

**Minutes – Standing Policy Committee on Finance and Economic Development –
December 1, 2022**

REPORTS

**Item No. 7 St. Vital over the Red River Bridge Rehabilitation,
Project ID: 1805002721,
Quarterly Project Status Report No. 1
For the Period Ended September 30, 2022**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance and Economic Development concurred in the recommendation of the Winnipeg Public Service and received the financial status of the St. Vital over the Red River Bridge Rehabilitation, as contained in this report, as information.

Minutes – Standing Policy Committee on Finance – December 1, 2022

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That the report of the Winnipeg Public Service be received as information.

Carried

The Winnipeg Public Service submitted a presentation with respect to the matter.

ADMINISTRATIVE REPORT

Title: St. Vital over the Red River Bridge Rehabilitation,
Project ID: 1805002721,
Quarterly Project Status Report No. 1
For the Period Ended September 30, 2022

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
B Neirinck, P. Eng.	J. Berezowsky	C. Kloepper	M. Jack

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted/Forecasted Budget:

Yes No

Percent of Schedule Complete:

Percent of Adopted/Forecasted Budget Spent:

The project is forecast to be on time and on budget.

This is the first quarterly report to the Standing Policy Committee on Finance and Economic Development on this project. The total project budget and estimate at completion is \$52,574,000. Expenditures to date total \$644,121. Council approved this project on December 16, 2020.

The project is currently at a Class 3 Estimate with an expected level of precision of -20% to + 30% based on a preliminary design completed in May 2022. Detailed design and tender preparation for the main construction contract is underway. The tender is expected to be posted by early December 2022 with a staged award by January 15, 2023. Construction is anticipated to begin in February 2023.

The project funding approvals through the 2021 to 2024 Capital Budgets, inclusive, necessitate a staged award for the main construction contract in order to commence work in February 2023 and complete it by November 2024. The first stage of the award will be for rehabilitation of the southbound bridge. Subject to a first charge authorization on the 2024 Capital Budget, as part of the 2023 Capital Budget process, the remainder of the construction contract can be awarded.

The main risks to the project at this time relate to the schedule. Construction methods and sequences are both weather dependent and have to adhere to the provincial in-water works

time period restrictions. If construction is delayed from an early 2023 start, an additional year of construction would be required to complete the project.

In order to maintain traffic flow during the project, temporary cross-over detours will be constructed between the north and southbound lanes of Route 62 in October 2022.

It is anticipated that work on the Southbound Structure and its related roadworks will occur first in 2023 followed by work on the Northbound structure and its related roadworks in 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

That the financial status of the St. Vital over the Red River Bridge Rehabilitation, 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 and Economic Development. This threshold is adjusted annually for construction inflation as part of the annual Capital Budget approval. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

IMPLICATIONS OF THE RECOMMENDATIONS

As this report is for information purposes only, there are no implications.

HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

Key Project Events

Key project events that have occurred are as follows:

- On December 16, 2020, Council approved the 2021 Capital Budget, of which, \$2,000,000 is allocated to the St. Vital Bridge Rehabilitation Project. A portion was used to undertake the preliminary engineering study for the Project.
- On July 12, 2021, Morrison Hershfield Limited was awarded the consulting services for a preliminary engineering study under RFP No. 244-2021.
- Site Investigations and analyses occurred in summer/fall of 2021.

- On December 15, 2021, Council approved the 2022 Capital Budget, of which, \$6,074,000 is allocated to the St. Vital Bridge Rehabilitation Project.
- Preliminary Design of the bridge rehabilitation and widening, and all other works occurred over the winter/spring of 2022, with preliminary design finalized in May 2022.
- A class 3 Basis of Estimate (BoE) was submitted alongside the final Preliminary Design Report, and is still currently under review by the Assets and Project Management Department.
- On March 08, 2022, the project website <https://winnipeg.ca/stvitalbridge> was launched, as part of the Stakeholder Engagement program, followed by three (3) virtual stakeholder meetings, on March 22 and 23, 2022.
- Public Art installation is a component of this project. In May and June 2022, a series of three (3) Public Art Stakeholder Working Group meetings took place, to come up with recommendations and prepare a summary package to document findings to be presented to the Winnipeg Arts Council (WAC) to help inform the Call to Artists.
- On June 09, 2022, the Standing Policy Committee on Infrastructure Renewal and Public Works, and subsequently Council itself, on June 23, 2022, approved a first charge on the 2023 Capital Budget in the amount of \$15,600,000 for the St. Vital Bridge Rehabilitation Project.
- On August 23, 2022, Morrison Hershfield Limited was awarded consulting services for detailed design for the Project.
- Substantial Performance for this Project is anticipated to be on October 31, 2024.
- Total Performance for this Project is anticipated to be November 30, 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
RFP 244-2021	Morrison Hershfield Limited	Consulting Services for Preliminary Engineering Study	\$ 798,091.00	\$ 159,629.00	12-July-21	30-May-22	100%
RFP 244-2021	Morrison Hershfield Limited	Consulting Services for Detailed Design Engineering	1,519,552.00	-	23-Aug-22		75%
Tender No. 29-2021, CWO #2	Maple Leaf Construction Ltd.	Contract - Temporary Detour Works - Cross overs construction	222,210.00	-	24-Aug-22		0%
			-	-			
			-	-			
		Total	\$ 2,539,853	\$ 159,629			

