

**Agenda – Standing Policy Committee on Finance and Economic Development –
December 1, 2023**

REPORTS

**Item No. 3 North Garage Replacement
 Project ID: 4210000421
 Quarterly Project Status Report No. 02
 For the Period Ended September 30, 2023**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the financial status of the North Garage Replacement (“the Project”), as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: North Garage Replacement
Project ID: 4210000421
Quarterly Project Status Report No. 02
For the Period Ended September 30, 2023

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder	G. Ewankiw	C. Kloepfer	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 second quarterly report to the Standing Policy Committee on Finance and Economic Development for this project.

Assembly of the required 28-acre land is nearing completion with the acquisition of one privately owned parcel and expropriation of the other parcel confirmed by Council on September 29, 2023.

A Request for Proposals was issued for the detailed design of the new facility and an award report recommendation will be presented at the Standing Policy Committee on Public Works meeting on November 6, 2023. Pre-design work and site investigations are underway.

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

That the financial status of the North Garage Replacement ("the Project"), 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 \$25 million (2023) or more report quarterly to the Standing Policy Committee on Finance and Economic Development. This threshold is reviewed at the beginning of each multi-year budget cycle. 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 (Update from last report)

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.

However, given Council's desire to accelerate the Winnipeg Transit Master Plan and the negative impact approval delays have had on the project schedules for both the North Garage Replacement and the Transition to Zero-Emission Buses, Transit must now adapt the design to accommodate zero-emission buses at the North Garage sooner than anticipated.

The new garage is now planned to have the capacity to store 24 battery electric buses with the required infrastructure for charging and servicing them, as well as the electrical capacity for a full electric garage in the future. This new requirement entails the design and installation of an electrical substation on-site in order to meet the future electrical demand.

The Public Service has selected a site of 28 acres for the facility located at the intersection of Oak Point Highway and Selkirk Avenue. Approximately fifty percent of the proposed land is City owned with the remaining 4 and 10 acres held by two private entities. Acquisition of the two private parcels are required to assemble the land. The acquisition of the 4-acre parcel has concluded and the expropriation of the 10-acre parcel was confirmed by Council on September 29, 2023.

An RFP was issued for Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement and closed on August 28, 2023. The scope of work includes the pre-design, design, and procurement stages, while construction and post-construction will be negotiated in later

phases upon completion of the design in order to allow both parties a better understanding of the effort related to construction. The RFP submissions were evaluated and an award report recommendation will be presented at the Standing Policy Committee on Public Works meeting on November 6, 2023.

Pre-design studies are required for geotechnical and environmental assessments prior and due to delays in project approval, this work was at risk of not being complete prior to winter. As a result, the Owner Advocate Project Manager was contracted to complete these tasks in order to mitigate potential schedule impacts to the design team.

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 Owner Advocate Project Manager for North Garage Replacement	\$ 1,060,000.00	\$ 190,800	Feb 28, 2023		8%
			-	-			
			-	-			
			-	-			
			-	-			
		Total	\$ 1,060,000.00	\$ 190,800			

Upcoming Procurements:

Description	Anticipated Award Date
RFP 520-2023 Professional Consulting Services for Detailed Design, Tender for Construction, and Contract Administration of the North Garage Replacement	2023 Q4
Tender for Construction of the North Garage Replacement	2025 Q1

Schedule (Update from last report)

Under the Investing in Canada Infrastructure Program (ICIP) program, the Public Service has requested an extension of the project Total Completion date from June 30, 2026 to December 31, 2027. However, the full schedule impact from the funding delay approval will not be known until land is secured and the preliminary design and Class 3 estimate of the facility is completed (expected in Q2 2024). Until then, the project remains at a Class 5 estimate.

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Design Consultant Contract	2023 Q3	2023 Q4		90%
2	Preliminary Design	2024 Q1	2024 Q1		0%
3	Detailed Design	2024 Q2	2024 Q3		0%
4	Construction Contract	2024 Q3	2025 Q1		0%
5	Substantial Performance	2026 Q4	2027 Q1		0%
6	Total Performance	2027 Q1	2027 Q2		0%

Risk (Update from last report)

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

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
The scope of the project has changed to include an electrical sub-station and charging infrastructure for 24 buses.	Initiate discussions with MB Hydro to determine power requirements. Include new scope of work in detailed design RFP. Monitor additional costs and, if required, reduce other scope on areas to offset.
Delay in project approval has delayed release of the detailed design RFP and site investigations.	Engage OAPM to complete site investigations. Obtain authorization to access the land prior to acquisition.
Ongoing:	
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.
Mitigated:	
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.

Financial (Update from last report)

As of September 30, 2023, the City of Winnipeg has submitted one financial claim to the Province of Manitoba for payment totaling \$16,877.52. Claims will not be paid until the project's Contribution Agreement is signed.

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

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

Funding Forecast				
Funding Source	Adopted Budget ¹ (in millions)	Amended Budget (in millions)	Forecasted Budget (in millions)	Committed ² (in millions)
Class of Estimate	5			
City of Winnipeg				
Cash to Capital	0.45		0.96	1.41
Retained Earnings	4.50			4.50
External Debt	40.80		19.49	60.29
Federal Government of Canada				
Investing in Canada Infrastructure Program (ICIP)	47.36	-	25.66	73.02
Province of Manitoba				
Investing in Canada Infrastructure Program (ICIP)	39.46	-	21.39	60.85
Total	132.57	-	67.50	200.07

¹ 2021 - 2023 adopted budgets.

