

**Minutes – Standing Policy Committee on Finance – January 9, 2018**

**REPORTS**

**Item No. 4                      Expansion of Transit Vehicle Overhaul and Maintenance Facilities**

**STANDING COMMITTEE DECISION:**

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service that the financial status of the Expansion of Transit Vehicle Overhaul and Maintenance Facilities, be received as information.

**Minutes – Standing Policy Committee on Finance – January 9, 2018**

DECISION MAKING HISTORY:

Moved by Councillor Allard,

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

Carried

# ADMINISTRATIVE REPORT

**Title:** Expansion of Transit Vehicle Overhaul and Maintenance Facilities,  
Project ID: 4210000417,  
Quarterly Project Status Report No. 12  
For the Period Ended September 30, 2017

**Critical Path:** Standing Policy Committee on Finance

## AUTHORIZATION

Author	Department Head	CFO	CAO
T. VanDekerkhove	G. Ewankiw	B. D'Avignon, Acting for M. Ruta	G. Chartier, Acting for D. McNeil

## EXECUTIVE SUMMARY

**Project On Schedule:** Yes  No

**Project On Adopted Budget:** Yes  No

**Percent of Schedule Complete:**

**Percent of Adopted Budget Spent:**

The project is awarded to PCL Constructors Canada Inc. in the amount of \$43,992,954, and is currently in the design phase. The contractor has complete 60% of the design and has submitted plans to the City for permitting.

Substantial Performance is scheduled for January 28, 2019.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance.

## RECOMMENDATIONS

That the financial status of the Expansion of Transit Vehicle Overhaul and Maintenance Facilities, as contained in this report, be received as information.

## REASON FOR THE REPORT

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$22 million (2018) or more report quarterly to the Standing Policy Committee on Finance. This threshold is adjusted annually for construction inflation as part of the annual

Capital Budget approval. The Standing Policy Committee on Finance may also request reporting on any capital project.

**IMPLICATIONS OF THE RECOMMENDATIONS**

No implications.

**HISTORY/DISCUSSION**

See Appendix C – Key Project Events (History)

**The Project is currently in the Design and Permitting Phase** (Update from last report)

The contractor has been meeting with Transit staff to validate the building addition requirements and their proposed design. Plans have been submitted to the City for permitting. The contractor has received the permit for the temporary bus exit door and expects the foundation permit in late December 2017.

Table 1 – Contracts

Contracts							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Total Completion	Estimated % Complete
1158-2015	Colliers Project Leaders Inc.	Owner Advocate/Project Management Services	\$ 759,918	\$ 347,503	8-Apr-2016	1-Mar-2019	49%
757-2016B	PCL Constructors Canada Inc.	Design Builder	\$ 43,992,954	\$ -	11-Jul-2017	1-Mar-2019	9%
643-2017	Manitoba Hydro	25k V Service Upgrade	150,000.00	-	27-Jul-17	2-Mar-2019	0
			-	-			
			-	-			
		<b>Total</b>	<b>\$ 44,902,872.00</b>	<b>\$ 347,503</b>			

**Upcoming Procurements:**

Description	Anticipated Award Date

**Schedule** (Update from last report)

Project is on schedule

There is approximately 3 week delay with the re-zoning of the Brandon Ave property due to lengthy review process involved in the registration of the legal plan at Land Titles. This delay does not impact the project schedule.

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Award of Contract: Garage Expansion	2017 Q2	2017 Q3	2017 Q3	100%
2	Mulvey Avenue Temporary Parking Lot Complete	2017 Q3	2017 Q3	2017 Q4	100%
3	Brandon Parking Lot Rezoning	2017 Q3	2018 Q1		90%
4	Start of Construction	2017 Q4	2017 Q4	2017 Q4	100%
5	Brandon Avenue Parking Lot Complete	2017 Q4	2018 Q2		0%
6	Construction of Interior Office Fit-up Start	2018 Q1	2018 Q1		0%
7	Substantial Performance - Building available for occupancy	2018 Q4	2019 Q1		0%
8	Total Performance	2019 Q1	2019 Q1		0%
9	LEED NC Silver Certification Complete	2020 Q4	2020 Q4		0%
10					

**Risk** (Update from last report)

The key project risk is the completion of the project by the Public Transit Infrastructure Funding deadline of March 2019.

