

Agenda – Standing Policy Committee on Finance – November 27, 2018

REPORTS

Item No. 2 Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the financial status of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project (“the Project”), as contained in this report, be received as information.

ADMINISTRATIVE REPORT

**Title: SOUTHWEST RAPID TRANSITWAY (STAGE 2) AND PEMBINA HIGHWAY UNDERPASS – QUARTERLY PROJECT STATUS REPORT,
Project ID: 4230010514,
Quarterly Project Status Report No. 15
For the Period Ended June 30, 2018**

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
S. Payne	G. Ewankiw	M. Ruta	D. Wardrop, Acting CAO

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The detailed designs for the project are nearing completion for all of the major project elements with construction underway at sites over the entire length of the project.

Plenary Roads Winnipeg (Project Co.) has begun the relocation of CN's-Rivers mainline track.

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

RECOMMENDATIONS

That the financial status of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project ("the Project"), as contained in this report, be received as information.

REASON FOR THE REPORT

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$22 million (2018) or more report quarterly to the Standing Policy Committee on Finance. This threshold is adjusted annually for construction inflation as part of the annual Capital Budget approval. The Standing Policy Committee on Finance may also request reporting on any capital project.

IMPLICATIONS OF THE RECOMMENDATIONS

No implications.

HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

Design (Update from last report)

- Project Co. continues to finalize staging plans for CN rail cut-overs.
- Project Co. was required to modify the Brenda Leipsic Dog Park plans to accommodate changes by Manitoba Hydro.

Construction (Update from last report)

Pembina / Jubilee:

- Pembina Hwy Underpass
 - Rail bridge deck work and waterproofing on-going.
 - Pump station commissioning is on-going and is expected to be in operation in August 2018.
 - Road works south of the underpass are expected to be complete by the end of July. Completing occasional night pours to expedite work. Traffic to be opened up south of Pembina Hwy Underpass at that point.
- CN Portage Wye underpasses and pump station:
 - Construction of underpass foundations ongoing.
 - Pump station is complete.
 - The CN Bridge crossing sub-structure is complete and the west track girders have been installed.
- Bishop Grandin Crossing Structures:
 - Girder installation for both structures is complete, deck work for both ongoing.
 - Installation of the protective screen for AT bridge is ongoing.
- Noise Attenuation Wall south of Bishop Grandin:

- Wall column installation is complete. Panel installation is approximately 75%.
 - CN rail relocation south of Bishop has started with work on the embankment and signal crossings.
- McGillivray Overpass:
 - Girder installation is complete, working on MSE wall and bridge deck.
- Letellier Overpass:
 - Girder installation is complete.
 - Continuing work on the MSE walls.
- Bus staging area and road reconstruction on Dafoe Road (U of M Station) complete

- Park and Ride lots
 - Land drainage installation ongoing.
 - Excavation and grading underway.
- Transitway Stations
 - Transitway is being prepped and poured in the Parker Lands and between McGillivray and Letellier Overpasses.
 - Pile foundations for large canopies at Beaumont, Clarence, Chevrier and Seel Stations are complete, working south toward Markham Road.
 - Starting work for electrical and concrete foundations started at Beaumont and Seel.

