

**Agenda – Standing Policy Committee on Finance and Economic Development –  
April 28, 2023**

**REPORTS**

**Item No. 2                    North Garage Replacement  
                                  Project ID: 4210000421  
                                  Quarterly Project Status Report No. 01  
                                  For the Period Ended February 28, 2023**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

1.        That the financial status of the North Garage Replacement, as contained in this report, be received as information.
2.        That quarterly reporting be suspended and the next reporting on the Project occur in 2023 Q4 given the timing of the on-going land acquisition process and the Project being in the pre-design phase. The project reporting schedule would be as identified in the Major Capital Projects Reporting Schedule.

# ADMINISTRATIVE REPORT

**Title:** North Garage Replacement  
Project ID: 4210000421  
Quarterly Project Status Report No. 01  
For the Period Ended February 28, 2023

**Critical Path:** Standing Policy Committee on Finance and Economic Development

## AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder	G. Ewankiw	J. Speidel, acting for C. Kloepper	M. Jack

## EXECUTIVE SUMMARY

Project On Schedule: Yes  No

Project On Adopted Budget: Yes  No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

This is the first quarterly report to the Standing Policy Committee on Finance and Economic Development for this project.

The project will see the replacement of Winnipeg Transit's existing North Garage, currently located at 1520 Main Street, at a new location. The project includes the development of an energy efficient Transit bus storage, servicing and maintenance facility with increased bus capacity designed to facilitate the transition to a zero-emission bus fleet.

On April 29, 2021, Council directed the Public Service to submit the North Garage Replacement project to the Investing in Canada Infrastructure Program (ICIP) program for Federal and Provincial contribution funding. On November 16, 2022, the City received the notification letter from the Province of Manitoba formally advising that the project has been approved for Federal and Provincial funding under the ICIP program. Subsequently, on December 5, 2022, the City received the approval letter which confirmed that that the City is able to start making expenditures on this project. The Contribution Agreement outlining funding terms and conditions has not yet been received from the Province.

The \$200.066 million budget and Class 5 Estimate for this project were developed in 2019 and 2020. It is expected that the delays in approval and higher than estimated inflation since that time will have an impact on the project budget and schedule. However, the full impact to the North Garage Replacement will not be known until land is secured and the preliminary design and Class 3 estimate of the facility is completed (expected in early 2024).

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

**RECOMMENDATIONS**

- 1. That the financial status of the North Garage Replacement, as contained in this report, be received as information.
  
- 2. That quarterly reporting be suspended and the next reporting on the Project occur in 2023 Q4 given the timing of the on-going land acquisition process and the Project being in the pre-design phase. The project reporting schedule would be as identified in the Major Capital Projects Reporting Schedule.

**REASON FOR THE REPORT**

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$25 million (2023) or more report quarterly to the Standing Policy Committee on Finance and Economic Development. This threshold is adjusted for construction inflation as part of the Multi-Year Budget process. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

**IMPLICATIONS OF THE RECOMMENDATIONS**

No implications.

**HISTORY/DISCUSSION**

See Appendix C – Key Project Events (History)

**Pre-Design Phase**

The existing North Garage located at 1520 Main Street is Winnipeg Transit’s oldest facility, having opened in the 1930s as a streetcar storage building. The building is in poor condition and functionally obsolete.

The North Garage was designed for vehicles of another era, and cannot accommodate articulated buses, buses with bike racks, or even the newer buses in Transit’s fleet equipped with roof-mounted air conditioners. It cannot be upgraded to accommodate zero-emission buses.

The design and construction of a Transit bus parking, servicing, maintenance and repair garage to replace North Garage is one of Winnipeg Transit’s highest priority infrastructure projects. It is vital for the replacement to be constructed in order to mitigate the current risks to Winnipeg Transit’s operations, to allow for additional 60-foot buses to be added to the fleet, as well as the expansion of the zero-emission bus program.

The Public Service completed a qualitative analysis of procurement options and determined that

delivery of the Project via either a Design-Bid-Build (DBB), Design-Build (DB) or Construction Management (CM) approach may be appropriate. The design and outfitting of the Project will be heavily influenced by the on-going Transition to Zero-Emission Bus (ZEB) program and, based on current economic conditions, inflationary increases and evolving ZEB technology, additional risk would be created by utilizing a DB or CM approach. As a result, and based on the Public Service's experience with previous DB Transit garage projects and Public-Private-Partnerships, this project is planned to be delivered through a DBB process.

The land footprint and design of the facility are planned to accommodate provisions for the installation of the required infrastructure for the storage and fueling of zero-emission buses as well as the expansion of the garage in future phases. This first phase of the garage is expected to be approximately 39,500 square metres in size with a possibility of expanded up to approximately 60,000 square metres in the future depending on fleet size and operational requirements.

