REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED JUNE 25, 2002

On motion of Councillor Angus, the Report of the Standing Policy Committee on Public Works, dated June 25, 2002, was considered clause by clause.

Moved by Councillor Angus,
That the Consent Agenda, 1,2,3,4,5 and 6 be adopted.

Carried.

Extension of Contract for the Supply and Delivery of Low Floor Transit Buses, Tender No. 701-2002
File TE-1 (Vol. 7)

626 - 1. On September 5, 2000, the Standing Policy Committee on Public Works concurred with a recommendation from the Director of Transit that a contract for the supply and delivery of 82 replacement low floor transit buses be awarded to New Flyer Industries. New Flyer Industries was the only responsive bidder that met the specifications of Tender No. 701-2000.

In 2001, at New Flyer Industries' request, the City agreed to vary the performance security requirements specified in Tender No. 701-2000. The City agreed to reduce the performance security requirement to 20% of the value of the 20 buses delivered in 2001 rather than 20% of the total value of the contract. This was approved on condition that New Flyer Industries would increase the value of the performance security to 20% of the value of the contract prior to the production of the remaining buses.

Tender No. 701-2000 was issued for the supply and delivery of approximately 90 replacement transit buses for the years 2000 to 2002 in accordance with Transit's long standing program to replace approximately 30 buses per year. The contract awarded to New Flyer Industries was for 82 buses to be delivered before September 30, 2002. Twenty buses were delivered in 2001. The contract also requires New Flyer Industries to deliver ten of its newly designed Invero buses to the City for a six month operational test. Based on the results of this test, the City has the option to select either the new Invero bus or New Flyer's current D40LF low floor bus model for the final 52 buses of the contract. The Transit Department has a strong preference for the Invero bus because it provides five additional passenger seats over the current D40LF bus; however, it has not been proven in regular transit service at this time. The contract also requires New Flyer Industries to provide and maintain a performance security of 20% of the total value of the contract, or approximately $5.8 million, for a period of one year after the date of total performance of the work.

After the award of the contract in 2000, New Flyer Industries began to experience financial difficulties that interrupted production schedules and prevented it from obtaining performance bonds. It also encountered unexpected delays in the production of its new Invero bus. Although New Flyer Industries resolved its financial difficulties earlier this year, it will not be in a position to deliver the required ten Invero test buses until the late summer of 2002. This would result in the City selecting the design for the final 52 buses in early 2003 and receiving these buses in middle to late 2003. The timing of these events would result in significant liquidated damages charges to New Flyer Industries that could approach $600,000.00.

New Flyer Industries approached the Business Liaison Office of the Executive Policy Committee Secretariat in February, 2002 with requests to modify the contract. It stated that the liquidated damages and performance bonding requirements specified in the contract would have a negative impact on its operations and attempts to increase its production back up to previous levels.

The ensuing discussions between the City and New Flyer Industries resulted in a potential resolution as follows:

1. The City will agree to accept 52 D40LF buses for delivery in 2002 rather than testing ten Invero buses for a six month period prior to selecting the design of the final 52 buses of the contract. This concession will allow New Flyer Industries to fill voids in its 2002 production schedule and will significantly reduce liquidated damages.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

2. The City will agree to return the 20% performance bond it holds for the 20 buses delivered by New Flyer Industries in 2001. The City will also agree to forego the requirement for New Flyer Industries to provide a 20% performance bond for the 52 D40LF buses that will be delivered in 2002.

3. New Flyer Industries will agree to provide a 20% performance security on the ten test Invero buses to be delivered in 2002 for a period of one year after delivery.

4. In return for these concessions, New Flyer Industries will agree to extend the current contract to include an additional 30 buses to be delivered in 2003 at the unit price tendered in 2000. This contract extension is subject to the approval of City Council.

5. If approval is received for the contract extension, the City will advise New Flyer Industries prior to delivery whether it will require a 20% performance bond for the additional 30 buses to be delivered in 2003.

This potential resolution is believed to be equitable as it addresses New Flyer Industries' requirements and it would result in the City receiving additional replacement buses from one to two years earlier than would occur otherwise, at prices bid in 2000. Waiving the requirement for performance bonds for the D40LF buses is not believed to present a significant risk to the City because the design is mature and well tested. Hundreds of these buses, including 141 in Winnipeg, have been successfully operated throughout North America in over a decade of production.

