**Award of Contract for the Provencher Paired Bridges Project, Construction of the Pedestrian Bridge (Tender No. 267-2002)**
**Files GL-9 (Vol. 18), SB-13 (Vol. 6)**

1. On September 5, 2000, Council approved the Preliminary Design for the Provencher Bridge Project, authorized the commencement of Detailed Engineering Design, Environmental Impact Assessment and Tendering.

Funds in the amount of $57,000,000.00 for the Provencher Paired Bridges Project are included in the 2000 to 2005 Capital Estimates of the Public Works Department.

On June 20, 2001, Council approved the Vehicular Bridge Contract award to M. D. Steele Construction Ltd., which submitted the lowest evaluated responsive Bid meeting all requirements of the published Tender Package in the estimated amount of $30,655,094.60 plus GST.

On August 16, 2001, the Provencher Paired Bridges Project - Pedestrian Bridge component was announced as part of the Canada/Manitoba Infrastructure Program - Downtown Waterfront Project.

On January 30, 2002, Council approved the allocation of funding for the Provencher Paired Bridges Project budget in the amount of $5,750,000.00 for the implementation of Option "A" Roadway Network connecting Provencher Bridge to Main Street.

On February 5, 2002, the Standing Policy Committee on Public Works approved the Primary Pipe Systems west of the Provencher Bridges (underground) award to Nelson River Construction Inc., in the amount of $1,449,551.50.

On April 30, 2002, the Standing Policy Committee on Public Works approved the West Roadworks connecting Provencher Bridge to Main Street to Nelson River Construction Inc., in the amount of $2,699,694.50.

Final Receipt of Bids for the pedestrian bridge was 12:00 Noon on Friday, June 21, 2002. Five (5) Bids were received as follows:

| | |
|---|---|
| M.D. Steele Construction Ltd. | $14,155,231.00* |
| Kiewit Management Ltd. | $16,242,903.00 |
| PCL Constructors Canada Inc. | $16,278,104.00* |
| Ernst Hansch Construction Ltd. | $17,860,000.40* |
| Aecon Infrastructure | $18,936,300.00 |

* Corrected Price – arithmetic error in tendered price.

The Tender Submission recommended for acceptance is the lowest evaluated responsive Bid meeting all requirements of the published Tender Package.

The work of this Contract involves the construction of a new 2-span cable stay pedestrian bridge connecting the Provencher Boulevard south sidewalk with The Forks.

Manitoba Conservation has issued Environment Act Licence No. 2507 dated May 17, 2001, authorizing construction of the Project.

The Planning, Property and Development Department has issued Waterway Permit No. 32/2002, dated June 13, 2002, pursuant to Waterways By-law No. 5888/92, authorizing construction of the project.

Based on the Tender Submission of M.D. Steele Construction Ltd., the financial status of the Provencher Paired Bridges Project is as follows:

Public Works Capital Estimates:

| | |
|---|---|
| 2000 Capital Estimates | $ 4,000,000.00 |
| 2001 Capital Estimates | $18,900,000.00 |
| 2002 Capital Estimates | $10,000,000.00 |
| 2003 Capital Estimates | $10,000,000.00 |
| 2004 Capital Estimates | $ 8,000,000.00 |
| 2005 Capital Estimates | $ 6,100,000.00 |
| **Total Public Works Capital Budget:** | **$57,000,000.00** |

Project Budget

| | |
|---|---|
| Total Public Works Capital Budget | $57,000,000.00 |
| Total Water and Waste Capital Budget | 2,074,000.00 |
| Total MTS Project Budget | 200,000.00 |
| Canada/Manitoba Infrastructure Program | 9,400,000.00 |
| **Total Project Budget:** | **$68,674,000.00** |
| Amount of this Pedestrian Bridge Contract Award | $14,155,231.00 |
| Amount of Previous Vehicular Bridge Contract | 31,000,000.00 |
| Amount for Future Landscaping Contract Award | 1,800,000.00 |
| Maintenance and Inspection | 500,000.00 |
| Amount for West Roadworks and Underground | 7,834,000.00 |
| Contingency | 2,109,769.00 |
| Engineering | 9,700,000.00 |
| Testing | 350,000.00 |
| Winnipeg Hydro | 200,000.00 |
| Traffic Signals | 200,000.00 |
| Rivers and Streams Permits | 75,000.00 |
| City Forces | 50,000.00 |
| Traffic Services & Advertising | 100,000.00 |
| Manitoba Hydro | 20,000.00 |
| Wrap-Up Insurance Costs | 500,000.00 |
| Property | 100,000.00 |
| Finance & Administration Charges | 1,000,000.00 |
| Applied Overhead Engineering | 1,780,000.00 |
| Net GST | 1,700,000.00 |

**Estimated Total Project Cost:** **$73,174,000.00**

**Estimated Shortfall:** **$ 4,500,000.00**

The estimated shortfall of $4,500,000.00 on this project may be attributed to the following:

- The unique and complex design of the pedestrian bridge.
- The Bid prices for some items were significantly higher than estimates provided prior to tender.
- Construction risks associated with a tight construction schedule for erection of the pylon and centre plaza prior to spring break-up combined with the current high river levels during the tender period.
- A rather buoyant market in Winnipeg at the moment combined with a local labour shortage in the heavy construction industry.