During site preparations, crews discovered a previously unknown gas main in close proximity to the proposed addition. Relocation of the gas main is required to accommodate the addition. There are no anticipated additional project costs associated with the gas relocation work.

Table 3 – Significant Risks and Mitigations Strategies

<b>Significant Risks and Mitigation Strategies</b>	
<b>Risk Statement and Explanation</b>	<b>Risk Mitigation Management Plan</b>
<b>New:</b>	
Manitoba Hydro (Centra) needs to relocate gas line, then abandon line below expansion footprint	Working with Hydro to expedite easement and relocation work.
<b>Ongoing:</b>	
Owner initiated changes after approvals/decisions will cause delays and increase costs.	Diligent evaluation of benefits to requested changes is required.
Existing equipment or systems infrastructure may be determined by Authority Having Jurisdiction (AHJ) as non-compliant with current codes, and could impact cost and schedule.	Contingency will be drawn on as AHJ responds to permit application with requirements.
Schedule risk to meet deadline of March 2019 for Public Transit Infrastructure Fund.	Diligent adherence to contractor schedule is critical.
Timely execution of the Federal and Provincial funding agreements.	Finalization of the Provincial and Federal funding agreements are underway.
The maintenance facility operates 24 hours per day, 365 days per year and the efficiency of the operation cannot be compromised.	Strong emphasis on project staging during construction management of the project.
Schedule risk due to permit approval process	Diligent adherence to City and Contractor submission requirements
Schedule risk due to plan review timing	Diligent adherence to required review timelines
Schedule risk due to re-zoning approval	Diligent adherence to City requirements for submissions in timely fashion
Area residents may be concerned with the proposed expansion and impacts on neighbourhood traffic.	Planned ongoing stakeholder engagement and Public Open House planned.
<b>Mitigated:</b>	
Employee parking will be displaced by the building expansion. Temporary parking off-site needs to be prepared.	Temporary parking lot complete at 409 Mulvey.

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast

**Funding** (Update from last report)

No Update

Table 4 – Project Funding Forecast and Receivable

<b>Funding Source</b>	<b>Adopted Budget (in millions)</b>	<b>Amended Budget (in millions)</b>	<b>Committed (in millions)</b>
<b>Class of Estimate</b>	<b>Class III</b>		
- Transfer from Prior Year Authorization	9.16	9.16	9.16
- Retained Earnings	5.04	5.04	5.04
- Transfer from Prior Year Authorization - Manitoba Winnipeg Infrastructure Agreement (MWIA)	13.00	13.00	13.00
- Public Transit Infrastructure Fund (PTIF)	26.00	26.00	26.00
<b>Total</b>	<b>53.20</b>	<b>53.20</b>	<b>53.20</b>

Federal and provincial funding have been approved with signed agreements pending.

**Property Acquisition** (Update from last report)

Rezoning of a vacant residential property on Brandon Avenue necessary for the new parking lot is ongoing.

**Stakeholder Engagements/Communications** (Update from last report)

Updates to the website and project Stakeholders are ongoing.

**Subsequent Events after Report Period End Date**

1. Stakeholder meeting held November 6, 2017.
2. Public Information Session held November 16, 2017.
3. November 20, 2017: Construction starts on project early works, which includes new south exit and perimeter roadway around expansion footprint.

**FINANCIAL IMPACT**

**Financial Impact Statement**    Date: [December 20, 2017](#)

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**Project Name:**

**Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,**

**Project ID: 4210000417,**

**Quarterly Project Status Report No. 12**

**For the Period Ended September 30, 2017**

**COMMENTS:**

There is no financial impact as this report is for information only.

**original signed by** \_\_\_\_\_

Laurie Fisher, CPA, CA

Manager of Finance and Administration



## CONSULTATION

This Report has been prepared in consultation with:

N/A

## OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1: Provide efficient and focused civic administration and governance. This report supports demonstration of accountability through service performance measurement and reporting.