The Transit Department has a critical requirement to maintain its long-standing bus replacement program. Replacement full size buses have not been received since early 1999. Forty one buses in the fleet are currently at or over their nominal 18 year life expectancy. This number will increase to 106 buses in 2003 if new replacement buses are not received in 2002 and 2003 as proposed in this resolution. Delaying the replacement of the oldest buses in the fleet will result in a significant decrease in the reliability of the service and a significant increase in maintenance costs.

The 30 additional replacement buses that will be supplied under this proposed resolution will be compatible with the other low floor buses operated by the City that have been supplied by New Flyer Industries. This compatibility will provide significant benefits to the City in two major areas. Firstly, the additional costs of purchasing and storing additional spare parts will be avoided. Secondly, the additional costs to train maintenance and support employees and the resulting inefficiencies that will occur while employees become familiar with new equipment will be avoided.

The City's Policy on Purchasing Procedures and the Disposal of Surplus Supplies, Article 7 (b)(i), makes provision for a single source purchase without solicitation where the compatibility of a purchase with existing equipment is a paramount consideration.

The 2003 to 2007 Capital Forecast that was approved in principle by Council with the 2002 Capital Budget includes total funding of $11,963,000.00 for replacement transit buses in 2003. The anticipated sources of funding for these buses is $6,330,000.00 from the Transit Bus Replacement Reserve, $3,000,000.00 from a dedicated Provincial UCPA grant and $2,633,000.00 from the unconditional Provincial UCPA grant. Provincial UCPA funding would not likely be approved until 2003; however, the administration has received a commitment from the Province that the funding pattern for transit bus purchases will continue. It should be noted that 2003 would be the first year of a new UCPA agreement.

Council approval is required for contract extensions that exceed $1,000,000.00.

The Financial Impact Statement is outlined on Attachment "A".

The Standing Policy Committee on Public Works recommends:

I. That the existing contract with New Flyer Industries Limited for the supply and delivery of 82 low floor transit buses, Tender No. 701-2000, be extended to include an additional 30 low floor transit buses to be delivered before December 31, 2003 in the amount of $10,806,660.00 excluding all taxes.

II. That the Province of Manitoba be requested to commit to funding 50% of the cost of the 2003 bus replacements.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Water Treatment for the City's Water Supply - Phase III
File WS-7 (Vol. 5)

627 - 2. On December 15, 1993, Council approved the creation of the Water Treatment Reserve Fund to cash finance a portion of the cost of a water treatment plant.

On May 26, 1999, Council approved a process for public consultation on whether or not to proceed with a water treatment plant.

On October 6, 1999, a Council Seminar was held to present a summary of water quality guidelines, public health risks and consequences, recommended water treatment process, cost and financing of a water treatment plant. On October 21 and 28, 1999, Special Meetings of the Executive Policy Committee were held to hear from the public on the need to construct a water treatment plant.

Subsequently on November 12, 2000, Council adopted the following recommendations:

1. The City proceed with treatment of the water supply as described herein.
2. Design and construction activities be undertaken so that the water treatment plant be operational in the year 2006.
3. That the water treatment process as identified through the pilot testing and described herein be adopted as the baseline process for comparison to alternatives and new technologies.
4. The Administration:
   a) Investigate and report on emerging technologies such as ultraviolet disinfection and membranes;
   b) Investigate and report on alternative project delivery strategies;
   c) Prepare documents in support of any application by Council for Federal and Provincial funding.

The water treatment proposal approved by City Council was designed to provide protection against Cryptosporidium and to reduce the level of disinfection by-products to meet current and future Canadian drinking water guidelines. The proposed treatment plant would also improve the taste and odour associated with algae in the water.

This report provides an update concerning the development of the water treatment plant pursuant to the recommendations Council adopted on November 12, 2000, except for items 4b (alternative service delivery) and 4c (application for Federal and Provincial funding), which will be dealt with later in, separate reports.