Table 1 – Contracts

Contracts Table							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Completion	Estimated % Complete
685-2013	Dillon Consulting Limited	Technical & Procurement Advisor (Ph 3)	\$ 2,380,000	\$ 633,346	July 21, 2014	June 2016	100%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C1)	\$ 3,999,675	\$ 215,927	August 26, 2016	December 2019	63%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C2)	\$ 2,657,825	\$ -	May 30, 2017	December 2019	39%
471-2014	P1 Consulting Limited	Fairness Monitor	\$ 67,500	\$ -	August 29, 2014	June 2016	100%
N/A	Manitoba Hydro	Environmental Act License	\$ 200,000	\$ -	October 15, 2014	December 2015	100%
N/A	Manitoba Hydro	Hydro Early Works Geotechnical Studies & Design Work	\$ 300,000	\$ -	January 29, 2015	June 2016	100%
N/A	Manitoba Hydro	Hydro Early Works Construction	\$ 6,750,000	\$ -	February 13, 2015	June 2016	100%
413-2016	JCRA Financial LLC	Capital Markets Advisor	\$ 314,799	\$ 23,507	August 24, 2015	June 2016	100%
38-2016	Green Drop Ltd.	Tree Removal at University of Manitoba	\$ 30,916	\$ 4,084	February 26, 2015	March 2016	100%
601-2014	Blakes, Cassels, Graydon LLP	Legal Advisor	\$ 301,784	\$ 488,840	October 21, 2014	December 2017	100%
N/A	Aikins, MacAulay & Thordvaldson LLP	Legal Opinion	\$ 20,000	\$ -	November 24, 2015	January 2016	100%
460-2016	WTP Property Consultants	Independent Center	\$ 121,420	\$ -	June 15, 2016	December 2019	48%
N/A	Canadian National Railway	Purchase of Land	\$ 300,000	\$ -	July 13, 2016	July 2016	100%
N/A	Canadian National Railway	Relocation of CN Buildings	\$ 1,945,000	\$ -	July 13, 2016	December 2017	95%
N/A	Canadian National Railway	Temporary relocation of CN CTC Cabinet	\$ 300,000	\$ -	Sept 28, 2017	December 2017	100%
N/A	Canadian National Railway	Consulting and Management Services	\$ 150,000	\$ 150,000	July 5, 2017	November 2019	30%
		Total	\$ 19,838,919	\$ 1,515,704			
201-2014B	Plenary Roads Winnipeg	Construction and OMR Contract	Per P3 Financial Model		June 24, 2016	November 2019	58%

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

Construction began on August 8, 2016 and is planned to be complete in late 2019. The Transitway would then be introduced into service in early 2020, following a period of commissioning and training.

The project remains on schedule.

Project Co. has experienced some delay of CN related activities in the Portage Wye while CN finalized their track requirements for the area. Major steps taken by the City to mitigate any time lost includes:

- Reducing review periods for Project Co's rail design,
- Reducing the time for delivery of CN materials to the project site,
- Working with Project Co. to identify innovative construction and staging opportunities that would assist with schedule remediation and cost savings.

Table 2 – Milestones

Project Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Early Access Works completion (IGF Station)	2017 Q2		2017 Q2	100
2	Substantial Completion	2019 Q4			58
3	Total Completion	2019 Q4			58
4					
5					
6					
7					
8					
9					

Risk (Update from last report)

Completion of the project rail relocations at the Portage Wye in 2018 is required to meet the project's critical path.

The timely completion of "consent to enter and construct agreements" to allow work to continue on private property is required.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<u>New:</u>	
Significant Risks and Mitigation Strategies, Continued	
Risk Statement and Explanation	Risk Mitigation Management Plan
<u>Ongoing:</u>	
CN's review and finalization of design and construction activities in the Portage Wye area could impact Project Co's schedule.	Major steps taken by the City to mitigate any time lost include: <ul style="list-style-type: none"> • Reducing review periods for Project Co's rail design,

	<ul style="list-style-type: none"> • Reducing the time for delivery of CN materials to the project site, • Working with Project Co. to identify innovative construction and staging opportunities that would assist with schedule remediation and cost savings.
Delays in obtaining approval from private property owners for the proposed parking lot modifications could delay this element of work	The City continues to meet with affected property owners to adjust designs and to identify and resolve concerns. The owners can elect to undertake these modifications and receive compensation at the Land Value Appraisals Commission as part of their expropriation claim.
Design changes and the timeliness of plan reviews by CN (High Risk)	Regular design meetings with CN, use of Canadian Transportation Agency (CTA) design standards; CN has hired a third party consultant to review plans.
Lands values for the expropriated properties continues to be negotiated.	The City will continue to negotiate the expropriated land transactions. Properties that fail to reach a settlement are tabled at the Land Value Appraisal Commission.
Uncertainty regarding any changes to the previously committed Provincial funding.	The City has ongoing communications with the Province.
The project requires the Utility companies' timely participation in plan approvals and the relocation of existing infrastructure necessary for the project alignment.	The City has identified to all affected utilities the relocation requirements. The City has where possible entered into agreements with utilities to pre-design much of the relocation works. The City's Owners Advocate will monitor the progress of the Utilities works.