## SUBMITTED BY

**Department:** Transit  
**Division:** Asset Management Office  
**Prepared by:** Tim VanDekerkhove, Project Manager  
**Date:** December 20, 2017

### Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

<b>Appendix A – Key Project Facts</b>	
<b>Project Name</b>	Expansion of Transit Vehicle Overhaul and Maintenance Facilities
<b>Business Owner (Department)</b>	Transit
<b>Project ID</b>	4210000417
<b>Project Sponsor</b>	Greg Ewankiw, Acting Director of Transit
<b>Department Responsible for Project Delivery</b>	Transit
<b>Consultant Engineer</b> (Company Name)	Colliers Project Leaders Inc.
<b>Adopted Budget</b>	\$53.2 M
<b>Class of Estimate (Adopted)</b>	3
<b>Range of Estimate (Adopted)</b>	-20% to +30%; (\$42.56 M to \$69.16 M)
<b>Amended Budget</b>	
<b>Class of Estimate (Amended)</b>	
<b>Range of Estimate (Amended)</b>	
<b><u>Project Scope</u></b>	
Expansion of the Transit Vehicle Overhaul and Maintenance Facilities	
Interior Office Fit-up	
Upgrade of 421 Osborne St Electrical System, including backup generators	
Construction of employee parking area on Brandon Avenue	
<b>Major Capital Projects Advisory Committee Membership:</b>	
<ul style="list-style-type: none"> <li>- Greg Ewankiw, Acting Director of Transit</li> <li>- Georges Chartier, Chief Asset &amp; Project Management Officer, Office of the CAO</li> <li>- John Kiernan, Director of Planning, Property and Development</li> <li>- Scott Payne, Manager, Asset Management Office</li> <li>- Laurie Fisher, Manager of Finance &amp; Administration</li> </ul>	

## Appendix B – Financial Forecast

**Appendix B - Expansion of Transit Vehicle Overhaul and Maintenance Facilities \***  
As at September 30, 2017

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)					Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance	
	Adopted Budget	Council Approved Change	Amended Budget	Actual Costs To Sept 30, 2017	Projected Costs							Total Forecasted Costs
					2017	2018	2019	2020				
Engineering, Design and Other	\$ 1,100		\$ 1,100	\$ 782	\$ 100	\$ 100	\$ 118	\$ -	\$ 1,100	\$ -	\$ -	\$ -
Construction	\$ 41,500		\$ 41,500	\$ -	\$ 5,000	\$ 29,200	\$ 9,793	\$ -	\$ 43,993	\$ (2,493)	\$ (2,493)	\$ -
Land Acquisition	\$ -		\$ -	\$ -			\$ 100	\$ -	\$ 100	\$ (100)	\$ (100)	\$ -
Internal Financing / Overhead Costs	\$ 500		\$ 500	\$ 134	\$ 179	\$ 331	\$ 156	\$ -	\$ 800	\$ (300)	\$ (300)	\$ -
Contingency	\$ 10,100		\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ 7,207	\$ 7,207	\$ 2,893	\$ 2,893	\$ -
<b>Total Project Budget</b>	<b>\$ 53,200</b>	\$ -	<b>\$ 53,200</b>	<b>\$ 916</b>	<b>\$ 5,279</b>	<b>\$ 29,631</b>	<b>\$ 10,167</b>	<b>\$ 7,207</b>	<b>\$ 53,200</b>	<b>\$ -</b>		
<b>% of Project Budget Spent</b> (Actual Costs to Date / Adopted & Amended Budget)	2%		2%									

\* Amended budget and actual costs to date have been agreed to the City's general ledger and Monthly Capital Expenditures Report.

## **Appendix C – Key Project Events (History)**

April 7, 2016: Contract for an Owner Advocate/Project Manager for the Transit Vehicle Overhaul and Maintenance Facility Expansion project was awarded to Colliers Project Leaders in the amount of \$759,918.00.

December 14, 2016: Council approved a report submitted by Transit titled Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project.

- That the Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project be approved with an approved 2017 capital budget of \$53.2 million.
- That the Winnipeg Public Service be authorized to proceed with the Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project as a Design-Build delivery model.
- That the Standing Policy Committee on Infrastructure Renewal and Public Works be delegated authority to approve the contract, upon confirmation satisfactory to the Chief Financial Officer of federal and provincial funding.

September 23, 2016: Request for Qualification (RFQ 757-2016A) to shortlist qualified Design-Build Contractors closed, and three contractors were notified of their inclusion on the short list on January 26, 2017.

May 16, 2017: A Request for Proposal (RFP 757-2016B) closed on.

July 11, 2017: Standing Policy Committee on Infrastructure Renewal and Public Works (SPC-IRPW) awarded the project to PCL Constructors Canada Inc. in the amount of \$43,922,954.00.

November 20, 2017: Construction starts on project early works, which includes new south exit and perimeter roadway around expansion footprint.