

**Minutes – Standing Policy Committee on Finance – November 7, 2013**

**REPORTS**

**Minute No. 10          Polo Park Infrastructure Improvements – St. Matthews Avenue, St. James Street, Ellice Avenue – Financial Status Report No. 1 for the Period Ending September 30, 2013**

**STANDING COMMITTEE DECISION:**

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received the financial status report of the Polo Park Infrastructure Improvements Project as information.

**Minutes – Standing Policy Committee on Finance – November 7, 2013**

DECISION MAKING HISTORY:

Moved by Acting Deputy Mayor Nordman,

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

Carried

## ADMINISTRATIVE REPORT

**Title:** POLO PARK INFRASTRUCTURE IMPROVEMENTS – ST. MATTHEWS AVENUE, ST. JAMES STREET, ELLICE AVENUE – FINANCIAL STATUS REPORT NO. 1 FOR THE PERIOD ENDING SEPTEMBER 30, 2013

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

### AUTHORIZATION

Author	Acting Department Head	CFO	CAO
L. P. Deane, P. Eng.	B.W. Sacher, P.Eng.	P. Olafson, A-CFO	D. Joshi, A-CAO

### RECOMMENDATIONS

That the financial status of the Polo Park Infrastructure Improvements Project, as contained in this report, be received as information.

### REASON FOR THE REPORT

Administrative Standard No. 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. Property negotiations and Project Planning and Preliminary Design are ongoing and will identify any budget or schedule issues.

### HISTORY

On January 29, 2013, Council adopted the 2013 Capital Budget which included an amount of \$30,000,000.00 for the Polo Park Infrastructure Improvement Project.

On June 20, 2013 the Chief Financial Officer approved an award of contract to Morrison Hershfield Ltd. for Professional Consulting Services for the Project Planning and Preliminary Design for the Polo Park Infrastructure Improvements Project – St. Matthews Avenue, St. James Street and Ellice Avenue. Fees for future services – Detailed Design, Contract Administration and Post Construction will be negotiated at key stages. Future services cannot commence until authorization is provided by the City of Winnipeg delegated Award Authorities pursuant to Administrative Standard FM-002.

On June 12, 2013, the Province of Manitoba issued a news release announcing \$10,000,000 additional funding to bring the total Project Budget to \$40,000,000. Public Works Department has not received any formal correspondence related to the additional funding; hence there has been no request for a budget increase forwarded to Council. A copy of the news release is attached in Appendix B.

An award of contract for Third Party Contract Administration Services has been recommended and approval is pending, following the evaluation of proposals received in response to RFP No. 599-2013 for Third Party Contract Administration Services for the Polo Park Infrastructure Improvements – St. Matthews Avenue, St. James Street, Ellice Avenue.

## **MAJOR CAPITAL PROJECT STEERING COMMITTEE**

Administrative Standard FM-004 states that projects with capital cost exceeding \$10 million require formation of Major Capital Project Steering Committee. The Committee has been appointed with the following members:

Brad Sacher, Director, Public Works Department  
Barry Thorgrimson, Director, Planning, Property and Development Department  
Linda Burch, Director, Corporate Support Services  
Jason Ruby, Manager of Capital Projects, Corporate Finance Department  
Bonnie Konzelman, Project Manager, Public Works Department

## **PROJECT STATUS**

Project Planning and Preliminary Design is underway and will identify any issues with scope, budget, and schedule.

Property negotiations are ongoing, with steps being taken to obtain approval for expropriation in the event that property negotiations are unsuccessful.

Negotiations for acquisitions of properties required for the St. Matthews Avenue extension between St. James Street and Madison Street (890 St. James and 914 St. James) have begun. There is a risk that property acquisition estimates may increase or be delayed as a result of the negotiation process. This could require an increase in project budget, revision in scope, or delay in the construction of the St. Matthews Avenue extension between St. James Street and Route 90.

A public information session is anticipated for November 2013.

