

Minutes – Standing Policy Committee on Finance – June 13, 2022

REPORTS

**Item No. 2 South Winnipeg Recreation Campus (SWRC),
Project ID: 6362800122,
Quarterly Project Status Report No. 2
For the Period Ended March 31, 2022**

STANDING 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 – June 13, 2022

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

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. 2
For the Period Ended March 31, 2022

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:

The Public Service continued with procurement activities in the reporting period, with issuance of a Request for Proposal to secure design and contract administration services for the project. Other work included status reporting and ongoing development/refinement of project documentation.

A design services contract is expected to be awarded in the second quarter of 2022 with design services commencing shortly thereafter, and concluding mid-2023. It is anticipated the project would transition into the construction phase by the end of 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)

Work undertaken in this phase by the Public Service and Colliers Project Leaders Inc. included status reporting, project documentation, and completion/issuance of the design services Request for Proposal (RFP) which was publicly posted on MERX on March 21, 2022.

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		12%
		Total Value of Contracts	\$ 694,164.50	\$ 26,566.05			

Upcoming Procurements:

Description	Anticipated Award Date
N/A	

Schedule (Update from last report)

In reference to Table 2 - Milestones:

Deliverable No.2 'Design Services Procurement' level of completion has been increased to 80% to reflect status at the end of the reporting period. Projections for construction completion and facilities opening remain unchanged.

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			80%
3	SWRC Design Completion	2023 Q3			0%
4	SWRC Construction Procurement	2023 Q3			0%
5	SWRC Construction Commencement	2023 Q4			0%
6	SWRC Construction Completion	2025 Q2			0%
7	SWRC Facilities Commissioning, Opening	2025 Q2			0%

Risk (Update from last report)

No update.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation 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. Incremental costs of \$49,390.51 for services relating to project management were paid to Colliers Project Leaders Inc. and subsequent progress billings are in review for payment.

The total forecasted project cost remains 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)

No update.

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 5		
<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		
Total	\$ 89.0	\$ -	\$ -

Property Acquisition (Update from last report)

No update.

Servicing

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 current reporting period.

Subsequent Events after Report Period End Date

The City received a positive response to the issuance of the design services RFP with many prospective firms, both local and others elsewhere throughout North America, attending a proponent conference which took place on April 4, 2022. The RFP closed on April 26, 2022, and an evaluation will be undertaken to identify the most advantageous proponent.

On April 27, 2022, the Assiniboia Community Committee recommended approval of a Development Application for Subdivision and Rezoning under File No DASZ 10/2022 for lands which encompass the SWRC project site; if approved by Council, construction of road and service infrastructure that will support SWRC development is expected to begin later in 2022.

FINANCIAL IMPACT

Financial Impact Statement

Date: [May 2, 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 May 2, 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

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 4, 2022

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

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 Dept. (Chair) C. Kloepfer, Chief Financial Officer - Office of the Chief Administrative Officer C. Fernandes, Director - Community Services Dept. J. Kiernan, Director - Planning, Property & Development Dept. D. Tooth, A/Manager - Major Capital Projects Oversight - Assets & Project Management Dept. 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 March 31, 2022

Project Component Deliverables	Budget (in 000's)			Actual Costs To 03/31/2022*	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		2022	2023	2024	2025				
Engineering, Design and Other	\$ 6,520		\$ 6,517	\$ 519	\$ 566	\$ 2,700	\$ 2,354	\$ 378	\$ 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	\$ 3,145	\$ 969				\$ 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	\$ 3,846	\$ 1,547	\$ 22,868	\$ 27,092	\$ 33,684	\$ 89,036	\$ -		
% of Project Budget Spent <small>(Actual Costs to Date / Adopted & Amended Budget)</small>	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	129,410
6362500319	1,750,000	175,000	175,000
6362800122	82,825,000	84,400,000	83,024
Total	89,039,000	89,036,528	3,845,828

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.