

**Minutes – Standing Policy Committee on Finance and Economic Development –
March 8, 2024**

REPORTS

**Item No. 4 North Garage Replacement
 Project ID: 4210000421
 Quarterly Project Status Report No. 03
 For the Period Ended December 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 North Garage Replacement (“the Project”), as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –
March 8, 2024**

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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

Carried

ADMINISTRATIVE REPORT

Title: North Garage Replacement
Project ID: 4210000421
Quarterly Project Status Report No. 03
For the Period Ended December 31, 2023

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder	G. Ewankiw	C. Kloepper	M. Jack

EXECUTIVE SUMMARY

Project On Schedule: Yes ☒ No ☐

Project On Adopted Budget: Yes ☒ No ☐

Percent of Schedule Complete: 23%

Percent of Adopted Budget Spent: 2%

This is the third quarterly report to the Standing Policy Committee on Finance and Economic Development for this project.

The City anticipates taking possession of the required private properties for the project in Q1 2024 and will then start the land assembly process.

On November 9, 2023, the Standing Policy Committee on Public Works approved a report for the award of contract for Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement to AECOM Canada Ltd. Preliminary design work and site investigations for the facility are underway.

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 North Garage Replacement ("the Project"), 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)

Preliminary Design Phase (Update from last report)

A contract for Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement was awarded to AECOM Canada on November 9, 2023.

A first round of workshops between AECOM and City stakeholders has been completed. These workshops provide all parties a complete understanding of the scope of the project, requirements, and Transit needs. Preliminary design work toward a 33 percent design and additional site investigation is underway and expected to be complete in Q2 2024.

Table 1 – 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
980-2022	Dillon Consulting Ltd.	Professional Consulting Services for Owner Advocate Project Manager for North Garage Replacement	\$ 1,060,000.00	\$ 224,680	Feb 28, 2023		27%
520-2023	AECOM Canada Ltd.	Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement project	5,781,268.00	-	Nov 9, 2023		6%
			-	-			
			-	-			
			-	-			
		Total	\$ 6,841,268.00	\$ 224,680			

Upcoming Procurements:

Description	Anticipated Award Date
Tender for Construction of the North Garage Replacement	2025 Q1

Schedule (Update from last report)

The key schedule milestones for the Project have been updated in Table 2.

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Design Consultant Contract	2023 Q3	2023 Q4	10-Nov-23	100%
2	Preliminary Design	2024 Q1	2024 Q1		50%
3	Detailed Design	2024 Q2	2024 Q3		0%
4	Construction Contract	2024 Q3	2025 Q1		0%
5	Substantial Performance	2026 Q4	2027 Q1		0%
6	Total Performance	2027 Q1	2027 Q2		0%

Risk (Update from last report)

The impact of Federal and Provincial approval delays and increased inflation rates on the

Project are still being determined. One new risk regarding updated building codes and sustainability targets has been added to the major project risks in Table 3.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
New building code will bring stricter rules in regards to sustainability, energy efficiency and carbon zero, among others.	New requirements may increase cost. Energy modelling is required to understand the full impact.
Ongoing:	
The scope of the project has changed to include an electrical sub-station and charging infrastructure for 24 buses.	Initiate discussions with MB Hydro to determine power requirements. Include new scope of work in detailed design RFP. Monitor additional costs and, if required, reduce other scope on areas to offset.
Delay in project approval has resulted in inflationary cost increases.	Request budget adjustment. Alternatively, reduce scope of work or procurement of process equipment to offset additional costs.
Mitigated:	
Delay in project approval has impacted the project schedule.	Request an extension to the project deadline.
Delay in project approval has delayed release of the detailed design RFP and site investigations.	Engage OAPM to complete site investigations. Obtain authorization to access the land prior to acquisition.

Financial (Update from last report)

As of December 31, 2023, the City of Winnipeg has submitted two financial claims to the Province of Manitoba for payment totaling \$58,204.31 for the Manitoba and Canada portion. Claims will not be paid until the project's Contribution Agreement is signed.

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

The total anticipated budget is presented in Table 4 below.

For additional information, refer to Appendix C- Key Project Events for historical details.

Table 4 – Project Funding Forecast

Funding Forecast				
Funding Source	Adopted Budget ¹ (in millions)	Amended Budget (in millions)	Forecasted Budget (in millions)	Committed ² (in millions)
Class of Estimate	5			
City of Winnipeg				
Cash to Capital	0.45	0.45	0.96	1.41
Retained Earnings	4.50	4.50		4.50
External Debt	40.80	40.80	19.49	60.29
Federal Government of Canada				
Investing in Canada Infrastructure Program (ICIP)	47.36	47.36	25.66	73.02
Province of Manitoba				
Investing in Canada Infrastructure Program (ICIP)	39.46	39.46	21.39	60.85
Total	132.57	132.57	67.50	200.07

¹ 2021 - 2023 adopted budgets.