Significant Risks and Mitigation Strategies, Continued	
Risk Statement and Explanation	Risk Mitigation Management Plan
The City's capacity to provide timely plan reviews and approvals necessary to meet our contractual obligations. The volume and complexity of the reviews will be in addition to the normal City plan review workloads.	Transit has been meeting with the affected departments providing information and developing processes for the review and approvals. Plan review and tracking software has been implemented to assist with the City's obligation.
Protection of Critical Public Infrastructure, i.e., water distribution systems, gas and hydro electric distribution systems, CN systems.	The City and the City's Owner Advocate (Dillon Consulting) have engaged Project Co. to ensure the ongoing awareness and protection of critical infrastructure.
The Province of Manitoba has not confirmed support for the ongoing maintenance and operations of the Transitway.	The Administration continues to work with the Province of Manitoba to identify support for the Operations and maintenance period.
<u>Mitigated:</u>	

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast.

Funding (Update from last report)

The City of Winnipeg has submitted three financial claims to the Province of Manitoba for payment; the Province of Manitoba has paid claim #1 in full and has made a partial payment on claim #2. The Province of Manitoba continues to review the outstanding claims, which total \$7.9M.

For additional information, refer to Appendix C – Key Project Events for historical details.

Table 4 – Project Funding Forecast and Receivable

Funding Forecast & Receivable			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 3		
City of Winnipeg			
Public Private Partnership (City)	220.80	137.15	137.15
External Debt		40.05	40.05
Southwest Rapid Transit Corridor Reserve	4.20	4.20	4.20
CN Rail Cost Apportionment		5.60	5.60
Subtotal City of Winnipeg	225.00	187.00	187.00
Federal Government			
P 3 Canada *	137.30	93.30	93.30
Province of Manitoba			
Provincial Grant	225.00	187.00	187.00
Total	\$ 587.30	\$ 467.30	\$ 467.30

* On December 14, 2017, P3 Canada and the City of Winnipeg executed an amendment to the existing P3 Canada/ City of Winnipeg Southwest Rapid Transit Stage 2 & Pembina Hwy Underpass Project - Financial Agreement. The amendment was the result of a review of P3 Canada's eligible cost criteria and resulted in P3 Canada increasing their financial commitment by \$2.1 million up to \$93.3 million.

Property Acquisition (Update from last report)

Easements, Licenses and Acquisitions

- The permanent easement agreement for Dafoe Road is ongoing.
- The Letellier lease agreement with CN is ongoing.
- The City has provided Manitoba Hydro a map of available surplus City rights-of ways for possible acquisition by Hydro. Any lands purchased by Hydro would be used to offset the City's cost of acquiring Transitway lands from Hydro. Both parties continue to work at finalizing the sale of this land. Manitoba Hydro has expressed interest in the available surplus lands. The deadline for completing this transaction is August 31, 2018.
- MHRC recently sold their interest in 26 Gaylene to a private company. City will now pursue acquisition or expropriation of that property with the private owner. The new property owner has granted the City a "consent to enter and construct".

Expropriations

	Total Properties	Complete	Ongoing
Full Takings	2	2	0
Partial Takings	28	2	26

Acquisitions

Total	Complete	Ongoing
9	7	2

Stakeholder Engagements/Communications (Update from last report)

- Construction notices for various areas of work along the project corridor continue to be provided to stakeholders.
- Updated the Project web page to include a monthly look-ahead which includes construction plans and lanes closures.
- The City has obtained from Manitoba Hydro a use agreement for a temporary Brenda Leipsic Dog Park.

