

Minute No. 453

Minutes – Council – July 17, 2025

Report – Standing Policy Committee on Public Works – July 3, 2025

**Item No. 2 Award of Contract for the Construction of the North Garage
Replacement Tender No. 593-2024B**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Public Works and adopted the following:

1. That the City enter into, execute and deliver, and award a contract to PCL Constructors Canada Inc., who submitted the most advantageous offer for the Construction of the North Garage Replacement at an estimated cost of \$166,642,237.94 MRST included, GST extra.
2. That authority be delegated to approve contract over-expenditures and the related change orders for the North Garage Replacement Project where the accumulated contract over-expenditure does not exceed the following:
 - A. The Chief Administrative Officer, up to the Council-approved project budget,
 - B. The Chief Financial Officer, up to \$10 million, and
 - C. The Director of Transit, up to \$5 million.
3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Council – July 17, 2025

Report – Standing Policy Committee on Public Works – July 3, 2025

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Standing Policy Committee on Public Works be adopted by consent.

Carried

Councillor Wyatt was absent from the vote on the above motion.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 8, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 3, 2025, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Award of Contract for the Construction of the North Garage Replacement Tender No. 593-2024B

Critical Path: Standing Policy Committee on Public Works - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder	G. Ewankiw	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

This report is for the award of a contract to PCL Constructors Canada Inc. for the construction of the North Garage Replacement, at an estimated cost of \$166,642,237.94 MRST included, GST extra.

Winnipeg Transit plans to replace the North Garage. The new garage will be built on Oak Point Highway, moving from its current spot at 1520 Main Street. The project aims to build an energy efficient facility that stores, services, and maintains transit buses. It will have more capacity and support the addition of zero-emission buses.

RFQ 593-2024A pre-qualified three contractors for bidding on this Tender. Two bids were received from PCL Constructors and Bird Construction. The lowest bid price exceeds the funds allocated for construction. As a result, some project elements were removed and will potentially be part of future phases.

The project contingency is now approximately four percent of the budget which is well below what would be typically held for a project of this size. For that reason, there is a high risk that more funding may be needed to complete the project.

This report's recommendations meet the rules of the various trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That the City enter into, execute and deliver, and award a contract to PCL Constructors Canada Inc., who submitted the most advantageous offer for the Construction of the North Garage Replacement at an estimated cost of \$166,642,237.94 MRST included, GST extra.

2. That authority be delegated to approve contract over-expenditures and the related change orders for the North Garage Replacement Project where the accumulated contract over-expenditure does not exceed the following:
 - a. The Chief Administrative Officer, up to the Council-approved project budget,
 - b. The Chief Financial Officer, up to \$10 million, and
 - c. The Director of Transit, up to \$5 million.
3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total amount to be paid by the City pursuant to the contract exceeds \$10 Million, the Standing Policy Committee on Public Works may approve the award of contract pursuant to B8.2.1 of Purchasing Policy F1-003 as there are sufficient funds in an approved capital budget.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this contract is available within the Council approved 2021 and 2022 capital budget for the North Garage Replacement project and 2025 capital budget for Transit Buses. Both capital budgets include funding from the Province of Manitoba and the Federal Government through the Investing in Canada Infrastructure Program (ICIP) Contribution Agreement.

HISTORY/DISCUSSION

Winnipeg Transit currently operates a fleet of over 600 buses from three bases located at 421 Osborne Street, 600 Brandon Avenue and 1520 Main Street.

The North Garage is Winnipeg Transit's oldest facility, having opened in the 1950's as a streetcar storage building. The building is in poor condition and functionally obsolete. The risk of North Garage becoming unusable due to further deterioration of the facility is likely Winnipeg Transit's most significant operational risk.

The 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 Transit bus parking, servicing, maintenance and repair facility to replace North Garage is one of Winnipeg Transit's highest priority infrastructure projects. It is vital for the replacement to be constructed in order to mitigate the current risks to Winnipeg Transit's operations, to allow for the addition of 60-foot buses to the fleet, as well as the expansion of the zero-emission bus program.

