

**Minutes - Standing Policy Committee on Finance - November 26, 2015**

**REPORTS**

**Item No. 1                      Transit Building Replacement/Refurbishment (Major Project Component) – Financial Status Report No. 4 for the Period Ending September 30, 2015**

**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 Transit Building Replacement/Refurbishment (Major Project Component) project, as contained in the report.

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DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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

Carried

## ADMINISTRATIVE REPORT

**Title: TRANSIT BUILDING REPLACEMENT/REFURBISHMENT (MAJOR PROJECT COMPONENT) – FINANCIAL STATUS REPORT NO. 4 FOR THE PERIOD ENDING SEPTEMBER 30, 2015**

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

### AUTHORIZATION

Author	Department Head	CFO	CAO/COO
T. Dreolini	D. Wardrop	M. Ruta	M. Jack COO

### RECOMMENDATIONS

That the financial status of the Transit Building Replacement/Refurbishment (Major Project Component) project as contained in the report be received as information.

### REASON FOR THE REPORT

Administrative Standard No. FM-004 requires the department responsible for a capital project to report quarterly, or at any other interval, as determined by the Standing Policy Committee on Finance.

### EXECUTIVE SUMMARY

This project will address some of the space deficiencies that are being faced by the Transit Department as increasing service demands and technology changes are putting pressure on existing facility resources.

### IMPLICATIONS OF THE RECOMMENDATIONS

None

### HISTORY

Transit's operations are housed at three primary locations in four buildings. The Fort Rouge Garage (FRG) at 421 Osborne St. consists of two major buildings totaling 480,000 sq. ft. These buildings were completed in 1968 with a bus parking addition completed in 1978. FRG houses Transit's primary administrative offices, vehicle overhaul and maintenance facilities, bus parking and daily servicing facilities, support facilities and has a parking capacity for 420 buses. North Garage (NG) is located at 1520 Main St., is 100,000 sq. ft. in size and was constructed in two stages between the late 1930's and mid 1950's. NG is a parking, servicing and light maintenance garage with dispatch offices and has a capacity of 135 buses. Brandon Garage (BG) at 600 Brandon Ave. is adjacent to FRG, is 135,000 sq. ft. in size and was completed in 2014. BG is a parking and servicing facility with dispatch offices and has a capacity of 153 buses.

The main facilities at FRG and NG are from 45 to 80 years of age. The maintenance of these facilities has been funded through the operating budget in the past; however, many of the building systems at both locations have reached the end of their economic lives.

The Transit Building Replacement/Refurbishment program began in 2007 with \$100,000 funding for a review of Transit's existing facilities and future requirements. This report was completed in 2009 and concluded that the facilities were being operated at capacity and that space deficiencies existed in bus parking, bus maintenance and operations support areas. It further concluded that substantial facility upgrades and updates were required at FRG and NG to ensure continued long term operation and to meet projected service growth requirements.

The volume of facility replacement/refurbishment work dictates a multi-year approach due to resource constraints and the need to maintain operations while key parts of the facilities are refurbished. The program consists of a group of projects that will replace building systems that have reached the ends of their economic lives and will expand facilities to meet current and future requirements. Projects currently underway are funded by Capital approved in 2013 and 2014 but are valued below \$10 million.

The total budget approved for this program through 2015 is \$57.602 million allocated as follows:

- \$22.582 million for Brandon Garage (complete);
- \$29.470 million for a major project component (FRG Heavy Overhaul and Repair Shop Expansion);
- \$5.550 million for various projects including the initial study for North Garage, roof replacement at FRG, ventilation system upgrades at FRG, etc.

The 2015 Capital Budget also includes forecasted amounts for 2016 through 2020 totaling \$26.651 million for continuation of ventilation system upgrade and roof replacement works, as well as concrete floor repair at FRG and other necessary building upgrades.

## **MAJOR CAPITAL PROJECT STEERING COMMITTEE**

Administrative policy for projects with capital costs exceeding \$20 million requires formation of a Major Capital Project Steering Committee. This threshold was approved by Council on October 28, 2015. Any project reporting to SPC Finance under the

previous \$10 million threshold will continue to report. The Committee has been formed and its members are:

Georges Chartier, Manager of Infrastructure Planning, Corporate Finance Department  
John Kiernan, Director of Planning, Property and Development  
Dave Wardrop, Director of Transit

The Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance.

### **OVERALL PROJECT STATUS**

The expansion of the FRG Heavy Overhaul and Repair Shop is the most critical facility deficiency and will be pursued as the major project component of this project. Work has commenced to select a consultant to prepare a report on the project scope, functional design and project budget for this component of the project. The consultant for this work will be selected by early 2016.

A conceptual design report evaluating alternatives for refurbishing and replacing NG was completed in July 2015. Work to resolve condition and space issues at NG will be deferred to after the FRG Heavy Overhaul and Repair Shop work.

### **DESCRIPTION OF PROJECT**

The Heavy Overhaul and Repair Shop at Fort Rouge Garage is the primary vehicle maintenance facility operated by Winnipeg Transit. Approximately 95% of the maintenance activities that support fleet operations are housed at this location and as a result, ensuring efficient and effective operations are critical to meeting Transit service requirements.

Since the facility was completed in the late 1960's, changes in the size of the fleet and the design of transit buses have increased the requirement for vehicle maintenance space. The room for expansion designed into the facility has been taken up to house the new equipment and resources necessary to support maintenance activities such as midlife structural refurbishments, electronics, engine emissions equipment and air conditioning. A consulting study was completed in 2009 that concluded that the Heavy Overhaul and Repair Shop had a space deficiency of approximately 20,000 sq. ft. in work and storage area and 11 vehicle maintenance bays when compared to industry standards at that time. The deficiency has grown more acute as the fleet has expanded from 545 to over 600 buses since that report was completed.

Space constraints in recent years, especially since 2012, have impacted the efficiency of the maintenance operation and this has had an impact on employee overtime and the number of buses that are not available for service. An expansion and update of this facility is critical to support Transit operations in the near future.

As the project budget for the Expansion for the FRG Heavy Overhaul & Repair Shop will exceed the revised \$20 million limit designated for a major capital project, the department will bring forward, before procurement begins, a separate capital project report in 2016 to Council for approval upon completion of the functional design when the project budget and scope is determined.

**FINANCIAL IMPACT**

**Financial Impact Statement**

**Date:** November 2, 2015

**Project Name:**

**First Year of Program** 2013

Transit Building Replacement/Refurbishment (Major Project Component) – Financial Status  
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**Comments:**

There is no financial impact as this report is for information only.

Original signed by:

Tanis Yanchishyn, CPA, CA

Manager of Finance & Administration

## CONSULTATION

**In preparing this report there was consultation with:**

None

## OURWINNIPEG POLICY ALIGNMENT

01-01b Key Directions for the Entire City- Key directions for connecting and expanding our sustainable transportation and infrastructure network.

## SUBMITTED BY

Department:	Transit
Division:	Plant and Equipment
Prepared by:	Tony Dreolini, Manager of Plant & Equipment
Date:	November 2, 2015
File No.	2.1.1.4