Upcoming Procurements:

Description	Anticipated Award Date
RFP 244-2021 - Morrison Hershfield Limited - Contract Administration and Post Construction Services	1-Feb-23
Construction Contract - Complete Works associated with design scope of RFP 244-2021	15-Jan-23
Manitoba Hydro - Electrical Service Agreement - Installation of Utilities under the Southbound structure	1-Mar-23

Schedule

The project is currently forecast to be on schedule. The preliminary design study was completed in May 2022, and detailed design commenced in August 2022, expected to be completed by December 2022. Construction of the detour cross-over lanes is anticipated to take place in October 2022, with Work associated with the main construction contract anticipated to start in February 2023.

Table 2 – Milestones

Project Milestones				
Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1 Preliminary Design	2022 Q2	2022 Q2	2022 Q2	100%
2 Detailed Design	2022 Q4			75%
3 Detour Lanes	2022 Q4			0%
4 Contract - Bridge Works	2024 Q4			0%
5 Substantial Performance	2024 Q4			
6 Total Performance	2024 Q4			
7				
8				

Risk

A Class 3 Estimate was submitted by the consultant as part of the completion of the preliminary design. The Class 3 Estimate has an expected level of accuracy of -20% to +30. To mitigate the financial risk of the project, the project is carrying risk-specific contingencies which total approximately 11% of total project costs.

The primary risks to the project at this time relate to schedule delays. Potential schedule delays are possible due to a number of factors, such as supply chain issues, material cost increases, agreements with utility companies, and weather delays affecting construction, including but not limited to sequencing related to work in and on the water/ice.

Approvals of the future forecasted budgets and subsequent first charges could affect approvals of construction contracts as well.

In order to maintain traffic flow during the project, the City will construct a temporary cross-over lane between Northbound and Southbound directions of traffic, and divert traffic from one structure to another.

The major project risks are identified in Table 3 below.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
COVID-19 Pandemic	Monitor the pandemic and impacts to project schedule and workforce. Collaborate with local government, Contractor and project Engineering Consultant to minimize impacts.
Delay in obtaining applicable Department of Fisheries and Oceans, City Waterways, and Provincial Waterways permits for the project.	Secure regulatory approvals on a timely basis.
Reduction of available working days due to poor weather conditions during construction season, such as rainy weather during road construction, warm weather when frozen Red River is utilized to perform work off the ice, and the provincial limitations to in water works in the spring	Bid opportunity to use a completion date contract, with multiple defined Critical Stages with Liquidated Damages assigned.
Possible delay to the project due to utilities (Hydro, MTS, Shaw, etc.) requirement for relocation or new plant construction and meeting the current project schedule.	Keep the utilities well informed throughout regarding the preliminary, detailed, and construction time schedules. Assist where possible, provide timely responses, ideally have the utilities complete their work as per the Consultant's proposed construction sequence to where possible
Non-adoption of forecasted funds required due to the increase in project costs as a result of additional scope	Refining estimates and optimizing designs, prior to future Council approved budget adoptions
Non-approval of first charge requests on forecasted funds required	Optimizing the first charge report to elaborate precisely on reasons why the first charge is required.
Increases in material costs due to recent inflation of goods in Canada and worldwide	Consultant to inquire with material suppliers and contractors throughout the design and tendering periods to ensure an accurate Engineer's estimate
Supply chain issues to due COVID-19 pandemic and recent political events worldwide	Consultant to inquire with material suppliers and contractors throughout the design and tendering periods to ensure that materials specified are available to during construction
Unknowns/Unforeseen Costs.	Refine level of detail of estimates to minimize amounts and quantities of unknowns and unforeseen.
Ongoing:	
N/A (first report)	
Mitigated:	
N/A (first report)	

Financial

The financial forecast is disclosed in Appendix B. Expenditures to date consist of Professional Services. Expenditures to date total \$644,121.00.

