

**Minutes – Standing Policy Committee on Finance – December 3, 2012**

**REPORTS**

**Minute No. 12          Plessis Road Twinning and Grade Separation at CN Rail - Financial  
Status Report No. 1 for the period ending September 30, 2012**

**STANDING COMMITTEE DECISION:**

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received as information the financial status of the Plessis Road Twinning and Grade Separation at CN Rail.

**Minutes – Standing Policy Committee on Finance – December 3, 2012**

DECISION MAKING HISTORY:

Moved by Councillor Havixbeck,

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

Carried

## **ADMINISTRATIVE REPORT**

**Title: PLESSIS ROAD TWINNING AND GRADE SEPARATION AT CN RAIL - FINANCIAL STATUS REPORT NO. 1 FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

**Critical Path: STANDING POLICY COMMITTEE ON FINANCE**

### **AUTHORIZATION**

<b>Author</b>	<b>Department Head</b>	<b>CFO</b>	<b>CAO</b>
L. P. Deane, P. Eng.	B.W. Sacher, P.Eng.	M. Ruta, CFO	D. Joshi, COO

### **RECOMMENDATIONS**

That this financial status of the Plessis Road Twinning and Grade Separation at CN Rail as contained in this report be received as information.

### **REASON FOR THE REPORT**

Administrative Standard FM-004 requires quarterly reporting to the Standing Policy Committee on Finance.

### **IMPLICATIONS OF THE RECOMMENDATIONS**

The project is currently within budget and on schedule. Project Planning and Preliminary Design is ongoing and will identify any issues with the budget and schedule.

### **HISTORY**

On November 16, 2011, Council adopted a first charge of \$2 million in 2011 or prior to the adoption of the 2012 Capital Budget to allow for timely award of a Consulting Engineering Assignment to undertake the Preliminary Design Study and to initiate property acquisitions.

On December 13, 2011, Council adopted the 2012 Capital Budget which identified \$77,000,000 for the Plessis Road Twinning and Grade Separation at CN Rail, including contributions from the Building Canada Fund (Federal Government; \$25,000,000) and the Provincial Government (\$25,000,000).

On December 22, 2011, the City submitted the Plessis Road Underpass Project Application to the Government of Canada Infrastructure Funding to the Canada-Manitoba Infrastructure Secretariat.

On January 12, 2012, the City notified CN Rail of the application to the Building Canada Fund and requested that discussions commence as soon as possible. On July 16, 2012, CN Rail requested a proposal from the City demonstrating the need for a grade separation structure and substantiating that an underpass as opposed to an overpass is warranted.

On January 24, 2012, Professional Consulting Services were awarded, to AECOM Canada Ltd., for a preliminary land drainage study which was completed on May 4, 2012.

On June 18, 2012, the City was advised that the Government of Canada has identified the Plessis Road Underpass Project as a priority for funding consideration under the Building Canada Fund – Major Infrastructure Component. Under the program, the Government of Canada will consider an investment of up to one-third of the project's total eligible costs, to a maximum contribution of \$25,000,000, conditional upon the completion of a federal project review, fulfilling environmental and Aboriginal consultation requirements, and signing contribution agreements, amongst others.

On July 11, 2012, Professional Consulting Services were awarded, to AECOM Canada Ltd., for Project Planning and Preliminary Design. Fees for future services (Detailed Design, Contract Administration

and Post Construction Services) will be negotiated at key stages. Future services cannot commence until authorization is provided by the City.

On July 17, 2012, Manitoba Conservation and Water Stewardship confirmed this project will not require environmental assessment and licensing pursuant to the Environment Act.

On July 20, 2012, the Plessis Road Underpass Project Business Case was submitted to Transport Canada for federal project review.

The Award Report for Professional Consulting Services for Third Party Contract Administration is in circulation.

### **MAJOR CAPITAL PROJECT STEERING COMMITTEE**

Administrative policy for projects with capital cost exceeding \$10 million requires formation of Major Capital Project Steering Committee. The Committee has not been appointed.

### **PROJECT STATUS**

The project is currently within budget and on schedule. Project Planning and Preliminary Design is ongoing and will identify any issues with the budget and schedule.

### **DESCRIPTION OF PROJECT**

The existing at-grade crossing of Plessis Road at the CNR Redditt Subdivision will be replaced with an underpass grade separation structure, including earth retaining structures, to provide improvements in road safety, mobility, and sustainability. The underpass will be designed to accommodate four through lanes and auxiliary lanes where warranted. The pavement and bridge structure will support the addition of two through lanes in the future without modification to the bridge structure, retaining structures or embankment slopes.

Geometric and capacity improvements on Plessis Road and Dugald Road are required. Plessis Road will be reconstructed between Pandora Avenue and approximately 325 m south of Dugald Road. This section of Plessis Road is part of the City of Winnipeg Strategic Road Network as identified in the Winnipeg Transportation Master Plan and will be widened to four lanes between Pandora Avenue and Dugald Road. Dugald Road is anticipated to be reconstructed from 600 m east to 350 m west of Plessis Road.

Connections to the existing pedestrian and active transportation facilities on Pandora Avenue and Dugald Road will be provided on Plessis Road.

Improvements to the existing land drainage system and provision of an underpass pumping facility are required.