The proposed facility was planned to include the following main features:

- Facility size of approximately 26,200 m² (282,000 ft²),
- LEED Silver certification,

- Bus storage capacity for 207 40-foot equivalent spaces,
- Six repair and maintenance bays,
- Adequate administration space including dispatch offices, quiet room, lockers, lunch room and other amenities,
- Four service bays and two bus washracks,
- A bus interior cleaning area,
- An on-site electrical substation,
- Electrical chargers and dispensers for 24 Battery Electric Buses (BEB) and provisions for additional BEBs in the future,
- A visitor and staff parking lot

However, to ensure that the project remains within the approved budget the Tender included Deduction Items such as fit and finishes, gravel parking lot, site fencing, second wash rack, bus storage reduction down to 171 or even further to 144 40-foot equivalent spaces that can be deferred from the initial construction.

The land and facility will accommodate provisions for the installation of the required infrastructure for the storage and fueling of zero emission buses as well as the expansion of the garage in future phases.

The Public Service received Council approval to proceed with the procurement of a new Transit bus parking, servicing, maintenance and repair facility funded through ICIP in April 2021. Approval of funding from the Provincial and Federal Government was received in November 2022. Project work commenced in 2023 with the City contracting with AECOM Canada for the detailed design of the proposed facility.

On August 15, 2024, RFQ 593-2024A was posted to pre-qualify contractors to bid on the Tender for Construction. The RFQ process produced three qualified bidders: PCL Constructors Canada Inc., Graham Construction and Engineering LP and Bird Construction Group.

Tender for Construction 593-2024B was issued to the qualified bidders via MERX on February 28, 2025 and closed on June 2, 2025. The process resulted in two bids being received (Graham Construction chose not to bid) as follows:

- | | |
|---------------------------------|-------------------|
| 1. PCL Constructors Canada Inc. | \$170,664,448.48 |
| 2. Bird Construction Group | \$174,888,134.97* |

*The bid from Bird Construction Group missed one item in the Form B: Prices that has been considered at zero cost.

The lowest bid price exceeds the funds allocated for construction to keep the project within the approved budget. The result of the bids exceeding the anticipated construction budget, even with reduced scope, presents two options:

- Option 1: Not awarding the contract. This is not recommended as it would forgo approximately \$133M in Federal and Provincial funding, result in capital costs to keep the existing North Garage operational, limit Transit's fleet size and growth thus impacting service and ridership and likely result in higher costs at a later date as prices continue to escalate in the current market.

- Option 2: Award the project with the deferral of some scope elements as described below while recognizing the high risk created by reducing the project contingency to a low level (approximately four percent). Typical City practice for a major capital project is a contingency level of approximately 15 percent. In this case, the Public Service would continue to explore if there is a shared funding opportunity as part of the Canada Public Transit Fund to provide additional project funding but it is very likely further funding for the project will be needed.

The Public Service is recommending Option 2 and proposing some of the Deduction Items be removed from the Total Bid Price, bringing the revised Total Bid Price to \$166,642,237.94. After these deductions, the revised facility will be modified as follows:

Feature	Planned Facility	Proposed Facility
Size	26,200 m ² (282,000 ft ²)	24,000 m ² (259,000 ft ²)
LEED Silver Certification	Yes	No change
Bus Storage Capacity	207 40-foot equivalent buses	171 40-foot equivalent buses
Maintenance and Repair Bays	6	No change
Admin Building	Adequate administration space including dispatch offices, quiet room, lockers, lunch room and other amenities	No change
Service and Wash Bays	4 service bays and 2 washracks	4 service bays and 1 washrack
Interior Bus Cleaning Area	Yes	No change
On-site Electrical Substation	Yes	No change
Electrical chargers and dispensers for 24 Battery Electric Buses and provisions for additional BEBs in the future	Yes	No change
Visitor and staff parking lot	Both asphalt	Staff parking lot will be gravel

This configuration will allow Transit to close the current North Garage at 1520 Main Street as soon as the new garage is operational. Any further reduction in bus storage space would require the existing garage to remain open which would necessitate further investment in that aged facility to maintain its basic functionality. The deferral of the listed elements will be combined with future, currently unfunded phases to restore the original scope of the project at a future date.