New Developments Concerning Water Treatment

A number of developments have occurred since the completion of the pilot test 1997, which formed the foundation of the selected baseline water treatment process recommended in November 2000. They are:

- Additional water industry research on the application of ozone in cold water has resulted in a change in the design standards (a significant dose increase) for Cryptosporidium inactivation. The estimated cost of the ozone system would need to be increased by $22 Million to meet the new requirement and the annual operating cost would increase $0.5 million. The use of UV disinfection for Cryptosporidium inactivation will avoid this cost increase.
- The Guidelines for Canadian Drinking Water Quality continue to become more stringent. The Federal-Provincial-Territorial Subcommittee on Drinking Water has proposed reducing the Turbidity guideline from 1.0 NTU to 0.3 NTU. Full water treatment will be required in order to meet this guideline. This change was anticipated in setting the pilot testing goals.
- Calgon Carbon Corporation has obtained a Canadian patent for the application of UV disinfection for the inactivation of Cryptosporidium. Under the existing patent the owner of a water treatment facility using UV disinfection is required to pay a royalty for the use of the technology. This royalty fee could amount to $400,000.00 annually for Winnipeg. Although it is uncertain as to whether the patent will withstand legal challenges, this cost has been carried in the economic analyses of all treatment options that use UV disinfection.
- The Water and Waste Department undertook a survey of customers in 1999. This survey identified that customers were concerned about drinking water safety and wanted more information concerning water quality. The survey was repeated in 2002 and the data indicates that satisfaction with water quality (those rating water quality as good or excellent) fell 7% over the three years to 57%. While unrelated to the recommendations herein, the Water and Waste Department is responding to our customers' desire for more information about water quality by issuing our first Winnipeg Water Quality Report to every household and business in Winnipeg during the week of June 24, 2002.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Emerging Water Treatment Technologies

Two emerging water treatment technologies, UV disinfection and membrane filtration, were further studied for application in Winnipeg. The costs and benefits of all process schemes that were developed as a result of this research were compared to the baseline process recommended in November 2000.

UV Disinfection and Alternate Disinfectants to Minimize Disinfection By-Products

Research relating to both UV disinfection and of formation of disinfection by-products of Shoal Lake unfiltered water was carried out under the auspices of a collaborative research project administered by the AWWA Research Foundation (AWWARF) for the City of Winnipeg. The total budget for the research was $517,905.00 U.S. Because it was believed that this research would benefit the water industry in general, AWWARF provided direct funding in the amount of $125,965.00 U.S. in support of the research, and researchers provided in-kind support of $125,965.00 US. As a result, Winnipeg's direct financial contribution to the research was limited to $125,965.00 U.S., and the Federal Green Municipal Enabling Fund contributed $90,000.00 Canadian in support of Winnipeg's efforts.

With respect to UV disinfection, the research has demonstrated that UV disinfection is effective for pathogen control (Giardia and Cryptosporidium) for unfiltered Shoal Lake water.

The AWWARF research concerning alternative disinfectants that could be used in conjunction with UV disinfection of unfiltered Shoal Lake water demonstrated that disinfection of the water delivered to distribution system using chloramines is viable and will reduce THMs to just below the current Canadian drinking water guideline.

Membrane Filtration

The second treatment technology studied was membrane filtration. The cost of membrane filters is declining as they become more popular. Raw water characteristics are critical to the successful operation of the membrane. The high levels of natural organics in Shoal Lake raw water require an extensive pre-treatment system, similar to what was selected as part of the baseline treatment process. A number of possible membrane systems were priced and compared to the baseline capital and operating costs using an evaluation model. Based upon this evaluation, it has been concluded that a water treatment plant based on a membrane filter system, estimated at $272 million capital and $26 million operating and maintenance, would not be as cost effective for Winnipeg as the baseline process.

Proposed Revisions to the Baseline Water Treatment Process to Include UV Disinfection

An extensive testing program was carried out to develop a baseline water treatment process to meet Winnipeg's water quality goals. A pilot water treatment plant was constructed and operated to test various treatment processes and to optimize treatment efficiency for Shoal Lake water. The baseline water treatment process is outlined in Attachment "A" and includes coagulation, dissolved air flotation, ozone, filtration, and disinfection using chloramines.

It has now been demonstrated that UV disinfection is effective for Shoal Lake water, and that it is more economical to use UV disinfection for pathogen control than to increase the capacity of the ozone step.

Accordingly, it is recommended that UV disinfection be integrated into baseline water treatment process and that all future water treatment alternatives will be evaluated against the baseline process with UV disinfection. In this process train, UV disinfection is used for pathogen control, and it is not necessary to increase the size of the ozone step to inactivate Cryptosporidium. Ozone is still required for virus control, and will significantly improve taste and odour and improve filter rates at minimal cost.

Capital Cost Impacts

The following project capital costs include: design, engineering, construction, environmental approvals, inflation, contingency and finance/administration charges.