Subsequent Events after Report Period End Date

- The new CN rail bridge over Pembina Hwy is complete and in service.
- The CN Letellier rail line between Bishop Grandin Boulevard and Markham Road has been relocated and put into service.
- The CN Rivers mainline has been relocated and put into service.
- The contractor has successfully mitigated the majority of time lost resulting from CN's third track proposal.
- The Pembina Hwy reconstruction south of Jubilee Avenue is complete and open to traffic.
- The majority of the Transitway has been completed between the Portage Wye area and Chevrier Boulevard.
- Southpark Drive reconstruction is complete and in service.
- The girders and bridge deck on the following structures are complete;
 - CN Portage West & East Wye rail bridges
 - McGillivray Overpass
 - Letellier Overpass
 - Bishop Grandin Transitway bridge

- Bishop Grandin Active Transportation bridge
- The contractor experienced a work stoppage on August 8, 2018 for the parking lots and active transportation paths located on Hydro lands. The work stoppages were lifted on August 28 and September 14, 2018, respectively.
- The parking lot reconfiguration at Buhler Industries is complete and in service.
- The base preparation for the Active Transportation Path between the Portage Wye and McGillivray is complete.
- A temporary dog park has been set up on Hydro property during construction of the new Brenda Leipsic Dog Park.

FINANCIAL IMPACT

Financial Impact Statement Date: [November 8, 2018](#)

Project Name:

**SOUTHWEST RAPID TRANSITWAY (STAGE 2) AND PEMBINA
HIGHWAY UNDERPASS – QUARTERLY PROJECT STATUS REPORT,**

Project ID: 4230010514,

Quarterly Project Status Report No. 15

For the Period Ended June 30, 2018

COMMENTS:

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

original signed by _____

Laurie Fisher, CPA, CA

Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

n/a

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1: Provide efficient and focused civic administration and governance. This report supports demonstration of accountability through service performance measurement and reporting.

02-2 Environment: Our environment is the foundation for our economic and social health, and collectively, we need to continue to take responsibility for it. Our actions should contribute to the protection of the natural environment locally, regionally and globally, both for our own well-being and for future generations.

Key Direction > Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction.

05-1 Public Transit System: Winnipeg has a high quality and efficient public transit system characterized by its focus on key corridors and incremental improvements to service. Sustainable Transportation will take these improvements to the next level, providing improved transit access across the city. We envision that public transit in Winnipeg will be structured into a hierarchy of three main categories: Rapid Transit, Transit Quality Corridors and Conventional Transit Service.

Key Direction > The inclusion of rapid transit in this vision is necessary, since only rapid transit, with its high levels of service frequency and absence of congestion delays, can make public transit fast and convenient enough to compete with the private automobile. In a balanced transportation system, public transit should be an easy and convenient option for moving people.