The Manager of Purchasing has advised that all bids were accompanied by an acceptable bid security.

The Contract Administrator has verified that PCL Constructors Canada Inc. is COR certified with the Construction Safety Association of Manitoba, Certificate #10712-99 (expiration date December 2026), and the company is in good standing with the Workers Compensation Board of Manitoba. The City will issue an award letter to the successful bidder in lieu of the execution of a formal contract.

The bids are open for acceptance until August 31, 2025.

Construction of the new facility is anticipated to start in Q3 2025 with Substantial Completion planned for Q4 2027.

The Public Service recommends that a contract for the Construction of North Garage Replacement, Tender 593-2024B, be awarded to PCL Constructors Canada Inc., being the most responsible and qualified bidder submitting the most advantageous offer to the City, at an estimated cost of \$166,642,237.94 MRST included, GST extra.

Work will not commence prior to the award of contract.

FINANCIAL IMPACT**Financial Impact Statement**Date: **June 6, 2025****Project Name:****First Year of Program** **2025****Award of Contract for the Construction of North Garage Replacement, Tender 593-2024B**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Capital					
Capital Expenditures Required	\$ 166,642,238	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	\$ 166,642,238	\$ -	\$ -	\$ -	\$ -
Additional Capital Budget Required	\$ -	\$ -	\$ -	\$ -	\$ -
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Total Additional Capital Budget Required	\$ -				
Total Additional Debt Required	\$ -				
Current Expenditures/Revenues					
Direct Costs	\$ 182,356	\$ 999,353	\$ 2,066,078	\$ 2,436,961	\$ 2,435,172
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	\$ 182,356	\$ 999,353	\$ 2,066,078	\$ 2,436,961	\$ 2,435,172
Less: Existing Budget Amounts	182,356	999,353	2,066,078	2,436,961	2,435,172
Net Budget Adjustment Required	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Comments:					
<p>The Capital Expenditures Required reflect the bid amount adjusted for the deducted items and includes applicable MRST. There is sufficient funding available for the award in the Council approved 2021-2025 Capital Budgets for North Garage Replacement and the 2025 Capital Budget for Transit Buses. However, as noted in the report, the bid price exceeded the funds allocated for construction and the project contingency is now approximately four percent of the budget which is well below what would be typically held for a project of this size. There is a high risk that additional budget may be needed to complete the project. Both Capital budgets include Federal and Provincial contributions as part of the ICIP Program. The City's contribution amount will be funded by external debt.</p> <p>The Operating Budget impact consists of the interest and debenture issue expenses from external borrowing (Direct Costs). These amounts are included in the Transit's annual Operating Budget Submissions.</p>					

Laurie Fisher June 6, 2025
 Laurie Fisher, CPA, CA
 Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department

OUR WINNIPEG POLICY ALIGNMENT

Key Goals:

Environmental Resilience:

- Prioritize sustainable transportation as the mobility options of choice.

Objective: City Building

- **Policy 2.5** -- Integrate resilient land use, transportation and infrastructure, and investment. Ensure that land use, transportation, and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infrastructure capacity.
- **Policy 6.29** ---New Communities, Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative to achieve complete communities including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services and digital communications technology.
- **Policy 6.24, 6.37, 6.38** —Transit-Oriented Development.
- **Policy 6.10** --Transportation Safety

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction, Strategic Opportunity #3

- Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles

Key Directions and actions

3.1 - Increase Use and Efficiency of Public Transit Systems

3.3 - Design New Suburban Communities to Enable Enhanced Transit Services and Access to Transit Corridors

3.7 - Utilize Zero Emission Buses

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(c) Transportation System Equity is Enhanced – Increase collaboration with community partners improves access to safe and secure transportation by all residents.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Adolfo Laufer, Project Manager
Date: June 13, 2025
File No: 593-2024B