Currently, the total project Estimate at Completion is \$52,574,000, including \$6,105,000 in contingencies.

Funding

This project is budgeted within two programs: the Regional and Local Street Renewal program and Waterways Crossings and Grade Separations. Funding for the Regional Streets Renewal program is budgeted at the program level and not at the individual project level. Funding sources for this project include Regional Street Renewal Reserve, Frontage Levy, and Canada Community Building Fund (formerly Gas Tax).

Program Funding is allocated to individual projects within the Regional and Local Street Renewal program on a cash-flow basis as expenditures are incurred in the program. As such, it is expected that the funding types allocated to this project will change over the life of the project due to the cash flow impacts of other projects within the Regional and Local Street Renewal program.

The budget is being adopted in stages as follows:

St. Vital Bridge Rehabilitation

- \$2,000,000 – 2021 Capital Budget
- \$6,074,000 – 2022 Capital Budget
- \$15,600,000 – 2023 Capital Budget (First Charge approved on June 23, 2022)
- \$23,200,000 – 2024 Capital Budget

Regional and Local Street Renewal Program

- \$5,700,000 – 2024 Capital Budget

The 2024 Capital Budget amounts require first charge authorization through the 2023 Capital Budget process.

The total anticipated budget is presented in Table 4 below.

Table 4 – Project Funding Forecast

Funding Forecast				
Funding Source	Adopted Budget (in thousands)	Forecasted Budget (in thousands)	Total Budget (in thousands)	Committed (in thousands)*
Class of Estimate	Class 3			
- Regional Street Renewal Reserve	1,501	9,700	11,201	1,501
- Frontage Levy	10,366	4,550	14,916	10,366
- Canada Community Building Fund	11,807	14,650	26,457	11,807
Total	\$ 23,674	\$ 28,900	\$ 52,574	\$ 23,674

*on June 23, 2022 Council approved and authorized a First Charge on the 2023 Capital Budget for the St. Vital Bridge Rehabilitation project in the amount of \$15,600,000.

Property Acquisition

N/A – No property acquisition is required as part of the Project

Stakeholder Engagements/Communications

- On March 08, 2022, the project website <https://winnipeg.ca/stvitalbridge> was launched, as part of the Stakeholder Engagement program. The website contained information such as the study timeline, frequently asked questions, a map of the project area, and a copy of the virtual presentation that was subsequently discussed at three (3) distinct stakeholder meetings.
- Stakeholder meetings took place on March 22 and 23, 2022, and included participants from neighbourhood community groups, schools, BIZs, and discipline-specific interest groups from throughout the City.
- Stakeholder input from those sessions was subsequently used to optimize and finalize the preliminary design.
- Public Art installation is a component of this project. A budget of approximately \$200,000 from the project funds has been allotted to the design and installation of public art in the project vicinity.
- In May and June 2022, a series of three (3) Public Art Stakeholder Working Group meetings took place, to come up with recommendations and prepare a summary package to document findings to be presented to the WAC to help inform the Call to Artists.
- The recommendations have been finalized in September 2022 and will be used as information for artists to prepare proposals for the design of the public art component.

Subsequent Events after Report Period End Date

- Detailed Design commenced in the summer of 2022 and is anticipated to be completed by November 2022.
- Construction of detour cross-over lanes is expected to take place in October 2022.

FINANCIAL IMPACT

Financial Impact Statement

Date: **October 26, 2022**

Project Name:

St. Vital over the Red River Bridge Rehabilitation

Project ID: 1805002721 & 1804XXXX24

Quarterly Project Status Report No. 1

For the Period Ended September 30, 2022

COMMENTS:

As this report is for information purposes only, there are no implications. See Appendix B as to the financial status of this project.