- In 1999, the project cost of a water treatment plant was estimated at $204 million.
- The new cold water ozone disinfection requirements would increase this cost to $226 million.
- UV disinfection is a cost effective alternative to expanding the ozone capacity to achieve the same disinfection requirements. The capital cost of full treatment including this process is estimated at $214 million.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Operating Cost Impacts

Operating and maintenance costs include an allowance for property taxes and inflation to 2006. In 1999, the annual operating and maintenance costs were estimated at $12 million. The UV disinfection annual operating and maintenance are estimated at $0.75 million for a new total of $12.75 million.

Recommended Staging

In 1999, the financial plan and water rate model called for construction of the water treatment plant to commence in 2004 with an in-service date of 2006.

The additional investigation related to emerging water treatment technologies has identified a unique opportunity for the City to phase in water treatment. This strategy can enhance public health by providing some elements of water treatment in advance of full treatment and provide the required funding to deal with the increased cost of adding UV disinfection to the baseline water treatment process.

The recommended strategy is:

- Construct a UV disinfection facility in advance of the full water treatment plant to enhance pathogen control to protect public health.

- Convert the water distribution system to use chloramines instead of chlorine to reduce the current level of disinfection byproducts, after the UV disinfection facility is commissioned but prior to constructing the full water treatment plant.

- Continue to accumulate funds in the Water Treatment Plant Reserve by delaying the full water treatment plant in-service date by one year to late 2007, to permit funding of the UV disinfection facilities.

Impact on Capital Budget Estimates and Water Rates

On December 31, 2001, there was $53 million in the Water Treatment Plant Reserve. The capital estimates that are currently being carried in the Council approved budget documents are shown in Table 1. The capital budget impact of the proposed phased water treatment strategy that would delay the in-service for full treatment by one year is illustrated in Table 2.

Table 1: Existing Water Treatment Program Budget ($000)

WTP	Previous Approved	2002	2003	2004	2005	2006	2007	Total
Reserve	8,000	6,000	26,000	50,000	12,000			102,000
Debt				34,000	68,000			102,000
Total								204,000

Table 2: Proposed Water Treatment Program Budget ($000)

WTP	Previous Approved	2002	2003	2004	2005	2006	2007	Total
Reserve	8,000	6,000	6,000	26,000	50,000	16,000		112,000
Debt					34,000	68,000		102,000
Total								214,000

The impact of adding UV disinfection and delaying construction of full water treatment on water rates is estimated to be cost neutral. Cost savings from delayed debt financing and operating costs will offset the additional reserve contributions needed to fund the UV disinfection facility.

The Financial Impact Statement is outlined on Attachment “B” and has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

The Standing Policy Committee on Public Works recommends:

I. That the baseline water treatment process approved by Council be amended to include ultra violet (UV) light disinfection.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

II. That the schedule for implementation of water treatment approved by Council be amended to facilitate staged implementation, with construction of a UV disinfection facility to be operational in 2004, construction of a chloramination facility to be operational in 2005 and construction of the balance of the water treatment plant to be operational in 2007.

III. That membrane filtration not be considered for water treatment in Winnipeg, due to the high cost of the technology.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Lord Avenue Community Ring Dike
Local Improvement District Proposal
File SL-1 (Vol. 21)

628 - 3. The Standing Policy Committee on Public Works has been advised that the Canada-Manitoba-City of Winnipeg Agreement on Secondary Diking Enhancements is a funding agreement that allocates funding assistance to reduce the risk of future flooding for properties within the City of Winnipeg, north of the Red River Floodway and outside the Primary Diking System. The Agreement provides for a total of $1,400,000.00 for this project. The Government of Canada and the Province of Manitoba are each contributing $630,000.00 and the City of Winnipeg is contributing $140,000.00. Pursuant to the Council Order of June 23, 1999, the City's share of community ring dike costs is to be recovered from the benefiting property owners through the local improvement process.

District Local Improvement Process:

Section 392.1 of The City of Winnipeg Act provides a mechanism for conducting district local improvements. In the case of the Lord Avenue Community Ring Dike Project, the community has been consulted on flood mitigation options through public hearings held in the community by the Project Manager for this project. The community has indicated a willingness to proceed with the project. Accordingly, the local improvement process has been initiated by the city.

Under Section 392.1(5) of The City of Winnipeg Act, a local improvement district proposal may be initiated:

" (a) by the Council ".