² Total committed approved by Council on April 29, 2021.

Property Acquisition (Update from last report)

The site identified to build the new garage is 28 acres located at the intersection of Oak Point Highway and Selkirk Avenue. Approximately half of the land is City owned while the remaining half is owned by two private entities in two parcels, 4 and 10 acres in

size. Approval was received from Standing Policy Committee on Property and Development on January 9, 2023, for acquisition of the 4-acre parcel located at 100 Oak Point Highway and the Public Service has completed the acquisition. A motion was approved by Standing Policy Committee on Property and Development on June 1, 2023, for the expropriation of the 10-acre property (lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, west of Oak Point Highway) and confirmation of the expropriation was received from Council on September 29, 2023.

Stakeholder Engagements/Communications (Update from last report)

ICIP signage has been installed at 421 Osborne Street and will be installed at the new facility site when the land is secured.

There will be public engagement sessions prior to start of construction. The first one at 50% design completion to inform and request input from the general public, and a second one at 100%, if required.

Subsequent Events after Report Period End Date

A report will be presented at the November 9, 2023, Standing Policy Committee on Public Works meeting for the Award of Contract for Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement Request for Proposal No. 520-2023.

FINANCIAL IMPACT

Financial Impact Statement Date: [October 24, 2023](#)

Project Name:

North Garage Replacement

Project ID: 4210000421

Quarterly Project Status Report No. 02

For the Period Ended September 30, 2023

COMMENTS:

There is no financial impact from the recommendation in this report as it is for information only.

Laurie Fisher October 24, 2023

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.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Adolfo Laufer, Project Manager
Date: November 1, 2023

Appendices

- Appendix A – Key Project Facts
- Appendix B – Financial Forecast
- Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Project Sponsor	Greg Ewankiw
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Dillon Consulting Ltd.
Adopted Budget	\$200.066M
Class of Estimate (Adopted)	5
Range of Estimate (Adopted)	-50% to +100%, \$100.033M to \$400.132M
Amended Budget	N/A
Class of Estimate (Amended)	N/A
Range of Estimate (Amended)	N/A
<u>Project Scope</u>	
North Garage Replacement - Project Overview	
<p>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.</p>	
<p>North Garage is Winnipeg Transit's oldest facility, having opened in the 1950's as a streetcar storage facility called North Car House. The facility is functionality 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. The land and design will have the required infrastructure for two dozen zero emission buses as well as provisions for a full electrified garage.</p>	

Appendix A – Key Project Facts

Appendix A - Key Project Facts - Continued
Major Capital Projects Advisory Committee Membership:
<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, Manager, Real Estate and Land Development, Planning, Property & Development Cindy Desjardine, Traffic Assessment Engineer, Public Works</p>

Appendix B – Financial Forecast

Appendix B - North Garage Replacement Financial Forecast As at September 30, 2023

Project Component Deliverables	Budget (in 000's)			Actual Costs To Sept. 30, 2023	Expenditure Forecast (in 000's)				Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget *	Council Approved Change	Amended Budget *		Projected Costs							
					2023	2024	2025	2026				
Engineering, Design and Other	\$ 32,123	\$ -	\$ 32,123	\$ 233	\$ 164	\$ 16,239	\$ 9,300	\$ 6,187	\$ 32,123	\$ -	\$ -	\$ -
Construction	\$ 115,601	\$ -	\$ 115,601	\$ -	\$ -	\$ 2,158	\$ 60,474	\$ 52,969	\$ 115,601	\$ -	\$ -	\$ -
Land Acquisition	\$ 9,835	\$ -	\$ 9,835	\$ -	\$ 9,835	\$ -	\$ -	\$ -	\$ 9,835	\$ -	\$ -	\$ -
Internal Financing/Overhead Costs	\$ 6,198	\$ -	\$ 6,198	\$ 191	\$ 37	\$ 2,786	\$ 3,064	\$ 120	\$ 6,198	\$ -	\$ -	\$ -
Contingency	\$ 36,309	\$ -	\$ 36,309	\$ -				\$ 36,309	\$ 36,309	\$ -	\$ -	\$ -
Total Project Budget	\$ 200,066	\$ -	\$ 200,066	\$ 424	\$ 10,036	\$ 21,183	\$ 72,838	\$ 95,585	\$ 200,066	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	0.21%		0.21%									

Project budget of \$200,066 as approved by Council on April 29, 2021

Project #	Adopted Budget (in millions)	Amended Budget (in millions)	Forecasted Budget (in millions)	Committed (in millions)	Actual Costs (in millions)
4210000421*	132.57	-	-	132.57	0.42
4210000424	-	-	65.32	65.32	-
4210000425	-	-	2.18	2.18	-
Total	132.57	-	67.50	200.07	0.42

*2021, 2022 and 2023 approved capital budgets 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.

On January 9, 2023, the Standing Policy Committee on Property and Development approved the acquisition of the 4-acre property required for the project located at 100 Oak Point Highway.

On June 1, 2023, the Standing Policy Committee on Property and Development approved a report for the expropriation of the 10-acre property required for the project; lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, west of Oak Point Highway.

On September 29, 2023, Council confirmed the expropriation of the 10-acre property required for the project; lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, west of Oak Point Highway.