Request for Proposal (RFP) No. 980-2022 Professional Consulting Services for Owner Advocate Project Management was awarded to Dillon Consulting in the amount of \$1,060,000.

An RFP for Professional Consulting Services for the design of the replacement garage will be issued once the land is secured.

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
980-2022	Dillon Consulting Ltd.	Professional Consulting Services for Owners Advocate Project Manager for North Garage Replacement	\$ 1,060,000.00	\$ -	Feb. 28, 2023		<1%
			-	-			
			-	-			
			-	-			
			-	-			
		<b>Total</b>	<b>\$ 1,060,000.00</b>	<b>\$ -</b>			

**Upcoming Procurements:**

Description	Anticipated Award Date
Professional Consulting Services for Design of the North Garage Replacement	2023 Q3
Tender for Construction of the North Garage Replacement	2024 Q3

**Schedule**

- The current forecasted date for Total Completion is March 31, 2027. However, the full impact from the funding delay to the North Garage Replacement schedule will not be known

until land is secured and the preliminary design and Class 3 estimate of the facility is completed (expected in early 2024). Until then, the project remains at a Class 5 estimate.

- In 2022, recognizing impacts from the pandemic, the Federal Government announced through their annual budget an extension of the ICIP completion deadlines from 2027 to 2033. Further details will be made available once the bilateral agreements between the parties are updated.

Table 2 – Milestones

	<b>Deliverable</b>	<b>Original Targeted Completion Date</b>	<b>Revised Targeted Completion Date</b>	<b>Actual Completion Date</b>	<b>Estimated % Complete</b>
1	Design Consultant Contract	2023 Q3			0%
2	Preliminary Design	2024 Q1			0%
3	Detailed Design	2024 Q2			0%
4	Construction Contract	2024 Q3			0%
5	Substantial Performance	2026 Q4			0%
6	Total Performance	2027 Q1			0%
7					
8					
9					
10					

## **Risk**

The impact of Federal and Provincial approval delays and increased inflation rates on the Project are still being determined. The major project risks are identified in Table 3.

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>	
Delay in project approval has delayed acquisition of required land. As a result, time to acquire land may impact the project budget and schedule.	Accelerated acquisition or expropriation of privately owned land if required. Exploration of an alternative site.
Delay in project approval has resulted in inflationary cost increases.	Request budget adjustment. Alternatively, reduce scope of work or procurement of process equipment to offset additional costs.
Delay in project approval has impacted the project schedule.	Request an extension to the project deadline.
<b>Ongoing:</b>	
n/a	
<b>Mitigated:</b>	
n/a	

**Financial**

The financial forecast is disclosed in Appendix B.

**Funding**

The total anticipated budget is presented in Table 4 below.

For additional information, refer to Appendix C- Key Project Events for historical details.

Table 4 – Project Funding Forecast

<b>Funding Forecast and Receivable</b>			
<b>Funding Source</b>	<b>Adopted Budget (in millions)</b>	<b>Forecasted Budget (in millions)</b>	<b>Total Budget (in millions)</b>
<b>Class of Estimate</b>	<b>5</b>		
<b>City of Winnipeg</b>			
Cash to Capital	0.45	0.96	1.41
Retained Earnings	4.50	-	4.50
External Debt	40.79	19.50	60.29
<b>Subtotal City of Winnipeg</b>	<b>45.74</b>	<b>20.46</b>	<b>66.20</b>
<b>Federal Government of Canada</b>			
Investing in Canada Infrastructure Program (ICIP)	47.36	25.66	73.02
<b>Province of Manitoba</b>			
Investing in Canada Infrastructure Program (ICIP)	39.46	21.39	60.85
<b>Total</b>	<b>132.56</b>	<b>67.51</b>	<b>200.07</b>

\* Adopted/Forecasted budget(s) as approved by Council on April 29, 2021.

### **Property Acquisition**

In 2017, the Public Service began a review of possible sites for the North Garage Replacement and initially focused on available City-owned land.

In 2020, the search was expanded to include most of the City through an Expression of Interest (EOI). The EOI sought invitations for 10 to 32-acre available sites and resulted in one responsive property. The Public Service was unable to pursue the site due to the delay in project funding partner approval. The Public Service subsequently issued a second EOI in 2022 and only one response was received. The responsive property was a suitable location but had several limitations including site remediation, extensive demolition of facilities and termination of existing tenancies.

Throughout the City’s search for a suitable site, the Public Service has continually canvassed land owners for available property or completed regular searches of commercial property listings.

In mid-2022, the Public Service began exploring the possibility of a land assembly to secure the required property. The new property identified is a mix of City-owned and private parcels held by two companies. In late 2022, the Public Service began negotiating with the owners of both properties and those negotiations remain on-going and are planned to be complete in 2023 Q4.

