

Minutes – Standing Policy Committee on Finance – March 13, 2014

REPORTS

Minute No. 32 Polo Park Infrastructure Improvements – St. Matthews Avenue, St. James Street, Ellice Avenue – Financial Status Report No. 2 for the period ending December 31, 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 – March 13, 2014

DECISION MAKING HISTORY:

Moved by Councillor Havixbeck,

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. 2 FOR THE PERIOD ENDING December 31, 2013

Critical Path: STANDING POLICY COMMITTEE ON FINANCE

AUTHORIZATION

Author	Department Head	CFO	CAO
L. P. Deane, P. Eng.	B.W. Sacher, P.Eng.	M. Ruta, 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 are being negotiated. Future services cannot commence until authorization is received by the City of Winnipeg delegated Award Authorities pursuant to Administrative Standard FM-002.

On October 18, 2013, the Director of Public Works approved an award of contract for Third Party Contract Administration Services for the Polo Park Infrastructure Improvements – St. Matthews Avenue, St. James Street, and Ellice Avenue.

On December 17, 2013 the 2014 Capital Budget was adopted and included an additional \$10,000,000 in provincial funding under the Manitoba Winnipeg Infrastructure Agreement (MWIA), as announced by the Province of Manitoba on June 12, 2013 to bring the total project funding to \$40,000,000.

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 substantially complete 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) are ongoing. 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 was held on November 27, 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 between Maroons Road and Ellice Avenue, 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;
- Watermain renewals;
- 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 Planning and Preliminary Design stage is substantially complete and negotiations are being finalized for the Detail Design and Contract Administration with an award pending.

Property negotiations are ongoing. An Expropriation of Lands report has been prepared by PP&D for submission to the February 18, 2014 Standing Policy Committee on Property and to the February 26, 2014 Council meeting. The report includes the properties required for the work on

St. James Street between Maroons Road and Ellice Avenue and the work on St. Matthews Avenue between St. James Street and Empress Street.

Professional Consultant Service Contracts pending and awarded as of the date of this report are as follows (RST extra as applicable):

Bid Opportunity	Awarded To	Description	Award Date	Completion Date	Award Value
RFP No. 236-2013	Morrison Hershfield Ltd.	Professional Consulting Services – Planning and Preliminary Design	June 20, 2013	On-Going	\$549,000.00
RFP No. 236-2013	Morrison Hershfield Ltd.	Professional Consulting Services – Detail Design & Contract Administration	Pending		
RFP No. 599-2013	Dillon Consulting Limited	Professional Consulting Services – Third Party Contract Administrator	October 18, 2013	On-Going	\$259,800.00

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

Scope adjustments, as a result of additional funding adopted in the 2014 capital budget, as well as property acquisition complications has resulted in some work being scheduled for carryover to the 2015 construction season.

Construction is expected to commence in the spring of 2014 with substantial completion dates as follows:

- Fall 2014 - St. James Street between Maroons Road and St. Matthews Avenue, Ellice Avenue east and west of St. James Street, and St. Matthews Avenue east of St. James Street;
- Fall 2015 – St. James Street between St. Matthews Avenue and Ellice Avenue, St. Matthews Avenue extension between St. James Street & Route 90, and Ellice Avenue/St. James Street intersection.

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. has undertaken an updated traffic study and has provided a draft report with recommendations for alternate locations/details for traffic improvements to be completed, should the St. Matthews extension be delayed beyond 2015.

Details of the new MWIA have not yet been made available, therefore 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.

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 has prepared a draft framework for the Risk Analysis and Evaluation in accordance with the Risk Management Process Tools developed by the City of Winnipeg Audit Department and the plan will be finalized and updated going into the Detail Design phase.

FINANCIAL ANALYSIS

Project Funding

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

Year	Capital Program	Actual & Projected Cash-flows	Cumulative Capital Budget Remaining
2013	\$30,000,000	\$434,759	\$29,565,241
2014	10,000,000*	\$29,984,441	\$9,580,800
2015		\$9,580,800	Nil
Total	\$40,000,000*	\$40,000,000	

* 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: [February 18, 2014](#)

Project Name:

POLO PARK INFRASTRUCTURE IMPROVEMENTS – ST.
MATTHEWS AVENUE, ST. JAMES STREET, ELLICE AVENUE -
FINANCIAL STATUS REPORT NO. 2 FOR THE PERIOD ENDING
December 31, 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: February 3, 2014

File No. 13-B-02

Attachment: Appendix A - Polo Park Infrastructure Improvement Project

APPENDIX A

POLO PARK INFRASTRUCTURE IMPROVEMENTS PROJECT

As of December 31, 2013

Project Component	Capital Budget			Capital Expenditures Forecast				Surplus (Deficit)	Variance Last Report	Change in Variance	
	Original	Council Approved Change	Revised	Actual Costs	2014	2015	Total	From Revised Budget			
				To Dec. 31, 2013			Forecast				
A	Professional Services	\$1,900,000	\$2,600,000	\$4,500,000	\$412,668	\$3,587,332	\$500,000	\$4,500,000	\$0	\$0	\$0
B	Construction Work	9,800,000	5,200,000	15,000,000		8,000,000	7,000,000	15,000,000	0	0	0
C	Utilities & Other	4,200,000	1,850,000	6,050,000	5,936	5,044,064	1,000,000	6,050,000	0	0	0
D	Property	11,000,000		11,000,000	7,471	10,992,529		11,000,000	0	0	0
E	Overheads	1,300,000	350,000	1,650,000	8,684	1,060,516	580,800	1,650,000	0	0	0
F	Contingency	1,800,000		1,800,000		1,300,000	500,000	1,800,000	0	0	0
	Total**	\$30,000,000	\$10,000,000	\$40,000,000	\$434,759	\$29,984,441	\$9,580,800	\$40,000,000	\$0	\$0	\$0

** Note: Preliminary Estimates only - budgeted amounts to be confirmed during Design Phase

Additional \$10,000,000 approved in the 2014 Capital Budget