City Council will be the initiating body in the case of the creation of local improvement districts for the purpose of building community ring dikes.

By-law No. 6990/97 sets out guidelines for the composition of a Committee of Council for a local improvement district and the procedures for giving of notice and conducting public hearings for proposed local improvement districts.

On May 22, 2002, Council passed By-law No. 8033/2002 that established the Councillors of Riel Community Committee as the District Proposal Committee for the proposed Lord Avenue Community Ring Dike. The District Proposal Committee subsequently called for a public hearing to take place on June 11, 2002, for the purpose of receiving representations from the public on the project.

Project Description:

The main components of the Lord Avenue Community Ring Dike are a segmental concrete block wall dike and earth fill placed as required to attain the designated flood protection level. The project includes purchasing the vacant property located between 32 and 38 Lord Avenue.

UMA Engineering Ltd., has been engaged as consulting engineers to prepare the final design and cost estimates and to undertake contract administration for this project.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

The conceptual design of the works to be constructed is outlined on Attachment "A".

Area affected by the Proposal and Lands to be Levied:

The area affected by the proposal and depicts the parcels that are subject to the local improvement levy are outlined on Attachment "B". The parcels on this map are referred to by tax roll number and can be cross-referenced to other parcel identifiers provided in this District Proposal.

Estimated Cost of the Project:

The Consultants have developed an estimated cost for this project based on site investigations and the final design criteria established for the project through consultation with federal and provincial technical representatives.

The estimated cost of the portion of the project is $1,400,000.00 that will be shared as follows; $630,000.00 by the Government of Canada, $630,000.00 by the Province of Manitoba, and $140,000.00 by the City of Winnipeg. Pursuant to the Council directive, the city share will be recovered from the benefiting property owners, except for the cost of purchasing the vacant property ($10,000) between 32 and 38 Lord Avenue. Therefore, $130,000 is subject to levy.

Method and Estimated Rate of Taxation:

Section 392.1(3) of the City of Winnipeg Act sets out the methods of taxation that may be used to levy the costs for a particular local improvement. In the case of the Lord Avenue Community Ring Dike, each benefiting parcel is to equally share the costs to be recovered by the local improvement, which can be paid as cash in the amount of $11,818 or financed over 20 years at a rate of $1,146.13 per year.

The table that identifies the parcel ID (City tax roll number), the parcel address, the parcel area, the estimated total cost per parcel if paid in cash and the estimated annual cost per parcel if added to the realty tax bill for 20 years, is outlined on Attachment "C".

Next Steps:

After completion of the public hearing process, the District Proposal will be forwarded to Council for first reading of the Lord Avenue Community Ring Dike District Local Improvement Bylaw. This will be followed by a notice of objection period as set out in the City of Winnipeg Act that allows property owners the right to object to the proposal. If owners of lands within a proposed local improvement district having a total area greater than 50% of the total area of all lands within the district object to the District Proposal, then it will not proceed.

The schedule of events proposed for the local improvement portion of this project is outlined on Attachment "D".

The Standing Policy Committee on Public Works recommends:

I. That the District Local Improvement for the Lord Avenue Community Ring Dike benefiting properties located at 4, 6, 8, 16, 28, 32, 38, 42, 44, 46, 48 Lord Avenue and the vacant property between 32 and 38 Lord Avenue be proceeded with.

II. That, subject to Council passing the Lord Avenue Community Ring Dyke Local Improvement District By-law:

A. The Director of Planning, Property and Development be authorized to negotiate the purchase of the lot located between 32 and 38 Lord Avenue, to a maximum amount of $100,000.00. The City of Winnipeg's portion of said purchase, ten percent (10%), will be funded from the Council approved Capital Budget for Permanent Secondary Dykes;

B. The City's portion of the cost of purchasing this vacant lot be excluded from the local improvement.

III. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary by-law in accordance with the foregoing and submit same directly to Council for approval.

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

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Proposed Parkwood Place Community Ring Dike Local Improvement District Files SL-1 (Vol. 21), PD (Vol. 15)

629 - 4. The Standing Policy Committee on Public Works has been advised that the Canada-Manitoba-City of Winnipeg Agreement on Secondary Diking Enhancements is a funding agreement that allocates funding assistance to reduce the risk of future flooding for properties within the City of Winnipeg, north of the Red River Floodway and outside the Primary Diking System. The Agreement provides for a total of $350,000.00 for this project. The Government of Canada and the Province of Manitoba are each contributing $157,500.00 and the City of Winnipeg is contributing $35,000.00. Pursuant to the Council Order of June 23, 1999, the City's share of community ring dike costs is to be recovered from the benefiting property owners through the local improvement process.

