

**Agenda – Standing Policy Committee on Finance and Economic Development –  
July 5, 2024**

**REPORTS**

**Item No. 3                    South Winnipeg Recreation Campus (SWRC), Project ID:  
6362800122, Quarterly Project Status Report No. 9 For the Period  
Ended April 30, 2024**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

That the financial status of the South Winnipeg Recreation Campus (SWRC), as contained in this report, be received as information.

# ADMINISTRATIVE REPORT

**Title:** South Winnipeg Recreation Campus (SWRC),  
Project ID: 6362800122,  
Quarterly Project Status Report No. 9  
For the Period Ended April 30, 2024

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

## AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	T. Graham	M. Geer Acting CAO

## EXECUTIVE SUMMARY

Project On Schedule: Yes  No

Project On Adopted Budget: Yes  No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The South Winnipeg Recreation Campus project budget, financial status and procurement schedule have been updated to reflect current project status.

The Public Service previously reported on the recreation centre component of the project being forecast at a cost of \$94 million or approximately \$23 million over-budget (approved budget of \$71 million). On May 30, 2024, Council approved a corresponding budget increase. Design of the recreation centre has since resumed and the project schedule will be updated.

A tender to construct the project's vocational building component closed on May 9, 2024 and a review of bid results is pending. If approved, site work could begin this summer.

Expenditures to date total \$6.121 million and \$549,746 in contract over-expenditures have been approved. The approved project budget remains at a value of \$89.036 million.

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 South Winnipeg Recreation Campus (SWRC), as contained in this report, be received as information.

## **REASON FOR THE REPORT**

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at \$25 million. 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)

Current Project Phase: Design (Update from last report)

The Public Service previously reported on the recreation centre component of the project being forecast at a cost of \$94 million or approximately \$23 million over-budget (approved budget of \$71 million), and design work was paused awaiting Council direction respecting the budget issue. In the interim the project team reviewed design efficiency opportunities for the purpose of reducing cost.

A change in scope to Diamond Schmitt Architects' design services contract was approved for the review of a pre-engineered building alternative; the Contracts list in Table 1 reflects this adjustment.

A tender to construct the vocational building wing at Pembina Trails Collegiate, which is a component of the project to be built by the City, paid for by the Province of Manitoba, and ownership subsequently transferred to Pembina Trails School Division, was issued on April 8, 2024.

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
N/A	Gibbs Gage Architects	Feasibility Study	\$ 59,180.00	\$ 15,000.00	17-Sep-18		100%
N/A	David Hewko Planning + Program Management	Business Model and Governance Plan	\$ 25,000.00	Nil	19-Mar-19		100%
N/A	Colliers Project Leaders	Business Case Development	\$ 70,887.50	Nil	12-Jul-19		100%
N/A	f-BLOK Architecture	Concept Plan Refinement	\$ 20,500.00	\$ 11,566.05	7-Feb-20		100%
N/A	AECOM	Climate Lens Assessment	\$ 33,044.00	Nil	4-Apr-21		100%
187-2021	Colliers Project Leaders	Project Management Services	\$ 485,553.00	Nil	8-Sep-21		69%
746-2021	Diamond Schmitt Architects Inc.	Prime Design Consultant Services	\$ 4,562,749.34	\$ 372,581.34	28-Jul-22		21%
N/A	Canstar	Advertisizing	\$ 908.50	Nil	9-Nov-22		100%
2022-69	Pinchin Environmental	Environmental Site Assessment	\$ 3,450.00	Nil	6-Dec-22		100%
2023-50	KGS Group	Geotechnical Report	\$ 73,860.00	\$ 84,659.00	10-Mar-23		45%
N/A	Canada Green Building Council	LEED Registration	\$ 1,500.00	Nil	4-Apr-23		100%
2023-61	LM Architects	Cost Estimate	\$ 2,750.00	Nil	26-May-23		100%
N/A	Imrie Demolition	Demolish Vacant Dwelling	\$ 14,700.83	Nil	28-Jul-23		100%
427-2023	Crosier Kilgour & Partners	Building Commissioning Services	\$ 139,065.00	\$ 65,940.00	16-Aug-23		6%
N/A	Southeast Lands Corporation	Land Development Services	\$ 77,037.50	Nil	29-Sep-23		88%
873-2023	LM Architects	Contract Administration	\$ 405,632.10	Nil	18-Jan-24		33%
		Total Value of Contracts	\$ 5,975,817.77	\$ 549,746.39			

**Upcoming Procurements:**

Description	Anticipated Award Date
N/A	

**Schedule** (Update from last report)

The status of ‘Vocational Building Procurement’ (Table 2, Deliverable 4) has been updated to reflect current progress. Other aspects of project scheduling remain on hold while decision/direction on Recreation Centre funding is pending.