SUBMITTED BY

Department: Transit

Division: Asset Management Office

Prepared by: Scott Payne, Manager of Asset Management Office

Date: November 8, 2018

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Appendix A - Key Project Facts	
Project Name	Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass
Business Owner (Department)	Transit
Project ID	4230010514
Project Sponsor	
	Greg Ewankiw
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Dillon Consulting Limited
Adopted Budget	
	\$587.3 M
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	- 20% to +30%, \$469.8M to 763.5M
Amended Budget	
	\$467.3 M
Class of Estimate (Amended)	3
Range of Estimate (Amended)	- 20% to +30%, \$373.8M to \$607.5M
<u>Project Description (Scope)</u>	
Southwest Transitway Stage 2 – Project Overview	
<p>Stage 2 of the Southwest Transitway (SWT) will be a dedicated corridor that will extend from Pembina Highway and Jubilee Avenue to the University of Manitoba and Markham Road. The alignment of Stage 2 will extend westward through the Parker Lands, then southeast along a Manitoba Hydro right-of-way, crossing McGillivray Boulevard, Clarence Avenue, and Chevrier Boulevard before crossing the CN Letellier Subdivision. The transitway will then run parallel to the CN railway as it crosses Bishop Grandin Boulevard and Chancellor Drive. An access to Southpark Drive will allow some routes to enter the University of Manitoba/Investors Group Field via the Southwood Lands. The transitway will extend as far south as Markham Road, where routes serving Waverley West, Fort Richmond, Richmond West and St. Norbert will enter/exit the transitway.</p>	
<p>In addition to nine new Rapid Transit stations, the Project is proposed to include the following new transitway grade separations:</p>	
<ul style="list-style-type: none"> · an overpass of Pembina Highway · an underpass of the CN Letellier Subdivision rail lines near Jubilee Avenue · an overpass of McGillivray Boulevard · a grade separation at the CN Letellier Subdivision south of Chevrier Boulevard · an overpass of Bishop Grandin Boulevard 	
<p>To make way for the construction of the Transitway, track relocations of the CN Letellier Subdivision and CN Rivers Subdivision will be necessary in the vicinity of Jubilee Avenue. Relocation of the CN Letellier Subdivision track 5.6 metres to the west, between Plaza Drive and Markham Road, is also required to construct the Transitway alignment. Reconstruction of the track bed, upgraded rail, ties, and ballast, and construction of a noise attenuation wall on the west side of the CN Letellier Subdivision south of Bishop Grandin Boulevard, are expected to reduce railway noise and vibrations below existing levels for adjacent residents.</p>	

Appendix A - Key Project Facts - Continued

Pembina Highway Underpass Widening – Project Overview

Combined with the construction of the Transitway will be the widening of the Pembina Highway underpass which will include the following roadway improvements: addition of third northbound traffic lane to allow for three lanes in each direction; increased lane width; improved left turn lane; and the construction of bicycle and pedestrian facilities on both sides of Pembina Highway through the Pembina Highway underpass.

To accommodate the widening of the Pembina Highway underpass, associated railway works will include the relocation of the existing CN rail bridge over Pembina Highway and track relocation on the CN Letellier Subdivision and the CN Rivers Subdivision near Jubilee Avenue.

Committee Membership:

MAJOR CAPITAL PROJECT ADVISORY 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:

Doug McNeil, Chief Administrative Officer
Michael Ruta, Chief Financial Officer
Michael Jack, Chief Corporate Services Officer
Dave Wardrop, Chief Transportation and Utilities Officer
Georges Chartier, Chief Asset & Project Management Officer
Rob Taylor, Manager, Major Capital Projects Oversight
Jim Berezowsky, Director of Public Works
John Kiernan, Director of Planning, Property and Development
Greg Ewankiw, Director of Transit
Scott Payne, Manager, Asset Management Office, Transit

(*) – Projects with aggressive schedules are inherently more risky and more likely to experience cost overruns and schedule delays.

Appendix B – Financial Forecast

Appendix B - Southwest Rapid Transitway (Stage 2) & Pembina Highway Underpass Financial Forecast * As at June 30, 2018

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)					Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance	
	Adopted Budget	Council Approved Change**	Amended Budget	Actual Costs To June 30, 2018	Projected Costs							
					2018	2019	2020	2021 and Beyond				Total Forecasted Costs
Engineering, Design and Other	\$ 13,000	\$ (1,694)	\$ 11,306	\$ 8,085	\$ 1,024	\$ 2,197	\$ -	\$ -	\$ 11,306	\$ -	\$ -	\$ -
Construction ¹	\$ 476,750	\$ (130,000)	\$ 346,750	\$ -	\$ -	\$ 210,043	\$ 8,350	\$ 128,357	\$ 346,750	\$ -	\$ -	\$ -
Land Acquisition	\$ 23,000	\$ 10,000	\$ 33,000	\$ 26,628	\$ 6,372	\$ -	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ -
Internal Financing / Overhead Costs	\$ 5,550	\$ 1,694	\$ 7,244	\$ 1,988	\$ 1,939	\$ 3,317	\$ -	\$ -	\$ 7,244	\$ -	\$ -	\$ -
Contingency ²	\$ 69,000	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ 67,642	\$ 67,642	\$ 1,358	\$ 48	\$ 1,310
Change Order	\$ -	\$ -	\$ -	\$ 1,358	\$ -	\$ -	\$ -	\$ -	\$ 1,358	\$ (1,358)	\$ (48)	\$ (1,310)
Total Project Budget ³	\$ 587,300	\$ (120,000)	\$ 467,300	\$ 38,059	\$ 9,335	\$ 215,557	\$ 8,350	\$ 195,999	\$ 467,300	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	6%		8%									