The current estimated total of $73,174,000.00 incorporates up-to-date cost projections for all works on this project.

Because there may be alternative sources of funding to cover the budgetary shortfall, and because the funding is cash-flowed over at least three years, it is appropriate that the Standing Committee on Fiscal Issues consider alternatives for funding the $4,500,000.00 shortfall and identify the alternative which best meets the requirements of the City.

Alternatives

The possibility of obtaining significantly lower prices in re-tendering the bridge, as currently designed, is fairly low and does not warrant the inconvenience of having the bridge completed at least one year behind the schedule now identified.

To design a different bridge and re-tender, in order to offset the estimated shortfall in the project budget, would not meet the project goals as developed through the public consultation process. This could delay the completion of the bridge by at least two years as the public consultation planning process would be restarted.

The lapse date for the award of this Contract is August 5, 2002, but it is recommended that an award be made by no later than July 17, 2002 in order for the Contractor to complete the work as scheduled. The Work of this Contract is scheduled to be completed at the same time as the vehicular bridge contract on September 30, 2003.

The Manager of the Materials Management Division has advised that a bid bond and an agreement to bond accompanied each of the tender submissions and Legal Services has certified all of the bid deposits.
The Engineering Consultant has reviewed the Tender Submissions in detail. All of the bids were complete in every respect.

The Engineering staff of the Department and the Consultant on this project have reviewed the Work with the lowest evaluated responsive Bidder and have indicated that the firm has the necessary resources to perform all of the Work in accordance with the requirements of the published Tender Package. The Contractor has satisfactorily carried out previous construction works of a similar nature for the City of Winnipeg.

It is, therefore, recommended that a Contract be awarded to M. D. Steele Construction Ltd., which firm submitted the lowest evaluated responsive Bid meeting all requirements of the published Tender Package in the estimated amount of $14,155,231.00 plus GST, based on the unit prices identified in the Low Bidder's Tender Submission for Provencher Paired Bridges Project Pedestrian Bridge, Tender No.267-2002, and that Council direct the Standing Committee on Fiscal Issues to identify a funding source(s) to offset the estimated $4,500,000.00 shortfall in funding for the Project.

As this contract commits expenditure of funds beyond the approved 2002 Capital Estimates the award of contract requires approval by Council.

The Financial Impact Statement is outlined on Attachment “A”.

The Standing Policy Committee on Public Works recommends:

I. That a Contract be awarded to M.D. Steele Construction Ltd., which firm submitted the lowest evaluated responsive Bid meeting all requirements of the published Tender Package, in the estimated amount of $14,155,231.00 plus GST, based on the unit prices identified in the Low Bidder's Tender Submission for Provencher Paired Bridges Project Pedestrian Bridge, Tender No.267-2002, and

II. That Council direct the Standing Committee on Fiscal Issues to identify a funding source(s) to offset the estimated $4,500,000.00 shortfall in funding for the Project.

Attachment "A" referred to in Clause 1 of the Report of the Standing Policy Committee on Public Works dated July 9, 2002

## Financial Impact Statement

**Date:** July 4, 2002

**Project Name:**

**First Year of Program** **2002**

Provencher Paired Bridges Project, Construction of Pedestrian Bridge - Tender # 267-2002

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 8,379,545 | $ 6,320,948 | $ 262,500 | $ - | $ - |
| Less: Existing Budgeted Costs | 8,379,545 | 2,083,448 | - | - | - |
| Additional Capital Budget Required | $ - | $ 4,237,500 | $ 262,500 | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ 4,237,500 | $ 262,500 | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - To Be Identified | - | | | - | - |
| Total Funding | $ - | $ 4,237,500 | $ 262,500 | $ - | $ - |
| Total Additional Capital Budget Required | $ 4,500,000 | | | | |
| Total Additional Debt Required | $ 4,500,000 | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ 185,517 | $ 539,237 | $ 556,299 | $ 556,299 |
| Less: Incremental Revenue/Recovery | 474,314 | 320,948 | 12,500 | - | - |
| Net Cost/(Benefit) | $ (474,314) | $ (135,431) | $ 526,737 | $ 556,299 | $ 556,299 |
| Less: Existing Budget Amounts | (474,314) | (283,743) | 93,799 | 106,299 | 106,299 |
| Net Budget Adjustment Required | $ - | $ 148,313 | $ 432,938 | $ 450,000 | $ 450,000 |

**Additional Comments: Net Current Budget Adjustment required in 2003 and beyond assumes that the additional funding required will be provided by internal debt. The amounts shown above as Capital Expenditures Required include the associated overheads for engineering administration, and corporate finance and administration.**

*Originial Signed by: D. Stewart, C.A.*
Manager of Finance & Administration

Approved by Divisional Accountant Trainee ☑