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	SWRC Project Management Procurement	2021 Q3	2021 Q4	2021 Q4	100%
2	SWRC Design Services Procurement	2022 Q2		2022 Q3	100%
3	SWRC Design Completion	2023 Q3	2024 Q4		30%
4	Vocational Building Procurement	2024 Q2			85%
5	Vocational Building Construction Commencement	2024 Q3			0%
6	Vocational Building Completion	2026 Q1			0%
7	Vocational Building Commissioning, Opening	2026 Q3			0%
8	Rec Centre-Child Care Centre Procurement	2023 Q3	2025 Q1		0%
9	Rec Centre-Child Care Centre Construction Commencement	2023 Q4	2025 Q2		0%
10	Rec Centre-Child Care Centre Completion	2025 Q2	2026 Q4		0%
11	Rec Centre-Child Care Centre Commissioning, Opening	2025 Q3	2027 Q1		0%

**Risk** (Update from last report)

No update.

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>Ongoing:</b>	
Over-budget status introduces scope uncertainty and will extend project timeline/schedule	Design advancement has been paused until direction on scope/cost is identified. Schedule and associated implications to be reassessed once project work resumes
Project delay associated with over-budget status may result in cost escalation	Subsequent cost re-evaluation to account for project timeline adjustment (appropriate application of Basis of Estimate template)
Cost estimates carry inherent uncertainty for cost escalation, future market conditions	Undertake cost estimate refinement at regular intervals of design progress to mitigate uncertainty and improve accuracy
Scope adjustment may impact the current ICIP agreement	Review proposed scope change with Province of Manitoba; may result in agreement revision
The Province of Manitoba mandates a pre-tender costing review/approval of projects valued at \$10 million and higher, having a 4-6 week duration. This was previously unknown and may impact (extend) procurement timelines and the overall project schedule	Investigate opportunities with Provincial counterparts to reduce or eliminate this review/approval process, given that the City and not the Province is leading procurement of the contracts in question
Supplementary agreements are not established and could potentially impact project direction on construction tendering, facility operations, related costs, and/or affect schedule relative to current planning	Participate in development of supplementary agreements. If specific concerns arise, manage through work group interaction and draft refinement. Monitor relative to project cost and schedule metrics
Global market volatility and energy supply disruption is influencing manufacturing, transportation and procurement of goods; cost & schedule implications	Perform enhanced market sounding throughout the design phase by undertaking additional cost estimating via cost consultant. Prioritize materials acquisition. Contemplate alternative materials specification as warranted
<b>Mitigated:</b>	
Project delivery of vocational building and child care components requires timely provision of building requirements by the Province and finalization of the ICIP funding agreement	Program information has been received. The project working group now includes personnel assigned and participating from within these external stakeholders
Integration of the new WFPS Station15 with SWRC design deemed critical to successful master planning outcomes	Initial phase of scoping validation and preliminary design has been completed. Requirements now established/confirmed
Covid-19 industry impacts to cost, schedule	Related market conditions impacting materials/labour have subsided
Approval of Qualico's Development Application, which is inclusive of the requirement for a Development Agreement with provisions to develop servicing and access for the site, may not coincide with the SWRC procurement schedule	Application process has been concluded

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Expenditures to date total \$6,120,922. \$549,746 in contract over-expenditures have been approved and are funded by contingency monies previously approved by Council as part of the project capital budget. The forecasted total project cost is \$126 million (Class 4 cost estimate) while the approved budget remains at \$89.036 million.

**Funding** (Update from last report)

No update.

Table 4 – Project Funding Forecast

<b>Funding Forecast</b>			
<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 5</b>		
<u>Recreation Centre:</u>			
City of Winnipeg-Cash to Capital	4.5		
City of Winnipeg - External Debt	21.6		
Government of Canada	31.7		
Province of Manitoba	13.2		
<u>Daycare and Vocational Space:</u>			
Province of Manitoba	18.0		
<b>Total</b>	<b>\$ 89.0</b>	<b>\$ -</b>	<b>\$ -</b>

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

No update.

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

**Stakeholder Assessment**

No stakeholder assessment activities were undertaken in the current reporting period.

**Public Engagement**

No public engagement activities were undertaken in the reporting period. Future public engagement events will be planned/announced for fall 2024.

