

Minutes – Standing Policy Committee on Finance – March 10, 2022

REPORTS

Item No. 4 South Winnipeg Recreation Campus (SWRC)

STANDING POLICY COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received the financial status of the South Winnipeg Recreation Campus (SWRC), as contained in the report, as information.

Minutes – Standing Policy Committee on Finance – March 10, 2022

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

Carried

ADMINISTRATIVE REPORT

**Title: South Winnipeg Recreation Campus (SWRC),
Project ID: 6362800122,
Quarterly Project Status Report No. 1
For the Period Ended December 31, 2021**

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	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:

At a Council approved budget of \$89.039 million, the South Winnipeg Recreation Campus (SWRC) will be the largest investment in recreation in Winnipeg's history. The development scope is inclusive of a multi-use recreation centre, vocational school and a daycare facility. The project is to be developed on 19 acres of land in the Waverley West community in southwest Winnipeg.

Council approved the project for application under the Investing in Canada Infrastructure Program on September 26, 2019 and then subsequently approved an amendment at the Province's request to include the daycare and vocational space on July 23, 2020. The Minister of Central Services advised that the project had been approved for funding on August 12, 2021. The contribution agreement is still being developed by the Province. This report includes costs incurred prior to the approval of the funding agreement but included in the original project scope. These costs are not eligible for cost sharing.

The Public Service commenced procurement activities in the summer of 2021. A third-party project management firm was secured by way of a publicly-solicited Request for Proposal, and subsequently awarded to Colliers Project Leaders in a contract valued at \$485,553.

Ongoing procurement activities include project documentation, establishment of a stakeholder and public engagement plan, and preparation of a Request for Proposal for consultant design services, which is expected to be tendered in early 2022.

In terms of project schedule, design services are expected to commence in spring 2022 and conclude in early 2023. It is anticipated the project would transition into the construction phase

in summer 2023 and be completed in early 2025 with subsequent opening of new facilities to the public.

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 South Winnipeg Recreation Campus (SWRC), 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 (2022) 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)

Current Project Phase: Design (Update from last report)

A consultant contract for project management services throughout Phase 1 (construction of recreation centre and daycare facility) was publicly tendered in summer, 2021 and subsequently awarded to Colliers Project Leaders Inc. on September 8, 2021 at a contract value of \$485,553.00. Scope of services include general project oversight/control, reporting and documentation, and preparation/tender of the design services contract.

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	07-Feb-20		100%
N/A	AECOM	Climate Lens Assessment	\$ 33,044.00	Nil	04-Apr-21		100%
187-2021	Colliers Project Leaders	Project Management Services	\$ 485,553.00	Nil	08-Sep-21		8%
		Total Value of Contracts	\$ 694,164.50	\$ 26,566.05			

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

A detailed project schedule cannot be ascertained until the design services consultant is retained and performs an assessment of specific project scope and work requirements, to establish associated timelines. A high-level schedule outline of key procurement milestones is provided in Table 2.

Table 2 – Milestones

1	SWRC Project Management Procurement	2021 Q3	2021 Q4	2021 Q4	100%
2	SWRC Design Services Procurement	2022 Q2			30%
3	SWRC Design Completion	2023 Q3			0%
4	SWRC Construction Procurement	2023 Q4			0%
5	SWRC Construction Commencement	2024 Q1			0%
6	SWRC Construction Completion	2025 Q2			0%
7	SWRC Facilities Commissioning, Opening	2025 Q2			0%

Risk (Update from last report)

Presently known project risks are identified in Table 3.

Table 3 – Significant Risks and Mitigations Strategies

Risk Statement and Explanation	Risk Mitigation Management Plan
Ongoing:	
Covid-19 industry impacts to cost, schedule	Reassess market conditions with refined cost estimates and market trend analyses
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	Monitor progress of Development Agreement with stakeholder parties, coordinate development activities, milestones
Project delivery of vocational school and daycare components requires timely provision of building requirements by the Province and finalization of the ICIP funding agreement.	Maintain communication with the Province to confirm finalization of agreement and forecast funding cashflows; verify opening requirements/timeline of new assets
Mitigated:	
N/A	

Financial (Update from last report)

Current and forecasted expenditures in this reporting period are provided in Appendix B - Financial Forecast. Costs incurred for the period total \$3.845M and relate to preliminary planning and design, land acquisition, and internal financing/overhead costs.

The total project cost is forecasted at \$89.036M (Class 5 cost estimate) for all phases of work. Refined cost estimates will be prepared as design work advances.

Funding (Update from last report)

Council approved the project for application under the Investing in Canada Infrastructure Program on September 26, 2019 and then subsequently approved an amendment at the Province's request to include the daycare and vocational space on July 23, 2020. The Minister of Central Services advised that the project had been approved for funding on August 12, 2021. The contribution agreement is still being finalized by the Province.

