

**Minutes – Standing Policy Committee on Finance and Economic Development –
June 2, 2023**

REPORTS

**Item No. 3 South Winnipeg Recreation Campus (SWRC), Project ID:
6362800122, Quarterly Project Status Report No. 5 For the Period
Ended March 31, 2023**

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

**Minutes – Standing Policy Committee on Finance and Economic Development –
June 2, 2023**

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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. 5
For the Period Ended March 31, 2023

Critical Path: Standing Policy Committee on Finance and Economic Development

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

Project activities within the reporting period focused on design advancement, including site layout refinement and defining land assembly development requirements. A refined Class 5 cost estimate is expected in 2023 Q2.

Finalizing the provincial funding agreement and other anticipated auxiliary agreements for the South Winnipeg Recreation Campus project remain outstanding, and is considered a major risk to the project in terms of design advancement and the project schedule overall.

Expenditures to date total \$4.419M. The approved funding and forecasted total cost for the South Winnipeg Recreation Campus remains at a value of \$89.036M. The project is currently on-budget, however, a schedule delay is now forecast and potential cost impacts are a risk to the project.

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

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)

Current Project Phase: Design (Update from last report)

The Prime Consultant, Diamond Schmitt Architects Incorporated, has advanced design activities in the reporting period including site layout refinement and facility spatial planning. Concurrently, the City project team has worked to evaluate land assembly development requirements.

Colliers Project Leaders has continued in their assignment of project management oversight, progress reporting, and project documentation activities.

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		46%
746-2021	Diamond & Schmitt Architects	Prime Design Consultant Services	\$ 4,190,168.00	Nil	28-Jul-22		9%
		Total Value of Contracts	\$ 4,884,332.50	\$ 26,566.05			

Upcoming Procurements:

Description	Anticipated Award Date
N/A	

Schedule (Update from last report)

As a result of the delay associated with finalizing the funding agreement with the Province of Manitoba and associated relevancies concerning land assembly and facility design, operations and ownership, significant adjustments to SWRC procurement are reflected in the current schedule (Table 2, Milestones 3 through 7). This has resulted in a change to SWRC Facilities Opening now projected in 2026 Q4 from 2025 Q2.

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 Q1		10%
4	SWRC Construction Procurement	2023 Q3	2024 Q2		0%
5	SWRC Construction Commencement	2023 Q4	2024 Q3		0%
6	SWRC Construction Completion	2025 Q2	2026 Q3		0%
7	SWRC Facilities Commissioning, Opening	2025 Q2	2026 Q4		0%

Risk (Update from last report)

No new risks identified.

A first draft of the funding agreement with the Province of Manitoba respecting ICIP funding and the assignment of responsibility for the assets to be constructed by the project was received by the City within the reporting period, but has not been finalized. As such, a lack of awareness for the agreement’s specific requirements concerning land and asset ownership, facility operations and maintenance - the terms of reference needed for the design of the facilities - are partially unknown to the City project team. Further delay in completion of the funding agreement, and other auxiliary agreements that are anticipated but as yet undefined, will have a material delay on the completion of design and start of construction, with associated cost impacts e.g., inflation. Some aspects of facility design may have to be suspended in 2023 while the matter remains pending.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
Ongoing:	
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
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
Integration of the new WFPS STN.15 with SWRC design deemed critical to successful master planning outcomes	City project team planned procurement in 2022 Q4 to ascertain STN.15 development requirements concurrent with SWRC design
Covid-19 industry impacts to cost, schedule	Reassess market conditions with refined cost estimates and market trend analyses
Project delivery of vocational school and daycare components requires timely provision of building requirements by the Province and finalization of the ICIP funding agreement.	Select program information was received from the Province in December 2022. Maintain communication with the Province to obtain additional/refined program information.
Mitigated:	
N/A	

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

No contracts were awarded within the reporting period.

Expenditures to date total \$4,419,971 including \$975,000 for current contracts. No contract over-expenditures were advanced.

The total forecasted project cost remains at \$89.036M (Class 5 cost estimate) for all phases of work. A refined Class 5 cost estimate is expected in 2023 Q2.

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.

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

Design services are ongoing subsequent to the report period end date. Design advancement is presently focused on interior spatial planning of the future facilities. The City project team continues to evaluate land assembly development requirements in relation to an anticipated rezoning application.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 25, 2023

Project Name:

South Winnipeg Recreation Campus (SWRC), Project ID: 6362800122, Quarterly
Project Status Report No.5 - For the Period Ended March 31, 2023

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn Apr. 25, 2023

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: April 24, 2023

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:	
<p>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.</p>	
Major Capital Projects Advisory Committee Membership:	
<p>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, A/Director - Planning, Property & Development Dept. D. Tooth, A/Manager - Major Capital Projects Oversight - Assets & Project Management Dept.</p>	

Appendix B – Financial Forecast – Project ID 6362800122*

As at March 31, 2023

Project Component Deliverables	Budget (in 000's)			Actual Costs To 03/31/2023*	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		2023	2024	2025	2026				
	Engineering, Design and Other	\$ 6,520			\$ 6,517	\$ 764	\$ 746	\$ 1,007				
Construction - Phase 1	\$ 44,461		\$ 44,461	\$ 211	\$ 100	\$ 10,000	\$ 22,000	\$ 12,150	\$ 44,461	\$ -	\$ -	
Construction - Phase 2 ¹	\$ 18,030		\$ 18,030			\$ 9,015	\$ 9,015		\$ 18,030	\$ -	\$ -	
Land Acquisition	\$ 4,114		\$ 4,114	\$ 3,255	\$ 859				\$ 4,114	\$ -	\$ -	
Internal Financing/Overhead Costs	\$ 1,938		\$ 1,938	\$ 189	\$ 56	\$ 374	\$ 840	\$ 479	\$ 1,938	\$ -	\$ -	
Contingency	\$ 13,976		\$ 13,976				\$ 13,976		\$ 13,976	\$ -	\$ -	
Total Project Budget	\$ 89,039	\$ -	\$ 89,036	\$ 4,419	\$ 1,761	\$ 11,381	\$ 33,855	\$ 37,620	\$ 89,036	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	5%		5%									

*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	143,674
6362500319	1,750,000	175,000	175,000
6362800122	82,825,000	84,400,000	642,903
Total	89,039,000	89,036,528	4,419,971

Notes.

- The scheduling of Phase 2 construction work which includes the Vocation School is presently undefined and assumed to occur in 2025 and 2026 for the purpose of this forecast.

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 and Schmitt Architects Incorporated 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.