J. Ruby, 2022-10-27

J. Ruby, CPA, CA

Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

Good Health and Well-Being (HW):

4.10 Transportation Safety: Design, construct, maintain and regulate an integrated and sustainable transportation system and related infrastructure that optimize safe, connected and reliable mobility, and minimize severe injuries and fatalities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works

Division: Engineering

Prepared by: Damir Muhurdarevic, P. Eng., Bridge Projects Engineer

Date: November 14, 2022

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Business Owner (Department)	Public Works Department
Project ID	1805002721 & 1804XXXX24
Project Sponsor	Brad Neirinck, P.Eng., Manager of Engineering
Department Responsible for Project Delivery	Public Works Department
Consultant Engineer (Company Name)	Morrison Hershfield Limited
Adopted/Forecasted* Budget	\$52,874,000.00
Class of Estimate (Adopted/Forecasted*)	Class 3 (-20% to +30%)
Range of Estimate (Adopted/Forecasted*)	\$42,059,200 to \$68,346,200
Amended Budget	N/A
Class of Estimate (Amended)	N/A
Range of Estimate (Amended)	N/A
<u>Project Description (Scope)</u>	
- Major rehabilitation and deck widening of the St. Vital Bridge twin structures	
- Rehabilitation of roadway adjacent to both sides of the bridge, Route 62, between Fermor Avenue and Rutgar Avenue, including intersection improvements at Fermor Avenue and Dunkirk Drive	
- Rehabilitation and geometric changes to the access ramps to and from Kingston Row, including rehabilitation of Kingston Row between the ramps	
- Temporary cross-over lanes' construction to facilitate structure closures and allow for complete consecutive bridge structure rehabilitation	
- Expansion of the active transportation network on both bridge structures and connections to existing networks on both sides of the Red River	
- Expansion and changes to the Transit stop network along route 62	
- Rehabilitation of culverts under Osborne Street and Dunkirk Drive as part of the active transportation network	
- Slope stabilization of the Red River embankments in the vicinity of the bridge on both banks of the Red River	
- Professional services for preliminary design, detailed design, contract administration, and post-construction services	
- Utility expansion and relocations	
<u>Committee Membership:</u>	
- Jim Berezowsky, Director of Public Works (Chair)	
- Brad Neirinck, Manager of Engineering (Project Sponsor)	
- Jason Ruby, Manager of Finance & Administration	
- Damir Muhurdarevic, Project Manager	
- Tim Shanks, Director of Water & Waste Department	
- John Kiernan, Director of Planning, Property, & Development	
- Danny Tooth, Acting Manager, Major Projects Oversight	

(*) – Projects with aggressive schedules are inherently more risky and more likely to experience cost overruns and schedule delays.

Appendix B – Financial Forecast

**Appendix B - Project #1805002721 (St. Vital Bridge Rehab) & #1804XXX24 (Regional and Local Street Renewal Program) Financial Forecast
As at September 30, 2022**

Project Component Deliverables	Budget (in 000's)			Actual Costs To Sept 30/22	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		Projected Costs							
					2022	2023	2024	2025				
Engineering, Design and Other	\$ 5,114	\$ -	\$ 5,114	\$ 629	\$ 1,689	\$ 1,348	\$ 1,348	\$ 100	\$ 5,114	\$ -	\$ -	\$ -
Construction	\$ 39,843	\$ -	\$ 39,843			\$ 19,672	\$ 19,672	\$ 499	\$ 39,843	\$ -	\$ -	\$ -
Land Acquisition	\$ -	\$ -	\$ -						\$ -	\$ -	\$ -	\$ -
Internal Financing/Overhead Costs	\$ 1,512	\$ -	\$ 1,512	\$ 15	\$ 34	\$ 769	\$ 677	\$ 17	\$ 1,512	\$ -	\$ -	\$ -
Contingency	\$ 6,105	\$ -	\$ 6,105				\$ 6,105		\$ 6,105	\$ -	\$ -	\$ -
Total Project Budget	\$ 52,574	\$ -	\$ 52,574	\$ 644	\$ 1,723	\$ 21,789	\$ 27,802	\$ 616	\$ 52,574	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	1%			1%								

Project #	Adopted Budget (in thousands)	Forecasted Budget per 2022 Adopted Capital Budget (in thousands)	Total Adopted/ Forecasted Budget (in thousands)	Actual Costs (in thousands)
1805002721	\$ 23,674	\$ 23,200	\$ 46,874	\$ 644
1804XXX24		\$ 5,700	\$ 5,700	
Total	\$ 23,674	\$ 28,900	\$ 52,574	\$ 644

* Adopted budget includes First Charge of \$15,600,000 on the 2023 Capital Budget approved by Council on June 23, 2022

Appendix C – Key Project Events (History)

N/A – First Status Report