**Subsequent Events after Report Period End Date**

The City's 'Engage Winnipeg' project webpage, <https://engage.winnipeg.ca/south-winnipeg-recreation-campus>, was updated on May 2, 2024 to communicate the project's status to

residents and stakeholders.

On May 30, 2024 the Standing Policy Committee on Community Services adopted the following as recommendations to Council:

1. That the project budget be amended to include an additional \$23 Million, financed through debt funding;
2. That, in an effort to defer additional use of debt, the Winnipeg Public Service be directed to continue consultations with the Provincial and Federal Governments with regards to ICIP funding and principles.

Design services have since resumed and an update to the project schedule respecting procurement and timelines is underway.

The tender to construct a vocational building wing at Pembina Trails Collegiate closed on May 9, 2024; a review of bids received from three (3) prequalified contractors is pending. If approved, site work could begin this summer.



**Project Name:**

South Winnipeg Recreation Campus (SWRC), Project ID: 6362800122, Quarterly Project Status Report No. 9 For the Period Ended April 30, 2024

**COMMENTS:**

There are no direct financial implications associated with this report.

*Mike McGinn May 30, 2024*

Mike McGinn, CPA, CA  
Manager of Finance

## CONSULTATION

This Report has been prepared in consultation with:  
Community Services Department

## OURWINNIPEG POLICY ALIGNMENT

### Goal: Leadership and Good Governance

- **Objective:** Establish and implement priority actions through evidence-informed decision-making processes.
- **Policy 1.7 Equitable Service Access** – Identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships. Remove systemic barriers to participation, based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, physical or mental ability, official language used, citizenship status, socio-economic status, geographic location or climate change vulnerability.

### Goal: Environmental Resilience

- **Objective:** Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.
- **Policy 2.1 Climate Action Targets** – Meet and exceed greenhouse gas emissions reduction targets of 20 percent by 2030, relative to 2011, and net zero by 2050, by working towards partnerships with the community, businesses, and government bodies including Indigenous, Federal and Provincial governments.
- **Objective:** Promote low-carbon, energy efficient buildings through low-energy building design, construction and retrofitting.
- **Policy 2.12 Eliminate Fossil Fuel Dependence** – Reduce greenhouse gas emissions from existing and new buildings, including municipally-owned buildings and facilities, and associated infrastructure, through the promotion of renewable energy sources; energy efficiency use and performance measures; and low-carbon construction, retrofit and demolition methods that maximize the lifecycle of buildings.

### Goal: Good Health and Well-Being

- **Objective:** Support positive health outcomes through the built and natural environment.
- **Policy 4.9 Inclusive Public Places** – Provide and promote the amenities, and the design and maintenance standards, necessary to ensure accessible, safe and sanitary conditions in gathering spaces frequented by the public.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Directions (Short-Term Implementation):

1.3 Implement Low Carbon and Energy Efficient City Facilities and Buildings - p.6

5.2 Improve Energy Performance of New Buildings - p.8

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The development of the South Winnipeg Recreation Campus aligns with the following Goals and Objectives of the Winnipeg Poverty Reduction Strategy (2021 – 2031), including:

### **Goal 1: Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change**

#### **Related 10-year Objectives:**

- C. Equity and a Culture of Caring are factored into all service planning and budget decisions, resulting in City-wide systems change.

### **Goal 6: All City Services are Equitable, Inclusive and Accessible:**

#### **Related 10-year Objectives:**

- A. Residents have equitable access to City services, in particular demographic groups who experience marginalization.

