

**Minutes – Standing Policy Committee on Finance and Economic Development –
October 11, 2023**

REPORTS

**Item No. 5 South Winnipeg Recreation Campus (SWRC),
Project ID:6362800122,
Quarterly Project Status Report No. 6
For the Period Ended July 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 –
October 11, 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. 6
For the Period Ended July 31, 2023

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	L. Szkwarek, Acting CFO	M. Jack

EXECUTIVE SUMMARY

Project On Schedule: Yes ☐ No ☒

Project On Adopted Budget: Yes ☒ No ☐

Percent of Schedule Complete: 35%

Percent of Adopted Budget Spent: 5%

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 site layout refinement and establishing land assembly requirements. Additional iterations of the site plan development have been necessary which has extended the duration of design work, resulting in design completion being forecast for 2024 Q2 from 2024 Q1, as previously reported. Subsequent to the reporting period, the site plan has been finalized and design work has transitioned into the Integrated Design Phase with interior spatial planning ongoing. The delay in the completion of the design work is a risk to the overall project schedule. The project team is working to recover the project schedule as a result of the extended time to finalize the site plan development. This is a new risk being managed by the project.

Progress has been made in the effort to finalize the provincial funding agreement for the South Winnipeg Recreation Campus project, but auxiliary agreements are required and remain outstanding and as such represent a risk to the project in terms of design advancement and the project schedule overall.

Expenditures to date total \$4.657M and \$47,066 in contract over-expenditures have been approved. Three (3) new contracts were awarded within the reporting period. A refined Class 5 cost estimate was received by the Public Service and is presently under review. The approved funding and forecasted total cost for the South Winnipeg Recreation Campus remains at a value of \$89.036M.

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 design consultant advanced work on a site plan for the facilities to be built. Concurrently, the City project team affirmed land assembly development requirements and established a plan for the associated regulatory approvals that must be met.

New contracts with Canada Green Building Council and LM Architects for consulting services, and with Imrie Demolition for land clearing work, were awarded within the reporting period and are listed in Table 1.

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		54%
746-2021	Diamond Schmitt Architects Inc.	Prime Design Consultant Services	\$ 4,190,168.00	\$ 20,500	28-Jul-22		13%
N/A	Canstar	Advertizing	\$ 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	Nil	10-Mar-23		71%
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%
		Total Value of Contracts	\$ 4,981,501.83	\$ 47,066.05			

Upcoming Procurements:

Description	Anticipated Award Date
Building Commissioning Services - Crosier Kilgour & Partners	15-Aug-23

Schedule (Update from last report)

Site plan development went through an additional iteration of design as a result of the review by numerous stakeholders – each stakeholder having varied needs and requirements as to how the new facilities are situated on the property and in relation to one another. This has resulted in a change to SWRC Design Completion (Table 2, Deliverable 3) now projected in 2024 Q2 from 2024 Q1.

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 Q2		15%
4	SWRC Construction Procurement	2023 Q3	2024 Q3		0%
5	SWRC Construction Commencement	2023 Q4	2024 Q4		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)

A new project risk has been identified. The additional time taken to finalize the overall site layout and its impacts on the design completion schedule is a risk to the overall project schedule. The project team is working to recover the project schedule. An example is reducing the planned duration of document review intervals by the City project team, i.e. faster turn-around times, which over the course of the various design stages could result in schedule recovery by two or more weeks in itself.

Significant progress to the contribution agreement with the Province of Manitoba respecting ICIP funding and the assignment of responsibility for the assets to be constructed by the project, was achieved within the reporting period. Auxiliary agreements that deal with post-construction matters such as asset ownership transfer and joint use were subsequently deemed required, and will be advanced later in 2023. The auxiliary agreements pose risk to the project, as they involve operational, monetary and schedule considerations that are not currently defined. The project team will monitor the development of the auxiliary agreements and their terms/conditions, and manage any specific issues that may arise.

Previously identified risk items respecting i) the receipt of program information for the Day Care and Vocational Wing facilities, and ii) validating site master planning in relation to the proposed WFPS Station 15, are now considered mitigated. Pertinent commentary has been added to the risk register in Table 3.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
Auxiliary agreements are not established and could potentially impact project direction on facility operations, related costs, and/or affect schedule relative to current planning	Participate in development of auxiliary agreements. If specific concerns arise, manage through work group interaction and draft refinement. Monitor relative to project cost and schedule metrics
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
Covid-19 industry impacts to cost, schedule	Reassess market conditions with refined cost estimates and market trend analyses
Mitigated:	
Project delivery of vocational school and daycare 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

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Expenditures to date total \$4,657,325. \$47,066 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 total forecasted project cost remains at \$89.036M (Class 5 cost estimate) for all phases of work.

An updated Class 5 cost estimate was received in July and is presently under review by the Public Service respecting construction costs for each of the new facilities to be built, and the total project cost overall. Refined cost estimates will be prepared as design work progresses.

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 work has since transitioned into the Integrated Design Phase wherein the design activities are now focused on refined interior spatial planning and affirming building layouts. Concurrently, the Public Service has ascertained the pertinent zoning and property ownership implications for the subject lands and future assets to be built, and in the coming months will advance appropriate plans, applications and reports to secure the authorizations/approvals needed for construction.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 8, 2023

Project Name:

South Winnipeg Recreation Campus (SWRC), Project ID: 6362800122, Quarterly
Project Status Report No.6 - For the Period Ended July 31, 2023

COMMENTS:

There are no direct financial implications associated with this report.

9/8/23 C. Turman, for

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: September 11, 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)	Diamond Schmitt Architects Inc.
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)	
Project Scope	
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.	
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 July 31, 2023

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 07/31/2023*					Total Forecasted Costs				
					2023	2024	2025	2026					
Engineering, Design and Other	\$ 6,520		\$ 6,517	\$ 968	\$ 542	\$ 1,007	\$ 2,000	\$ 2,000	\$ 6,517	\$ -		\$ -	
Construction - Phase 1	\$ 44,461		\$ 44,461	\$ 226	\$ 85	\$ 10,000	\$ 22,000	\$ 12,197	\$ 44,508	\$ (47)		\$ (47)	
Construction - Phase 2 ¹	\$ 18,030		\$ 18,030				\$ 9,015	\$ 9,015	\$ 18,030	\$ -		\$ -	
Land Acquisition	\$ 4,114		\$ 4,114	\$ 3,267	\$ 847				\$ 4,114	\$ -		\$ -	
Internal Financing/Overhead Costs	\$ 1,938		\$ 1,938	\$ 196	\$ 49	\$ 374	\$ 840	\$ 479	\$ 1,938	\$ -		\$ -	
Contingency	\$ 13,976		\$ 13,976					\$ 13,929	\$ 13,929	\$ 47		\$ 47	
Total Project Budget	\$ 89,039	\$ -	\$ 89,036	\$ 4,657	\$ 1,523	\$ 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	156,561
6362500319	1,750,000	175,000	175,000
6362800122	82,825,000	84,400,000	867,370
Total	89,039,000	89,036,528	4,657,325

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 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.