Table 4 – Project Funding Forecast

Class of Estimate	Class 5		
City of Winnipeg	26.2		
ICIP (Federal Component)	31.7		
ICIP (Provincial Component)	31.2		
Total	\$ 89.0	\$ -	\$ -

Property Acquisition (Update from last report)

The City of Winnipeg has acquired 19 acres of unserviced land for the SWRC through expropriation. Final financial settlement of that acquisition is pending.

Servicing

The City has authorized Qualico to include the SWRC parcel in its forthcoming Phase Two subdivision and rezoning application for the Bison Run neighbourhood. This application will enable the developer to initiate installation of neighbourhood services in 2022 (roads, water, waste water and land drainage sewers, storm water retention basins, etc.) with anticipated completion in late 2022/early 2023. The SWRC project budget includes a City of Winnipeg contribution for its' proportionate share of servicing costs.

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 current reporting period.

Subsequent Events after Report Period End Date

Ongoing work by the Public Service focuses on establishing a comprehensive plan for stakeholder and public consultation/engagement in coordination with the Office of Public Engagement, to be included in the forthcoming contract for consultant design services.

Colliers Project Leaders, who are providing project management services to the City, are engaged with project documentation activities and developing a Request for Proposal (RFP) to be tendered for the purpose of soliciting and securing design services for the project. The RFP is to be tendered in early 2022.

Financial Impact Statement

Date: **January 31, 2022**

Project Name:

**South Winnipeg Recreation Campus (SWRC), Project ID:
6362800122,**

COMMENTS:

As this report is to be received as information, there are no associated financial implications.

Mike McGinn Jan. 31, 2022

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Community Services Department

Planning, Property and Development Department – Real Estate & Land Development Division

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.

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

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

SUBMITTED BY

Department: Assets & Project Management

Division: Municipal Accommodations

Prepared by: B. Piniuta

Date: January 31, 2022

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Project Name	South Winnipeg Recreation Campus (SWRC)
Business Owner (Department)	Community Services Department
Project ID	6362800122
Project Sponsor	C. Fernandes, G. Patton
Department Responsible for Project Delivery	Assets and Project Management
Consultant Engineer (Company Name)	(unestablished at present)
Adopted Budget	\$89,039,000.00
Class of Estimate (Adopted)	Class 5
Range of Estimate (Adopted)	\$44,519,500 - \$178,078,000
Amended Budget	N/A
Class of Estimate (Amended)	
Range of Estimate (Amended)	
<u>Project Scope</u>	
Construct new civic assets and supporting infrastructure, including:	
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.	
Major Capital Projects Advisory Committee Membership:	
G. Patton, Director, Assets & Project Management (Chair)	
C. Kloepfer, Chief Financial Officer	
C. Fernandes, Director - Community Services Dept.	
J. Kiernan, Director - Planning, Property & Development Dept.	
D. Tooth, A/Manager Capital Projects Oversight	
K. McKim, Manager - Asset Management Office, Community Services Dept.	
M. Pittet, Manager - Real Estate and Land Development, Planning, Property & Development Dept.	
B. Erickson, Manager - Municipal Accommodations, Assets & Project Management Dept.	

Appendix B – Financial Forecast - Project ID 6362800122*

As at December 31, 2021

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 12/31/2021*								Total Forecasted Costs
					2022	2023	2024	2025				
Engineering, Design and Other	\$ 6,520		\$ 6,517	\$ 521	\$ 615	\$ 2,700	\$ 2,354	\$ 327	\$ 6,517	\$ -	\$ -	
Construction - Phase 1	\$ 44,461		\$ 44,461			\$ 19,563	\$ 24,009	\$ 889	\$ 44,461	\$ -	\$ -	
Construction - Phase 2 ¹	\$ 18,030		\$ 18,030					\$ 18,030	\$ 18,030	\$ -	\$ -	
Land Acquisition	\$ 4,114		\$ 4,114	\$ 3,142	\$ 972				\$ 4,114	\$ -	\$ -	
Internal Financing/Overhead Costs	\$ 1,938		\$ 1,938	\$ 182	\$ 12	\$ 605	\$ 729	\$ 411	\$ 1,938	\$ -	\$ -	
Contingency	\$ 13,976		\$ 13,976					\$ 13,976	\$ 13,976	\$ -	\$ -	
Total Project Budget	\$ 89,039	\$ -	\$ 89,036	\$ 3,845	\$ 1,599	\$ 22,868	\$ 27,092	\$ 33,633	\$ 89,036	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	4%		4%									

*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	126,463
6362500319	1,750,000	1,750,000	260,067
6362800122	82,825,000	82,825,000	-
Total	89,039,000	89,036,528	3,844,924

Notes.

- The scheduling of Phase 2 construction work is presently undefined and assumed to occur in 2025 for the purpose of this forecast.

Appendix C – Key Project Events (History)

Project Summary

With an anticipated population of approximately 40,000 to 50,000 people once fully developed, the Waverley West area currently has no public recreation facility, community centre, or community library. In order to meet target level of service requirements, new program space is deemed required.

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.