* Amended budget and actual costs to date have been agreed to the City's general ledger and Monthly Capital Expenditures Report.

** Amended Budget as reflected in Transit's 2018 Capital Budget submission.

1) Construction projection represents the estimated payment at substantial completion (60%) and the repayment of the remaining capital portion (40%) stated in nominal dollars over the 30 year maintenance period.

2) Change Orders in the amount of \$2.554 million (capital) and \$137k (operating & maintenance) have been approved with Plenary Roads Winnipeg of which \$1.358 million has been processed and reflected above. The remaining approved Change Orders will be reflected above as completed.

3) The 30-year Annual Service Payments (ASP) are not included in Total Project Budget with the exception of the 40% nominal construction amount (Note 1). The City anticipates cost sharing with the Province of Manitoba related to operations and maintenance. The forecasted amount for the total ASP in 2020 is \$14.46 million for debt service, operation and maintenance and other annual expenditures. Operation and maintenance payments increase with inflation.

Of the total forecast for ASP of \$493.1 million, \$353.0 million relates to debt service payments, \$123.9 million relates to operation and maintenance of the corridor over the 30 years, and \$16.2 million relates to other annual expenditures.

Appendix C – Key Project Events (History)

On February 9, 2015, the Federal Government, through PPP Canada, announced its commitment to the project in the amount of \$137.3 million to be provided at substantial completion.

On June 25, 2014, Council approved the report submitted by the Transit Department entitled Capital Integration Project – Southwest Transitway (Stage 2) and Pembina Highway Underpass in which:

- A 2014 capital project was approved in the amount of \$590 million, subject to confirmation of federal and provincial funding.
- The Project was authorized to proceed based on a Design-Build-Finance-(Operate)-Maintain (DBF(O)M) Public-Private Partnership delivery model.
- The Chief Administrative Officer (CAO) was authorized to approve, issue and award the Request for Qualifications (RFQ) and the Request for Proposals (RFP) for the Project.

Project funding is being provided by all three levels of government. A portion of the funding will be financed through the private partner and paid back over 30 years. Annual service payments are expected to commence in 2020 for both the financing and maintenance of the project.

In September 2014, the CAO approved the release of the RFQ with responses received in November 2014.

In February 2015, three shortlisted proponents from the RFQ were approved by the CAO. The following three shortlisted proponents will be responding to the RFP that was issued on July 17, 2015:

- Red River Infrastructure Group
- WinnCity Transportation Partners
- Plenary Roads Winnipeg

On February 25, 2015, the Administrative report titled Expropriation of Lands – Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project was approved by Council. Expropriation hearings to acquire the necessary project lands (referred to as the “Parker Lands”) were held between August 4, 2015 and September 4, 2015.

On March 23, 2015, Council approved \$31 million of interim financing. The project currently has a total of \$10.55 million in cash, contributed from the Southwest Rapid Transit Corridor Reserve and the Province of Manitoba.

Provincial funding of \$225 million was originally announced in 2014 and the details regarding the timing and method of this funding were agreed upon on July 9, 2015. The Province agreed to provide a combination of \$18 million toward upfront costs, \$95 million at substantial completion, and \$112 million post construction.

