The total value of these select elements of work is \$3,800,000 and subject to the approval of this over-expenditure report, they will be completed under Contract 2. The remaining works under Contract 3 remain subject to an approved plan and budget.

Over-expenditure under Contract 2 – Phase 2 – Part A – Demolition of Southern Portion of Bridge

The total value of the work under this over-expenditure is \$3,800,000. However, as a result of the current works under Contract 2 now complete and under budget, in the amount of approximately \$1,800,000, the Public Service is requesting an over-expenditure in the amount of 20.11 percent or \$2,000,000. Subject to the approval of this report, the final contract cost is estimated to be **\$11,947,714.00**, G.S.T. and M.R.S.T. extra as applicable.

The select elements that will be completed are as follows:

Prep Bridge Deck for Decommissioning

Kiewit will remove the remaining bridge guardrail and return to City yard. Temporary handrail and tie-off line will be installed to support the removal of fence and sidewalk from the bridge. Deck joints between the spans will be opened to prepare for individual lowering.

Removal of Sidewalks:

Working from above deck, Kiewit will remove the sidewalks to significantly reduce the span weight in aid of lowering. This work will also reduce the weight and material required to be demolished once the spans are lowered into CPKC yard.

Camelback Truss Bracing:

Working from the bridge deck to avoid need for CPKC train tracks impact, Kiewit will install bracing to transfer the truss bearing point from the pier centerline. These bracing details initial estimate includes supply of steel, drilling or connecting holes.

Camelback Truss Jacking Steel:

Based on preliminary concepts, Kiewit will procure counterbalance frames to be attached to the existing piers. This combined with a system of jacks and rods will capture the bridge at the new bearing point for lowering. This estimate includes installation of this steel above the deck without CPKC train tracks impact.

FINANCIAL IMPACT

Financial Impact Statement

Date: **August 25, 2026**

Project Name: **First Year of Program** **2026**

**Approval of Contract Over-Expenditure for Construction Consultant / General Contractor (CC/GC)
Services for the Decommissioning of the Arlington Street Bridge over CPKC Yards - Phase 2 Services for
Part A Work – RFP No. 746-2025B – Contract 2**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>Capital</u>					
Capital Expenditures Required	\$ 2,136,400	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	2,136,400	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Funding Sources:</u>					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
<u>Current Expenditures/Revenues</u>					
Direct Costs	\$ 47,429	\$ 116,570	\$ 141,391	\$ 141,391	\$ 141,391
Less: Incremental Revenue/Recovery	136,400	-	-	-	-
Net Cost/(Benefit)	\$ (88,971)	\$ 116,570	\$ 141,391	\$ 141,391	\$ 141,391
Less: Existing Budget Amounts	✓ (88,971)	✓ 116,570	✓ 141,391	✓ 141,391	✓ 141,391
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Comments: The contract over-expenditure of \$2,136,400.00 (including overheads) for Phase 2 Services for Part A Work will be charged to the Arlington Street Bridge - Demolition & Detailed Design project #1805000525. The Proponent will bill at its contract rates for actual time and effort incurred. Subject to the approval of this over-expenditure the project will be carrying a 2.50% contingency. Direct costs are attributed to the estimated debt and finance charges on external debt financing. Incremental Revenue/Recovery represents Departmental Engineering and Corporate Interest overheads.

J. Ruby, 2026-08-26

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

CONSULTATION

This Report has been prepared in consultation with:

- Purchasing Division, Corporate Finance Department

OURWINNIPEG POLICY ALIGNMENT

Our Winnipeg 2045 Policy Direction Statement (OW2045) Code #4.10 - Transportation Safety “Design, construct, maintain, and regulate an integrated and sustainable transportation system and related infrastructure that optimize safe, connected and reliable mobility, and minimize severe injuries and fatalities for all road users”.

Strategic Priorities Action Plan (SPAP) #34: “Initiate replacement of the Arlington Bridge”

WINNIPEG CLIMATE ACTION PLAN 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: Damir Muhurdarevic, P.Eng.
Date: August 26, 2026
File No: 22-G-03

Attachments:

Appendix 1 – Map of the Decommissioning of the Arlington Street Bridge

Appendix 1 – Map of the Decommissioning of the Arlington Street Bridge

Decommissioning Stages