District Local Improvement Process:

Section 392.1 of The City of Winnipeg Act provides a mechanism for conducting district local improvements. In the case of the Parkwood Place Community Ring Dike Project, the community has been consulted on flood mitigation options through public hearings held in the community by the Project Manager for this project. The community has indicated a willingness to proceed with the project. Accordingly, the local improvement process has been initiated by the city.

Under Section 392.1(5) of The City of Winnipeg Act, a local improvement district proposal may be initiated:

" (a) by the Council ".

City Council will be the initiating body in the case of the creation of local improvement districts for the purpose of building community ring dikes.

By-law No. 6990/97 sets out guidelines for the composition of a Committee of Council for a local improvement district and the procedures for giving of notice and conducting public hearings for proposed local improvement districts.

On May 22, 2002, Council passed By-law No. 8032/2002 that established the Councillors of Riel Community Committee as the District Proposal Committee for the proposed Parkwood Place Community Ring Dike. The District Proposal Committee subsequently called for a public hearing to take place on June 11, 2002, for the purpose of receiving representations from the public on the project.

Project Description:

The two main components of the proposed Parkwood Place Community Ring Dike are construction of approximately 140 lineal metres of double sided segmental block wall dike and placement of additional clay on approximately 410 lineal metres of existing clay dike as required to attain the designated flood protection level.

KGS Group has been engaged as consulting engineers to prepare the final design and cost estimates and to undertake contract administration for this project.

The conceptual design of the works to be constructed is outlined on Attachment "A".

Area affected by the Proposal and Lands to be Levied:

The area affected by the proposal and depicts the parcels that are subject to the local improvement levy are outlined on Attachment "B". The parcels on this map are referred to by tax roll number and can be cross-referenced to other parcel identifiers provided in this District Proposal.

Estimated Cost of the Project:

The Consultants have developed an estimated cost for this project based on site investigations and the final design criteria established for the project through consultation with federal and provincial technical representatives.

The estimated cost of the project is $350,000.00 and will be shared as follows; $157,500.00 by the Government of Canada, $157,500.00 by the Province of Manitoba, and $35,000.00 by the City of Winnipeg. Pursuant to the Council directive, the city share will be recovered from the benefiting property owners through a local improvement.

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Method and Estimated Rate of Taxation:

Section 392.1(3) of the City of Winnipeg Act sets out the methods of taxation that may be used to levy the costs for a particular local improvement. In the case of the proposed Parkwood Place Community Ring Dike the area of the benefiting parcel is the method to be employed.

The table that identifies the parcel ID (City tax roll number), the parcel address, the parcel area, the estimated total cost per parcel if paid in cash and the estimated annual cost per parcel if added to the realty tax bill for 20 years, is outlined on Attachment "C".

Next Steps:

After completion of the public hearing process, the District Proposal will be forwarded to Council for first reading of the proposed Parkwood Place Community Ring Dike District Local Improvement Bylaw. This will be followed by a notice of objection period as set out in the City of Winnipeg Act that allows property owners the right to object to the proposal. If owners of lands within a proposed local improvement district having a total area greater than 50% of the total area of all lands within the district object to the District Proposal, then it will not proceed.

The schedule of events proposed for the local improvement portion of this project is outlined on Attachment "D".

The Standing Policy Committee on Public Works recommends:

I. That the District Local Improvement for the Parkwood Drive Community Ring Dyke benefiting properties located at 564, 565, 568, 569, 572, 573 and 577 Parkwood Place and 110 King's Drive be proceeded with.

II. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary by-law in accordance with the foregoing and submit same directly to Council for approval.

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

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Transcona North-South Route
Files T (Vol. 4)

630 - 5. The Standing Policy Committee on Public Works has been advised that the Transcona North-South Route was originally recommended in the Winnipeg Area Transportation Study completed in 1968. Subsequently, as outlined on Attachment "A", this Project was included in the transportation component of the inaugural version of Plan Winnipeg, which was adopted in 1986. It was also included in the subsequent version, Plan Winnipeg Toward 2010, which was adopted in 1993.