## **DESCRIPTION OF THE PROJECT**

Project parameters for the Polo Park Infrastructure Improvements within this project, include the extension of St. Matthews Avenue, from St. James Street to Madison Street, improvements to St. Matthews Avenue, between Empress Street and Route 90 - including related intersection improvements along St. Matthews Avenue, improvements to St. James Street/St. Matthews Avenue intersection, and improvements to St. James Street/Ellice Avenue intersection. A brief description of the work includes:

- New and existing pavement/sidewalk infrastructure improvements and related works;
- Additions and improvements to the existing land drainage system;
- Connections to existing and future active transportation corridors;
- Relocation and/or protection of several utilities, including but not limited to fibre optic cables, gas mains, distribution poles, street lights, MTS, Shaw Cable, and hydro plant;
- Coordination of related City of Winnipeg work with other City of Winnipeg departments (ie Water & Waste, Traffic Signals, etc.)

## **PROJECT SCHEDULE**

The project is currently in the planning and preliminary design stage with property negotiations ongoing.

Professional Consultant 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>
RFP No. 236-2013	Morrison Hershfield Ltd.	Professional Consulting Services – Planning and Preliminary Design	June 20, 2013	On-Going	\$549,000.00
RFP No. 599-2013	Pending	Professional Consulting Services – Third Party Contract Administrator	Pending		

No major construction contracts have been issued or awarded as of the date of this report.

Construction is expected to commence in the spring of 2014 with a potential substantial completion date achieved in 2014. Should the St. Matthews extension be delayed or additional funding be approved by Council, those construction works would be completed in 2015.

### **RISKS AND RISK MITIGATION STRATEGIES**

There is a risk that property acquisition estimates may increase or be delayed as a result of the negotiation process. This could require an increase in project budget, revision in scope, or delay in the construction of the St. Matthews Avenue extension between St. James Street and Route 90.

Morrison Hershfield Ltd. is undertaking an updated traffic study and will provide a report with recommendations for alternate locations/details for traffic improvements to be completed, should the St. Matthews extension be delayed beyond 2015, or Council approves additional funding for the project as identified by the Province of Manitoba, but not yet approved in the Project Budget.

Details of the new Manitoba Winnipeg Infrastructure Agreement (MWIA) have not yet been finalized by the City and the Province. Terms and conditions related to funding contribution calculations may limit the amount of Provincial funding available for the project as a result of amounts deemed to be ineligible costs (i.e. property acquisition) by the Province. The existing approved budget of \$30,000,000 includes \$20,000,000 from the City and \$10,000,000 from the Province, with an additional \$10,000,000 Provincial amount not yet approved by Council.

In accordance with Administrative Standard FM-004, the design consultant is responsible for developing a Risk Management Plan identifying the risks and appropriate mitigation strategies as they relate to the successful completion of the project. The design consultant will develop a Risk Management Plan in accordance with the Risk Management Process Tools developed by the City of Winnipeg Audit Department during the Preliminary Design Phase.

### **FINANCIAL ANALYSIS**

#### **Project Funding**

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

<b>Year</b>	<b>Capital Program</b>	<b>Actual &amp; Projected Cash-flows</b>	<b>Cumulative Capital Budget Remaining</b>
2013	\$30,000,000	\$14,600,000	\$15,400,000
2014		\$15,400,000	Nil
<b>Total</b>	<b>\$30,000,000*</b>	<b>\$30,000,000</b>	

\*An additional \$10,000,000 may be approved by Council and added to the Project Budget as announced by the Province of Manitoba on June 12, 2013. Since the existing agreement for Provincial funding contributions expired in 2012, details for a new capital funding arrangement between the City and Province are currently being finalized under

the Manitoba-Winnipeg Infrastructure Agreement (MWIA). Funding calculations under the new agreement may limit the amount of provincial funding available for the project due to potential maximum contribution limitations (i.e. 50/50 cost share) combined with ineligible project costs precluded from the calculations, such as property acquisition cost.

\*Additional funding may be available under Developer obligations included in the Development Agreement 514/2013 for the Northeast corner of the old Winnipeg Stadium site.