## SUBMITTED BY

**Department:** Assets & Project Management

**Division:** Municipal Accommodations

**Prepared by:** B. Piniuta

**Date:** May 31, 2024

### **Appendices**

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

<b>Key Project Facts</b>	
<b>Project Name</b>	South Winnipeg Recreation Campus (SWRC)
<b>Business Owner (Department)</b>	Community Services Department
<b>Project ID</b>	6362800122
<b>Project Sponsor</b>	C. Fernandes, G. Patton
<b>Department Responsible for Project Delivery</b>	Assets and Project Management
<b>Consultant Engineer</b> (Company Name)	Diamond Schmitt Architects Inc.
<b>Adopted Budget</b>	\$89,039,000.00
<b>Class of Estimate (Adopted)</b>	Class 5
<b>Range of Estimate (Adopted)</b>	\$44,519,500 - \$178,078,000
<b>Amended Budget</b>	N/A
<b>Class of Estimate (Amended)</b>	
<b>Range of Estimate (Amended)</b>	
<b>Project Scope</b>	
<b>Construct new civic assets and supporting infrastructure, including:</b>	
<b>A Multi-use-generational recreation facility including three (3) gymnasiums with mezzanine walking/running track and fitness areas, several multi-purpose program meeting spaces of various sizes, change rooms, offices, washrooms, lobby/common space, tenant lease space, parking and related site development for Phase 1, a community spray pad, an attached daycare facility, and a vocational school addition.</b>	
<b>Major Capital Projects Advisory Committee Membership:</b>	
G. Patton, Director - Assets & Project Management Dept. (Chair) C. Kloepfer, Chief Financial Officer - Office of the Chief Administrative Officer C. Fernandes, Director - Community Services Dept. M. Pittet, Manager, Real Estate & Land Development - Planning, Property & Development Dept. D. Tooth, A/Manager - Major Capital Projects Oversight - Assets & Project Management Dept.	

## Appendix B – Financial Forecast – Project ID 6362800122\*

As at April 30, 2024

Project Component Deliverables	Budget (in 000's)			Actual Costs To 04/30/2024*	Expenditure Forecast (in 000's) <sup>1</sup>			Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget	Council Approved Change	Amended Budget		2024	2025	2026				
Engineering, Design and Other	\$ 6,520		\$ 6,517	\$ 1,460				\$ 9,817	\$ (3,300)		\$ (3,300)
Construction - Phase 1	\$ 44,461		\$ 44,461	\$ 1,026				\$ 65,715	\$ (21,254)		\$ (21,254)
Construction - Phase 2	\$ 18,030		\$ 18,030					\$ 22,880	\$ (4,850)		\$ (4,850)
Land Acquisition	\$ 4,114		\$ 4,114	\$ 3,420				\$ 4,114	\$ -		\$ -
Internal Financing/Overhead Costs	\$ 1,938		\$ 1,938	\$ 215				\$ 3,571	\$ (1,633)		\$ (1,633)
Contingency	\$ 13,976		\$ 13,976					\$ 19,903	\$ (5,927)		\$ (5,927)
<b>Total Project Budget</b>	<b>\$ 89,039</b>	<b>\$ -</b>	<b>\$ 89,036</b>	<b>\$ 6,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,000</b>	<b>\$ (36,964)</b>		
<b>% of Project Budget Spent</b> (Actual Costs to Date / Adopted & Amended Budget)	7%		7%								

\*Adopted and amended budget, and actual costs to date have been agreed to the City's general ledger and Capital Expenditures Monthly Report, actual cost variance equals spending from previous years as reconciled in the table below.

Project ID	Adopted Budget	Amended Budget Costs to Date	
6253000114	350,000	347,528	347,528
6253000117	4,114,000	3,110,866	3,110,866
62980000EX	-	1,003,134	848,739
6362500319	1,750,000	175,000	175,000
6362800122	82,825,000	84,400,000	1,638,789
Total	89,039,000	89,036,528	6,120,922

Notes 1. Expenditure forecast cannot be ascertained at present time due to current project over-budget/on-hold status.

## Appendix C – Key Project Events (History)

### Project Summary

The South Winnipeg Recreation Campus (SWRC) is a new regional recreation facility that will be built on Bison Drive west of Frontier Trail and east of Kenaston Boulevard. Communities in southwest Winnipeg are growing and a new recreation facility is needed to meet their needs. The facility is intended to serve a catchment area of 4-6 km that will be home to more than 120,000 residents.

The City previously acquired 19 acres in Waverley West for the purpose of developing the South Winnipeg Recreation Campus. The vision for the site includes the development of a phased multi-use-generational recreation facility with regional leisure pool with lap tank, multiple gymnasiums and multi-purpose rooms, fitness space, a community library, a community spray pad, adjacent park space and athletic fields and potential future twin arena. The site is also to include a future new firehall to service this growing community.

At a Council approved budget of \$89.039M (inclusive of the Recreation Centre, Vocational and Daycare facility), the SWRC will be the largest investment in recreation in Winnipeg's history.

### Decision-making and Implementation History

On May 9, 2009, Council adopted in principle the General Council of Winnipeg Community Centres (GCWCC) Plan 2025, which noted the Riel District, including Waverley West, will lead Winnipeg's population growth in the next decade, and recommends developing a new regional facility to accommodate this growth.