Most recently, the document titled Plan Winnipeg – 2020 Vision has been adopted by both the Province and City Council. The recommended transportation plan in this document excludes the section of the Transcona North-South Route south of Ravelston Avenue West and realigns this roadway to follow the Ravelston Avenue West alignment to Plessis Road. Attachment "B" outlines the Transcona North-South Route alignment contained in Plan Winnipeg – 2020 Vision. Official cancellation of this Project south of Ravelston Avenue West would, therefore, comply with the recommendations of Plan Winnipeg - 2020 Vision.

If the Transcona North-South Route south of Ravelston Avenue West is cancelled, the properties currently being retained for this Project should be reviewed by all City Departments to precisely define which portions of these properties are surplus to the City's needs and to ascertain if there are alternate uses by the City for these properties.

On October 6, 1982, City Council approved policies concerning the property acquisition program for future regional transportation purposes. One of there policies is as follows:

> "The monies realized from the sale of any properties acquired for future transportation purposes as the result of the cancellation of a transportation project by City Council shall be returned to the Land Acquisition Account for Future Regional Transportation Facilities of the Streets and Transportation Department."

Report of the Standing Policy Committee on Public Works dated June 25, 2002

Therefore, any and all proceeds resulting from the disposition/sale of properties retained for the Transcona North-South Route south of Ravelston Avenue West and declared surplus to the City's needs should be credited to the Land Acquisition - Transportation Right-of-Way Account of the Public Works Department.

The official cancellation of a portion of a transportation project for which properties have been acquired and are being reserved by the City requires approval by City Council.

The Financial Impact Statement is outlined on Attachment "C".

On June 25, 2002, the Standing Policy Committee on Public Works considered a report from the Director of Public Works, dated May 16, 2002, and concurred in the recommendations, with the following amendments, namely:

- That the properties acquired and/or retained for the Transcona North-South Route south of Ravelston Avenue West be designated as follows:

  Ravelston Avenue West, south to Regent Avenue be declared Parks and Open Space, Regent Avenue, south to Pandora Avenue be declared surplus.

- That Pandora Avenue, south to Dugald Road be reviewed by all City Departments to precisely define which properties may be declared surplus to the needs of the City.

The Standing Policy Committee on Public Works therefore recommends:

I. That the portion of the Transcona North-South Route south of Ravelston Avenue West be cancelled.

II. That the properties acquired and/or retained for the Transcona North-South Route south of Ravelston Avenue West be designated as follows:

   a. Ravelston Avenue West, south to Regent Avenue be declared Parks and Open Space,

   b. Regent Avenue, south to Pandora Avenue be declared surplus.

III. That Pandora Avenue, south to Dugald Road be reviewed by all City Departments to precisely define which properties may be declared surplus to the needs of the City.

IV. That any and all proceeds resulting from the disposition/sale of properties declared surplus to the needs of the City be credited to the Land Acquisition - Transportation Rights-of-Way Account of the Public Works Department.

V. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Local Improvement Projects to be Funded and Constructed in 2003
File SL(2002) (Vol. 1)

631 - 6. At its meeting held on June 25, 2002, the Standing Policy Committee on Public Works considered and concurred in the recommendations of the Community Committees with respect to the Local Improvement Status Report of projects advertised on March 25, 2002, and pursuant thereto recommends:

Report of the Standing Policy Committee on Public Works dated June 25, 2002

I. That the following local improvements be proceeded with, namely:

TYPE	*DESCRIPTION*	*PETITION (For/Against) AND PERCENTAGE SIGNED*	*PROJECT COST*
CITY CENTRE COMMUNITY			
16’ x 6” Concrete Lane Pavement	On all lanes in the block bounded by Berwick Place, Hugo Street South and Argue Street	Against Not Returned	$150,000.00
Ornamental Lane Lighting	On the lane in the block bounded by Taylor Avenue, Pembina Highway and Stafford Street	n/a	$9,000.00
EAST KILDONAN-TRANSCONA COMMUNITY			
5’ Concrete Sidewalk	On the south side of Pandora Avenue West from Robson Street to the west line of Owen Street (Note: the property on both sides of the street will be assessed for the construction of this improvement)	Against Not Returned	$76,000.00
Lane Lighting	On the first east-west lane south of Devon Avenue from Brazier Street to the west line of Euston Street	Against Not Returned	$2,500.00
LORD SELKIRK-WEST KILDONAN COMMUNITY			
16’ x 6” Concrete Lane Pavement	On the first east-west lane north of Leila Avenue from the first north-south lane outlet west of Allan Blye Drive to and including the second north-south lane outlet onto Leila Avenue west of Allan Blye Drive	n/a	$50,000.00
Ornamental Lane Lighting	On the lane bounded by Timmins Avenue and Brophy Avenue, Dexter Street and Weitzel Street, including the lane outlet onto Brophy Avenue	n/a	$35,000.00