### **Stakeholder Engagements/Communications**

Transit is in the process of creating the project website and tri-level government project funding signage.

There will be public engagement sessions prior to the start of construction, with the first session occurring at approximately 50% design completion to inform and get input from stakeholders. If it is required, a second session will be held nearer to completion of the Project design.

### **Subsequent Events after Report Period End Date**

n/a



**FINANCIAL IMPACT**

**Financial Impact Statement Date:** [March 30, 2023](#)

---

**Project Name:**  
**North Garage Replacement**  
**Project ID: 4210000421**  
**Quarterly Project Status Report No. 01**  
**For the Period Ended February 28, 2023**

**COMMENTS:**

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

*Merrilee Kray for Laurie Fisher*

Laurie Fisher, CPA, CA

Manager of Finance & Administration

## **CONSULTATION**

This Report has been prepared in consultation with:

n/a

## **OURWINNIPEG POLICY ALIGNMENT**

Goal: Environmental Resilience

Objective 2: Prioritize sustainable transportation as the mobility options of choice

Policy: Prioritize sustainable transportation as the mobility options of choice. Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

Goal: Environmental Resilience

Objective 3: Promote low-carbon, energy-efficient buildings through low-energy building design, construction and retrofitting

Policy: Reduce energy demand, consumption and greenhouse gases associated with new and existing buildings, working towards carbon-neutral buildings. Provide facilitative tools, resources, and incentives, to support green building.

## **WINNIPEG CLIMATE ACTION PLAN ALIGNMENT**

Strategic Opportunity #5: Low Carbon and Energy Efficient Buildings. In order to lower energy and greenhouse gases used in Winnipeg's new and existing buildings, the City and community need to find better ways to understand the energy use and emissions from buildings and provide builders with the tools and resources (where needed and feasible) to support these retrofits and designs.

Strategic Opportunity #3: Advancing Sustainable Transportation. Direction 3.1 Increase Use and Efficiency of Public Transit Systems.

## **WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT**

Goal 5(b) Transportation System Equity is Enhanced – improvements to transportation and transit infrastructure and services prioritize areas of higher poverty, and increased interconnectivity to employment and affordable goods and services.

<b>SUBMITTED BY</b>
---------------------

**Department:** Transit

**Division:** Asset Management Office

**Prepared by:** Adolfo Laufer, North Garage Replacement Project Manager

**Date:** March 31, 2023

**Appendices**

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

<b>Project Name</b>	North Garage Replacement
<b>Business Owner (Department)</b>	Transit
<b>Project ID</b>	4210000421
<b>Project Sponsor</b>	Greg Ewankiw
<b>Department Responsible for Project Delivery</b>	Transit
<b>Consultant Engineer</b> (Company Name)	Dillon Consulting Ltd.
<b>Adopted Budget</b>	\$200.066M
<b>Class of Estimate (Adopted)</b>	5
<b>Range of Estimate (Adopted)</b>	-50% to +100%, \$100.033M to \$400.132M
<b>Amended Budget</b>	N/A
<b>Class of Estimate (Amended)</b>	N/A
<b>Range of Estimate (Amended)</b>	N/A

### Project Scope

#### **North Garage Replacement - Project Overview**

The North Garage Replacement project consists of the relocation and replacement of the existing North Garage facility located at 1520 Main Street. The project involves the construction of an approximately 39,500 square metre energy efficient bus storage and maintenance facility that is planned to include space for approximately 225-265 buses, indoor fueling stations, bus washing station, parts and storage receiving area, as well as bus maintenance and repairs shops. The facility will be designed to accommodate a new fleet of zero-emission buses and the required infrastructure for their fueling, maintenance and operation. Once completed, the Project will result in the improved capacity of public transit infrastructure and improved quality, and/or safety of existing and/or future public transit.

North Garage is Winnipeg Transit's oldest facility, having opened in the 1930's as a streetcar storage facility called North Car House. The facility is functionally obsolete, and is in poor condition. The risk of North Garage becoming unusable due to further deterioration of the facility is likely Winnipeg Transit's most significant operational risk. North Garage was designed for vehicles of another era, and cannot accommodate articulated buses, buses with bike racks, or even the newer buses in Transit's fleet equipped with roof-mounted air conditioners. It cannot be upgraded to accommodate zero-emission buses. The design and construction of a new Transit bus parking, servicing, maintenance and repair garage to replace North Garage is vital in order to mitigate the current risks to Winnipeg Transit's operations, to allow for the replacement of 40-foot buses with 60-foot buses, and to allow for the expansion of the zero-emissions bus fleet beyond 2027. The added capacity of a replacement for North Garage is also needed for Winnipeg Transit to consider the adoption of new vehicle types, such as smaller community buses, autonomous shuttles, bi-articulated buses, double-decker buses and para-transit vehicles. The project will be delivered through a Design-Bid-Build procurement process. The land and design will accommodate provisions for the installation of the required infrastructure for the fueling of zero emission buses as well as the expansion of the garage in future phases.