² Total committed approved by Council on April 29, 2021.

Property Acquisition (Update from last report)

Expropriation negotiations are on-going with the owner of the 10-acre parcel but the City intends to take possession of both the 4 and 10-acre-parcels in Q1 2024. Upon taking possession of the land, the City will initiate the subdivision process to assemble the 28-acre site and intends to complete that later this year.

Stakeholder Engagements/Communications (Update from last report)

With AECOM on board, the public engagement work has started. Along with the City of Winnipeg's Office of Public Engagement, Transit Communication and the Consultants, the preliminary engagement strategy has been drafted. There will be public information sessions prior to start of construction. The first one at 33% design completion, planned for Q2 2024, and a second one at 100% design, if required.

Subsequent Events after Report Period End Date

N/A

FINANCIAL IMPACT

Financial Impact Statement Date: January 30, 2024

Project Name:

North Garage Replacement

Project ID: 4210000421

Quarterly Project Status Report No. 03

For the Period Ended December 31, 2023

COMMENTS:

There is no financial impact from the recommendation in this report as it is for information only.

Laurie Fisher January 30, 2024

Laurie Fisher, CPA, CA

Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

n/a

OURWINNIPEG POLICY ALIGNMENT

Goal: Environmental Resilience

Objective 2: Prioritize sustainable transportation as the mobility options of choice

Policy: Prioritize sustainable transportation as the mobility options of choice. Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

Goal: Environmental Resilience

Objective 3: Promote low-carbon, energy-efficient buildings through low-energy building design, construction and retrofitting

Policy: Reduce energy demand, consumption and greenhouse gases associated with new and existing buildings, working towards carbon-neutral buildings. Provide facilitative tools, resources, and incentives, to support green building.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #5: Low Carbon and Energy Efficient Buildings. In order to lower energy and greenhouse gases used in Winnipeg's new and existing buildings, the City and community need to find better ways to understand the energy use and emissions from buildings and provide builders with the tools and resources (where needed and feasible) to support these retrofits and designs.

Strategic Opportunity #3: Advancing Sustainable Transportation. Direction 3.1 Increase Use and Efficiency of Public Transit Systems.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(b) Transportation System Equity is Enhanced – improvements to transportation and transit infrastructure and services prioritize areas of higher poverty, and increased interconnectivity to employment and affordable goods and services.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Adolfo Laufer, Project Manager
Date: February 14, 2024

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Project Sponsor	Greg Ewankiw
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Dillon Consulting Ltd.
Adopted Budget	\$200.066M
Class of Estimate (Adopted)	5
Range of Estimate (Adopted)	-50% to +100%, \$100.033M to \$400.132M
Amended Budget	N/A
Class of Estimate (Amended)	N/A
Range of Estimate (Amended)	N/A
<u>Project Scope</u>	
North Garage Replacement - Project Overview	
<p>The North Garage Replacement project consists of the relocation and replacement of the existing North Garage facility located at 1520 Main Street. The project involves the construction of an approximately 39,500 square metre energy efficient bus storage and maintenance facility that is planned to include space for approximately 225-265 buses, indoor fueling stations, bus washing station, parts and storage receiving area, as well as bus maintenance and repairs shops. The facility will be designed to accommodate a new fleet of zero-emission buses and the required infrastructure for their fueling, maintenance and operation. Once completed, the Project will result in the improved capacity of public transit infrastructure and improved quality, and/or safety of existing and/or future public transit.</p>	
<p>North Garage is Winnipeg Transit's oldest facility, having opened in the 1950's as a streetcar storage facility called North Car House. The facility is functionality obsolete, and is in poor condition. The risk of North Garage becoming unusable due to further deterioration of the facility is likely Winnipeg Transit's most significant operational risk. North Garage was designed for vehicles of another era, and cannot accommodate articulated buses, buses with bike racks, or even the newer buses in Transit's fleet equipped with roof-mounted air conditioners. It cannot be upgraded to accommodate zero-emission buses. The design and construction of a new Transit bus parking, servicing, maintenance and repair garage to replace North Garage is vital in order to mitigate the current risks to Winnipeg Transit's operations, to allow for the replacement of 40-foot buses with 60-foot buses, and to allow for the expansion of the zero-emissions bus fleet beyond 2027. The added capacity of a replacement for North Garage is also needed for Winnipeg Transit to consider the adoption of new vehicle types. The land and design will have the required infrastructure for two dozen zero emission buses as well as provisions for a full electrified garage.</p>	