II. That in accordance with the policy for funding local improvements adopted by Council on July 22, 1998, as outlined in Clause 1 of the Report of the Standing Committee on Fiscal Issues dated July 13, 1998, construction be deferred until the year 2003, and necessary funding be identified in the 2003 Annual capital Estimates.

III. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary Local Improvement By-law in accordance with the foregoing and submit same directly to Council for approval.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED JULY 9, 2002

On motion of Councillor Angus, the Report of the Standing Policy Committee on Public Works, dated July 9, 2002, was considered.

Moved by Councillor Angus,
That the Consent Agenda, Clause 1, be adopted.

Councillor De Smedt requested that Clause 1 be pulled from the Consent Agenda.

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)

632 - 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.

Report of the Standing Policy Committee on Public Works dated July 9, 2002

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.

Report of the Standing Policy Committee on Public Works dated July 9, 2002

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.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by Councillor Angus,
Adoption of the clause.

Carried.

STANDING POLICY COMMITTEE ON PUBLIC WORKS

CONSIDERATION OF BY-LAWS

633 - On motion of Councillor Angus, the following by-laws were each read a first time, namely:

By-law No. 8087/2002, a by-law of The City of Winnipeg authorize the undertaking of local improvements in the Parkwood Place Community Ring Dike Local Improvement District. File SL-1 (Vol. 21)

By-law No. 8088/2002, a by-law of The City of Winnipeg to authorize the undertaking of local improvements in the Lord Avenue Community Ring Dike Local Improvement District. File SL-1 (Vol. 21)

Councillor Angus moved that this constitute the first reading of By-law Nos. 8087/2002 and 8088/2002, which motion was carried.

On motion of Councillor Angus, By-law No. 8061/2002, a by-law of The City of Winnipeg to authorize the undertaking of local improvements in the Kilkenny Drive North Community Ring Dike Local Improvement District, was read a second and third time, and was passed and ordered to be signed and sealed. File SL-1 (Vol. 21), PD (Vol. 15)

On motion of Councillor Angus, By-law No. 8082/2002, a by-law of The City of Winnipeg to authorize the undertaking of certain local improvements during the year 2002, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed. File SL(2001) (Vol. 1)

On motion of Councillor Angus, the rule was suspended and By-law No. 8098/2002, a by-law of The City of Winnipeg to amend By-law No. 1481/77, being the City of Winnipeg Streets By-law, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed. File ST-5(31) (Vol. 4)

STANDING POLICY COMMITTEE ON PUBLIC WORKS

QUESTION PERIOD

634 - Councillor Smith inquired why it takes so long for pot holes to be fixed and questioned if it was due to a shortage of manpower or a budget shortage.

Councillor Angus noted that there have been some difficulties in budgets and that more money was required in order to do the type of work that is needed.

Councillor De Smedt referred to the construction of the Provencher pedestrian bridge and the $4.5 million extra expenditure and noted that concrete abutments have already been poured. In view of this, he asked whether City Council really did have a choice in whether or not to proceed despite the cost overrun.

Councillor Angus noted that a certain amount of work had already been done and that it would not make sense to not proceed.

Councillor De Smedt questioned what was happening surrounding all the public releases about the Convention Centre, and questioned if there was going to be a major expenditure which had not yet been discussed by City Council.

Councillor Angus noted that the Convention Centre was an arms length corporation and that they had not officially come to the table on what they are doing. Councillor Angus suggested that the question should be directed to the General Manager of the Convention Centre, but stated that he would undertake to try and get some information for all members of Council on what is happening.

Standing Policy Committee on Public Works – Question Period (continued)

Councillor Steeves wished clarification if there was a contingency built into the Provencher Bridge project to cover over expenditures.

Councillor Angus responded that there was a $2 million contingency that did cover unforeseen additional expenses with the project. If the fund were not expended, it would be applied towards the overall cost projections that have inflated since the tender.

Council here reverted back to consider the order of business – Report of the Executive Policy Committee dated July 17, 2002.