On December 13, 2013, Council adopted the 2014 Capital Budget including \$0.350M in the Recreation Facility Replacement – New Infrastructure Capital Program to commission a feasibility study to determine the scope and level 3 cost estimate for the development of an integrated multi-use Community Campus in the expanding Waverley West Community.

On October 13, 2014, the South Winnipeg Recreation Initiative: Final Report completed by consultant BRAID Solutions Inc. provided several recommendations regarding residents' needs and desires for a regional recreation facility in this area.

On November 25, 2015, Council received the South Winnipeg Recreation Initiative: Final Report as information and mandated that the CAO coordinate participation of all relevant City of Winnipeg departments involved in the South Winnipeg Recreation Initiative with community stakeholders, to confirm community recreation needs and community engagement strategies, and explore governance model options including fee-for-service delivery models and private fundraising opportunities. The Public Service was subsequently directed to investigate potential partnerships and stakeholder collaboration required for the implementation of a recreation campus and Council allocated up to \$0.350M from the Recreation Facility Replacement - New Infrastructure Capital Program to support:

- conceptual site planning of the recreation campus;
- a Secondary Planning process (Neighbourhood Area Structure Plan);
- and consultant support to coordinate key stakeholders collaborating in the development of a conceptual site plan and partnership agreement.

Council further directed that the funding required to enable the acquisition of land for the proposed recreation campus be referred to the 2016 Capital Budget process.

On March 22, 2016, Council approved the 2016 Capital Budget which authorized an expenditure of up to \$3.8M for Recreation Facility Replacement – New Infrastructure to facilitate land acquisition for the South Winnipeg Recreation Campus. The budget was subsequently increased to \$4.114M in the 2017 Capital Budget.

In April 2016, the Public Service commenced negotiations with multiple property owners in an effort to acquire land for the South Winnipeg Recreation Campus.

On December 13, 2016, Council adopted the 2017 Capital Budget which in part included \$4.114M for land acquisition.

On January 13, 2017, a three-year Memorandum of Understanding for the planned recreation project in southwest Winnipeg was signed by the City of Winnipeg and YMCA-YWCA.

On February 22, 2018, Council approved an expropriation proceeding for 262 Cadboro Road, a 19-acre site, adjacent to the Pembina Trails School Division site, to acquire the land required by the City for the South Winnipeg Recreation Campus.

On September 17, 2018, the Public Service contracted with Gibbs Gage Architects to undertake a South Winnipeg Recreation Campus Feasibility Study.

On July 12, 2019, the Public Service contracted with Colliers Project Leaders to develop a business case for the South Winnipeg Recreation Campus, which was subsequently completed in October 2020.

On September 26, 2019, Council approved submitting a \$71.009M South Winnipeg Recreation Campus: Phase One – Recreation Centre project to the Investing in Canada Infrastructure Program (ICIP).

On February 27, 2020, the Public Service contracted with f-BLOK Architecture Inc. to refine the conceptual development plan, so as to reflect ongoing scope refinement undertaken in coordination with the Public Schools Finance Board of the Province of Manitoba.

On July 23, 2020, Council amended the previously approved South Winnipeg Recreation Campus: Phase One – Recreation Centre project to include a daycare and vocational building. Council also approved submitting the amended \$89.039M project for federal and provincial funding consideration through ICIP.

On April 4, 2021, the Public Service contracted with AECOM to undertake the Climate Lens Assessment required by ICIP.

On August 12, 2021, the South Winnipeg Recreation Campus: Phase One – Recreation Centre was approved for federal and provincial funding under the Investing in Canada Infrastructure Program – Community, Culture and Recreation Infrastructure Stream.

On September 8, 2021, the Public Service contracted with Colliers Project Leaders for Professional Project Management Services for South Winnipeg Recreation Campus – Phase 1. The work associated with this contract is presently underway/ongoing.

On June 20, 2022, the Chief Financial Officer approved a contract award for Prime Design Consultant Services for South Winnipeg Recreation Campus (SWRC) – Phase 1 – RFP 746-2021 to Diamond Schmitt Architects Inc. in the amount of \$4,190,168.00 (MRST included, GST extra). The work associated with this contract is presently underway/ongoing.

On February 15, 2023, the City of Winnipeg received the first-issue draft of the South Winnipeg Recreation Campus Funding Contribution Agreement from the Province of Manitoba.

On May 30, 2024, Council approved a project budget amendment to include an additional \$23 million financed through debt funding; and, that in an effort to defer additional use of debt, the Winnipeg Public Service solicit the Provincial and Federal Governments for potential supplemental ICIP partner funding for the project.