Appendix A – Key Project Facts

Appendix A - Key Project Facts - Continued	
Major Capital Projects Advisory Committee Membership:	
<p>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. This threshold is adjusted for construction inflation as part of the Multi Year Budget process. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.</p>	
<p>Greg Ewankiw, Director, Transit (chair) Catherine Kloepfer, Chief Financial Officer Jesse Crowder, Manager, Asset Management Office, Transit Geoffrey Patton, Director, Assets and Project Management Danny Tooth, A/Manager, Major Projects Oversight Matt Dryburgh, Senior Manager, Economic Development and Policy Tim Shanks, Director, Water and Waste Marc Pittet, Manager, Real Estate and Land Development, Planning, Property & Development Cindy Desjardine, Traffic Assessment Engineer, Public Works</p>	

Appendix B – Financial Forecast

Appendix B - North Garage Replacement Financial Forecast As at December 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 Dec 31, 2023	Projected Costs				Total Forecasted Costs				
					2024	2025	2026	2027					
Engineering, Design and Other	\$ 32,123	\$ -	\$ 32,123	\$ 870	\$ 2,553	\$ 14,192	\$ 10,062	\$ 4,446	\$ 32,123	\$ -	\$ -	\$ -	
Construction	\$ 115,601	\$ -	\$ 115,601	\$ -	\$ 2,158	\$ 60,474	\$ 45,370	\$ 7,599	\$ 115,601	\$ -	\$ -	\$ -	
Land Acquisition	\$ 9,835	\$ -	\$ 9,835	\$ 3,767	\$ 6,068	\$ -	\$ -	\$ -	\$ 9,835	\$ -	\$ -	\$ -	
Internal Financing/Overhead Costs	\$ 6,198	\$ -	\$ 6,198	\$ 249	\$ 537	\$ 1,682	\$ 3,074	\$ 656	\$ 6,198	\$ -	\$ -	\$ -	
Contingency	\$ 36,309	\$ -	\$ 36,309	\$ -				\$ 36,309	\$ 36,309	\$ -	\$ -	\$ -	
Total Project Budget	\$ 200,066	\$ -	\$ 200,066	\$ 4,886	\$ 11,316	\$ 76,348	\$ 58,506	\$ 49,010	\$ 200,066	\$ -			
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	2%		2%										

Project budget of \$200,066 as approved by Council on April 29, 2021

Project #	Adopted Budget (in millions)	Amended Budget (in millions)	Forecasted Budget (in millions)	Committed (in millions)	Actual Costs (in millions)
4210000421*	132.57	132.57	-	132.57	4.89
4210000424	-	-	65.32	65.32	-
4210000425	-	-	2.18	2.18	-
Total	132.57	132.57	67.50	200.07	4.89

*2021, 2022 and 2023 approved capital budgets consolidated into project 4210000421.

Appendix C – Key Project Events (History)

On April 29, 2021, Council directed the Public Service to submit the North Garage Replacement project to the Investing in Canada Infrastructure Program (ICIP) for Federal and Provincial funding under the Public Transit Infrastructure Stream (PTIS), subject to written confirmation of Federal and Provincial funding that is satisfactory to the Chief Financial Officer, including the 2021 Adopted Capital budget and 2022 to 2026 Five-Year forecast be amended to include \$200.066M for the project.

On December 16, 2021, Council approved the 2022 Capital Budget, and amended the 2023 to 2027 Five-Year budget to include \$198.415M allocated to the North Garage Replacement. The project total of \$200.066M also includes \$1.651M from the approved 2021 budget.

On November 16, 2022, the City received notification from the Province that the North Garage Replacement was approved for Federal and Provincial funding under the ICIP-PTIS stream. The notification outlined maximum eligible costs of \$182,557,000 with a maximum \$73,022,800 Federal and \$60,846,248 Provincial contribution, respectively.

On December 5, 2022, the Province provided interim information regarding the project contribution agreement, including an effective start date of October 25, 2022. Only expenditures signed on or after this date are eligible for reimbursement, with the exception of Climate Lens Assessments.

On January 9, 2023, the Standing Policy Committee on Property and Development approved the acquisition of the 4-acre property required for the project located at 100 Oak Point Highway.

On June 1, 2023, the Standing Policy Committee on Property and Development approved a report for the expropriation of the 10-acre property required for the project; lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, west of Oak Point Highway.

On September 29, 2023, Council confirmed the expropriation of the 10-acre property required for the project; lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, west of Oak Point Highway.

On November 9, 2023, the Standing Policy Committee on Public Works approved a report for the award of contract for Professional Consulting Services for Detailed Design, Tender for Construction and Contract Administration of the North Garage Replacement to AECOM Canada Ltd.