## **FINANCIAL ANALYSIS**

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

## **FINANCIAL IMPACT**

### **Financial Impact Statement**

**Date:** [October 24, 2013](#)

### **Project Name:**

POLO PARK INFRASTRUCTURE IMPROVEMENTS –  
ST. MATTHEWS AVENUE, ST. JAMES STREET, ELLICE AVENUE –  
FINANCIAL STATUS REPORT NO. 1 FOR THE PERIOD ENDING  
SEPTEMBER 30, 2013

### **COMMENTS:**

As this report is submitted for information purposes only, there is no financial impact 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 Department

Division: Engineering

Prepared by: B. Konzelman

Processed by: J. Curti

Date: October 24, 2013

File No. 13-B-02

Attachment: Appendix A - Polo Park Infrastructure Improvement Project  
Appendix B – Province of Manitoba – News Release

**APPENDIX A**

**POLO PARK INFRASTRUCTURE IMPROVEMENTS PROJECT**

**As of September 30, 2013**

Project Component		Capital Budget			Capital Expenditures Forecast				Surplus (Deficit)	Variance Last Report	Change in Variance
		Original	Council Approved Change	Revised	Actual Costs		Total		From Revised Budget		
					To Sept. 30, 2013	Remaining 2013	2014	Forecast			
<b>A</b>	<b>Professional Services</b>	\$1,900,000		\$1,900,000		\$900,000	\$1,000,000	\$1,900,000	\$0		
<b>B</b>	<b>Construction Work</b>	9,800,000		9,800,000			9,800,000	9,800,000	0		
<b>C</b>	<b>Utilities &amp; Other</b>	4,200,000		4,200,000	1,418	2,098,582	2,100,000	4,200,000	0		
<b>D</b>	<b>Property</b>	11,000,000		11,000,000	1,471	10,998,529		11,000,000	0		
<b>E</b>	<b>Overheads</b>	1,300,000		1,300,000	130	599,870	700,000	1,300,000	0		
<b>F</b>	<b>Contingency</b>	1,800,000		1,800,000			1,800,000	1,800,000	0		
	<b>Total**</b>	\$30,000,000	\$0	\$30,000,000	\$3,019	\$14,596,981	\$15,400,000	\$30,000,000	\$0	\$0	\$0
** Note: Preliminary Estimates only - budgeted amounts to be confirmed during Planning and Preliminary Design Phase											



## NewsRelease

June 12, 2013

### MANITOBA BUILDING AND RENEWAL PLAN INVESTS IN POLO PARK AREA ROADS

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**Provincial Funding of \$20 Million to Support Road Renewal, St. Matthews Avenue Extension:  
Premier**

A major provincial investment will soon result in better driving conditions for residents of Winnipeg in one of the city's busiest areas, Premier Greg Selinger announced today.

"With the redevelopment of the former football stadium site, it's the right time to address the need for road renewal and intersection improvements in the Polo Park area," Selinger said. "Through Budget 2013 and the Manitoba Building and Renewal Plan, the provincial government is moving forward with critical infrastructure work that families depend on, like road improvements in high traffic areas like Polo Park."

The Polo Park area has seen major expansion of retail businesses for more than a decade and new residential and commercial development on the old Canad Inns stadium site is coming soon.

The province is contributing \$20 million to this project. The total cost is estimated at \$40 million and is funded in partnership with the City of Winnipeg, which announced funding for the project in December 2012. Construction is planned for 2014 and the preliminary design and public information session is scheduled for September 2013.

The scope of work includes:

- extension of St. Matthews Avenue from St. James to Madison streets;
- improvements to St. Matthews Avenue between Empress Street and St. James Street; and
- improvements to the St. James Street/St. Matthews Avenue and St. James Street/Ellice Avenue intersections.

"Along with better access to retail and commercial businesses, restaurants and movies, the road and intersection improvements will mean local residents, business owners, employees and shoppers will spend less time in traffic jams," said Local Government Minister Ron Lemieux. "Major investments like this can only improve the economic viability of this community, benefit the city and, in turn, the whole province."

Since 2007, the province has invested more than \$200 million in Winnipeg roads.

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