## Appendix A – Key Project Facts

<b>Appendix A - Key Project Facts - Continued</b>
<b>Major Capital Projects Advisory Committee Membership:</b>
<p>The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$25 million (2023) or more report quarterly to the Standing Policy Committee on Finance. This threshold is adjusted for construction inflation as part of the Multi Year Budget process. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.</p>
<p>Greg Ewankiw, Director, Transit (chair) Catherine Kloepfer, Chief Financial Officer Jesse Crowder, Manager, Asset Management Office, Transit Geoffrey Patton, Director, Assets and Project Management Danny Tooth, A/Manager, Major Projects Oversight Matt Dryburgh, Senior Manager, Economic Development and Policy Tim Shanks, Director, Water and Waste Marc Pittet, A/Director, Planning, Property &amp; Development</p>

## Appendix B – Financial Forecast

### Appendix B - North Garage Replacement Financial Forecast\* As at February 28, 2023

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)					Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted/Forecasted Budget**	Council Approved Change	Amended Budget*	Actual Costs To February 28, 2023	Projected Costs							
					2023	2024	2025	2026				
Engineering, Design and Other	\$ 32,123	\$ -	\$ 32,123	\$ 114	\$ 8,328	\$ 8,762	\$ 9,020	\$ 5,899	\$ 32,123	\$ -	\$ -	\$ -
Construction	\$ 115,601	\$ -	\$ 115,601	\$ -	\$ 15,105	\$ 45,576	\$ 29,063	\$ 25,857	\$ 115,601	\$ -	\$ -	\$ -
Land Acquisition	\$ 9,835	\$ -	\$ 9,835	\$ -	\$ 8,096	\$ 1,739	\$ -	\$ -	\$ 9,835	\$ -	\$ -	\$ -
Internal Financing/Overhead Costs	\$ 6,198	\$ -	\$ 6,198	\$ 52	\$ 875	\$ 2,087	\$ 3,064	\$ 120	\$ 6,198	\$ -	\$ -	\$ -
Contingency	\$ 36,309	\$ -	\$ 36,309	\$ -	\$ -	\$ -	\$ -	\$ 36,309	\$ 36,309	\$ -	\$ -	\$ -
<b>Total Project Budget</b>	<b>\$ 200,066</b>	<b>\$ -</b>	<b>\$ 200,066</b>	<b>\$ 166</b>	<b>\$ 32,404</b>	<b>\$ 58,164</b>	<b>\$ 41,147</b>	<b>\$ 68,185</b>	<b>\$ 200,066</b>	<b>\$ -</b>		

<b>% of Project Budget Spent</b> (Actual Costs to Date / Adopted & Amended Budget)	0%	0%
---	----	----

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

\*\* Adopted/Forecasted budget(s) as approved by Council on April 29, 2021.

Project #	Adopted Budget (in 000's)	Forecasted Budget (in 000's)	Total Adopted/Forecasted Budget (in 000's)	Actual Costs (in 000's)
4210000421*	\$ 132,564	\$ -	\$ 132,564	\$ 166
421XXXX424	\$ -	\$ 65,319	\$ 65,319	\$ -
421XXXX425	\$ -	\$ 2,183	\$ 2,183	\$ -
<b>Total</b>	<b>\$ 132,564</b>	<b>\$ 67,502</b>	<b>\$ 200,066</b>	<b>\$ 166</b>

\*2021, 2022 and 2023 approved capital budgets will be consolidated into project 4210000421.

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

On April 29, 2021, Council directed the Public Service to submit the North Garage Replacement project to the Investing in Canada Infrastructure Program (ICIP) for Federal and Provincial funding under the Public Transit Infrastructure Stream (PTIS), subject to written confirmation of Federal and Provincial funding that is satisfactory to the Chief Financial Officer, including the 2021 Adopted Capital budget and 2022 to 2026 Five-Year forecast be amended to include \$200.066M for the project.

On December 16, 2021, Council approved the 2022 Capital Budget, and amended the 2023 to 2027 Five-Year budget to include \$198.415M allocated to the North Garage Replacement. The project total of \$200.066M also includes \$1.651M from the approved 2021 budget.

On November 16, 2022, the City received notification from the Province that the North Garage Replacement was approved for Federal and Provincial funding under the ICIP-PTIS stream. The notification outlined maximum eligible costs of \$182,557,000 with a maximum \$73,022,800 Federal and \$60,846,248 Provincial contribution, respectively.

On December 5, 2022, the Province provided interim information regarding the project contribution agreement, including an effective start date of October 25, 2022. Only expenditures signed on or after this date are eligible for reimbursement, with the exception of Climate Lens Assessments.