Construction of the underpass will require the relocation of several utilities, including but not limited to water mains, sewers, fibre optic cables, gas mains, distribution poles, street lights, and Manitoba Telecom Systems plant.

Imperial Oil Limited and Shell Canada have pipelines and a valve station in the vicinity of the proposed underpass. The pipelines will need to be relocated or lowered and the valve station may require relocation.

Temporary rail and road detours will be required to direct traffic around the construction. Disruption to CN Rail operations during construction will be minimized.

## **PROJECT SCHEDULE**

Professional Service Contracts pending and awarded as of the date of this report are as follows:

<b>Bid Opportunity</b>	<b>Awarded To</b>	<b>Description</b>	<b>Award Date</b>	<b>Completion Date</b>	<b>Award Value</b>
Direct Assign	AECOM Canada Ltd.	Preliminary Land Drainage Study	January 24, 2012	May 4, 2012	\$65,985.00
142-2012	AECOM Canada Ltd.	Professional Engineering Consulting Services	July 11, 2012	On-going	\$1,114,282.00 (Planning and Preliminary Design)
518-2012	TBD	Third Party Contract Administration			TBD

## **RISKS AND RISK MITIGATION STRATEGIES**

In accordance with Administrative Standard FM-004, the design consultant is responsible for developing a Risk Management Plan identifying risks and appropriate mitigation strategies as they relate to the successful completion of the project. The Risk Analysis and Evaluation Worksheet, which identifies the risks and their potential impacts, has been assembled; risk scores and mitigation strategies are being developed.

Risk impact ratings, risk likelihood ratings, risk scores and mitigation strategies will be developed in consultation with the City. Examples of risks identified include:

- Stakeholder management, including:
  - Agreements and cost sharing with CN Rail, Imperial Oil Limited, Shell Canada and other utilities
  - Timely design and plant relocation by CN Rail, Imperial Oil Limited, Shell Canada and other utilities
- Project approval under the Building Canada Fund is pending
- Timely property acquisitions (expropriation and purchase)
- Aggressive schedule
- Public consultation

## **FINANCIAL ANALYSIS**

### **Project Funding**

The approved capital and projected budget surplus/deficit are as follows:

<b>Year</b>	<b>Capital Program (in 000's)</b>	<b>Actual + Projected Cashflows</b>	<b>Cumulative Capital Budget Remaining</b>
2012	\$77,000 <sup>1,2,3</sup>	\$ 2,500	\$74,500
2013		41,100	33,400
2014		33,400	NIL
Total	\$77,000	\$77,000	

(1) Includes Building Canada Fund (Federal Government) funding of up to \$25,000,000

(2) Includes Provincial Government funding of up to \$25,000,000

(3) On November 16, 2011 Council adopted a first charge of \$2 million in 2011 or prior to the adoption of the 2012 Capital Budget to allow for timely award of a Consulting Engineering Assignment to undertake the Preliminary Design Study and to initiate property acquisitions

### **Financial Analysis**

A summary of the budget to forecast comparison is contained in the Appendix.

## FINANCIAL IMPACT

**Financial Impact Statement Date:** November 14, 2012

### Project Name:

PLESSIS ROAD TWINNING AND GRADE SEPARATION AT  
CN RAIL - FINANCIAL STATUS REPORT NO. 1 FOR THE  
PERIOD ENDING SEPTEMBER 30, 2012

### COMMENTS:

As this report is submitted for informational purposes only, there is no financial impact associated with this recommendation.

*"Original Signed by D. Stewart, CA"*

D. Stewart, CA

Manager of Finance & Administration

## CONSULTATION

**In preparing this report there was consultation with:** n/a

## SUBMITTED BY

Department: Public Works  
Division: Engineering  
Prepared by: B.S. Kibbins, P. Eng.  
Processed by: K. Ross  
Date: November 1, 2012  
File No. 12-G-02  
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Attachment: Appendix: Financial Analysis - Plessis Road Twinning and Grade Separation at CN Rail

**APPENDIX**  
**PLESSIS ROAD TWINNING AND GRADE SEPARATION AT CN RAIL**  
As of September 30, 2012

Project Component	Capital Budget			Capital Expenditures Forecast					Surplus (Deficit)	Variance Last Report	Change in Variance
	Original	Council Approved Change	Revised	Actual Costs		Projected Costs		Total			
				To September 30, 2012	2012	2013	2014	Forecast	From Revised Budget		
<b>A Professional Services</b>	\$10,000,000		\$10,000,000	\$45,536	\$1,954,464	\$4,500,000	\$3,500,000	\$10,000,000			
<b>B Construction Work</b>	43,500,000		43,500,000			21,000,000	22,500,000	43,500,000			
<b>C Rail and Utility</b>	15,000,000		15,000,000			10,000,000	5,000,000	15,000,000			
<b>D Property</b>	5,000,000		5,000,000			4,500,000	500,000	5,000,000			
<b>E Overheads and Other</b>	\$3,500,000		\$3,500,000	\$1,366	\$498,634	\$1,100,000	\$1,900,000	\$3,500,000			
	\$77,000,000	\$0	\$77,000,000	\$46,902	\$2,453,098	\$41,100,000	\$33,400,000	\$77,000,000	\$0	\$0	