

**Agenda – Standing Policy Committee on Infrastructure Renewal and Public Works –
January 10, 2017**

REPORTS

**Item No. 2 Contract Over-Expenditure, Supply and Delivery of Heavy-Duty 40
Ft. Low-Floor Transit Buses, MM Reference 631-2014, Contract
Extension No. 1**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a contract over-expenditure of \$54,326.10 (before GST and MRST), or approximately 0.34% be approved, to accommodate bus build improvements.
2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Contract Over-Expenditure, Supply and Delivery of Heavy-Duty 40 Ft. Low-Floor Transit Buses, MM Reference 631-2014, Contract Extension No. 1

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Kuhl	D. Wardrop	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

Approval of a contract over-expenditure of \$54,326.10, plus applicable taxes, is recommended in order to achieve life-cycle cost efficiencies of Transit Buses purchased under Bid-Opportunity 631-2014. Approval of bus component upgrades is recommended to extend transmission life, improve fuel savings, provide time saving diagnostic improvements, and enhance video and air quality system reliability.

RECOMMENDATIONS

1. That a contract over-expenditure of \$54,326.10 (before GST and MRST), or approximately 0.34% be approved, to accommodate bus build improvements.
2. 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

The Standing Policy Committee on Infrastructure Renewal and Public Works has been delegated authority to approve contract over-expenditures, where the over-expenditure approvals in FM-002 Appendix 7 are not met. The Department Head is required to submit an Administrative Report (Report) to the appropriate Standing Committee for approval, providing funds are available within the applicable capital or operating budget as approved by Council pursuant to Administrative Standard FM-002.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this over-expenditure can be accommodated within the 2015 Transit Buses capital project.

HISTORY

On June 28th, 2016 the Standing Policy Committee on Infrastructure Renewal and Public Works approved a contract with New Flyer Industries Canada ULC for the Supply and Delivery of Heavy Duty 40 ft. Low-floor Transit Buses be extended for the period of February 18, 2016 to February 17, 2017 in the amount of \$15,980,797.91 GST and MRST extra as applicable.

Throughout the time of a multi-year bus contract, component testing and product development provide options that may improve the cost efficiencies of Winnipeg Transit. As such, Winnipeg Transit has reviewed the following bus improvement options and recommends the following upgrades;

1. Transmission upgrade to extend life expectancy and improve fuel efficiencies
2. Brake Monitoring System
3. Improved Video System Hard Drive
4. Improved Air System Dryer

A contract over-expenditure of approximately 0.34% or \$54,326.10 (before GST and MRST) is required to add these improvements to the bus order of 30 Heavy-Duty 40 ft. Low-floor Transit Buses.

FINANCIAL IMPACT

Financial Impact Statement**Date:** November 25, 2016**Project Name:****First Year of Program** 2016

Contract Over-Expenditure, Supply and Delivery of Heavy-Duty 40 Ft. Low-Floor Transit Buses,
MM Reference 631-2014, Contract Extension No. 1

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital					
Capital Expenditures Required	\$ 54,326	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	54,326	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Capital expenditures represent the the over-expenditure on contract 631-2014 recommended in this report. Sufficient funding exists for this over-expenditure in the 2015 Transit Buses capital project.					

original signed by

Tanis Yanchishyn, CPA, CA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

Materials Management, Corporate Finance

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 & Equipment
Prepared by:	Glen Kuhl, Manager of Plant & Equipment
Date:	November 25, 2016
File No.	631-2014