On July 15, 2015, Council approved additional borrowing authority of up to \$112 million to ensure sufficient funds are available at substantial completion to make required

payments to the P3 Proponent. This additional borrowing authority is part of an agreement with the Province of Manitoba to bridge the Province's financial contribution to the project. The interest costs associated with the additional borrowing authority will be fully funded by the Province of Manitoba.

On July 17, 2015, the CAO approved the release of RFP 201-2014B to the three shortlisted pre-qualified parties. The RFP open period will be approximately six months, with an award to the successful proponent expected in mid-2016.

On October 28, 2015, Council approved the report submitted by the Transit Department entitled Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass – Project Authority in which:

- The City of Winnipeg enter into agreements with the University of Manitoba, Triple B Stadium Inc. and the Winnipeg Football Club for the implementation of proposed works related to the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project, and
- The authority be delegated to the CAO to negotiate and approve the terms and conditions of the agreements.

On January 27, 2016, Council approved the report submitted by the Standing Policy Committee on Property and Development, Heritage and Downtown Development entitled Expropriation of Lands – Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass, in which:

- The expropriation of lands for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project, approved at the February 25, 2015 Council meeting, be confirmed as outlined in the Declaration of Expropriation submitted on March 25, 2015 with the exception of Holdings #15, #16, #17 which will be removed from the expropriation and Holdings #22 and #23 which have had the required takings reduced in size.
- The four recommendations proposed by the Inquiry Report not be endorsed.
- That Council acknowledge sections 354, 356 and 357 of the Inquiry Report.
- That the Director of Legal Services/City Solicitor be instructed to initiate Manitoba Court of Queen's Bench proceedings, if necessary, to obtain an order extending the time under The Expropriation Act for Council to confirm the expropriation.
- That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

On March 4, 2016, the City received technical proposals from the three pre-qualified project proponents.

On March 22, 2016, Council approved:

- That Recommendation two of the report entitled "Capital Integration Project – Southwest Transitway (Stage 2) and Pembina Highway Underpass" dated May 9, 2014, approved by Council on June 25, 2014, be amended to add the following language at the end of such recommendation:
 - "and that such delegation to the Chief Administrative Officer include all necessary power and authority to:
 - Identify the Preferred Proponent in accordance with the Request for Proposal (RFP No. 201-2014B); and

- Award the Project to the Preferred Proponent.”
- That the City execute, deliver and perform the agreement to Design, Build, Finance, (Operate) and Maintain the City of Winnipeg’s Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass (the “Project Agreement”) and all such other agreements ancillary to the Project Agreement as deemed necessary by the Director of Legal Services/City Solicitor (the “Ancillary Agreements”), and that authority be delegated to the Chief Administrative Officer to approve the terms and conditions of, and deliver, the Project Agreement and all Ancillary Agreements.
- That the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project be updated to reflect confirmed P3 Canada funding of up to \$137.3 million.
- That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

On March 22, 2016, Council approved an additional \$16.5 million of external debt in replacement of Public Private Partnership debt.

With the original \$10.55 million in cash combined with the \$31 million of interim financing and \$16.5 million in external debt, sufficient authority exists (\$58.05 million) to fund the upfront costs (\$51.55 million) and any interest incurred prior to receiving partner funding.

On May 12, 2016, the City and Province of Manitoba signed the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project Contribution Agreement.

On May 13, 2016, the CAO identified Plenary Roads Winnipeg, the proponent with the highest overall proposal score, as the preferred proponent.

On June 21, 2016, the City and Plenary Roads Winnipeg reached commercial close.

On June 24, 2016, the City and Plenary Roads Winnipeg reached financial close and the CAO awarded Plenary Roads Winnipeg the contract to Design, Build, Finance, (Operate) and Maintain the City of Winnipeg’s Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project.

On July 28, 2016, the Province of Manitoba denies all appeals related to the projects City’s Environmental Act License and ends the appeal process.

On August 2, 2016, the Province of Manitoba’s office of Sustainable Development approved the City’s Species at Risk Report and provides authorization to proceed with construction with the mitigation plan.

On December 13, 2016, Council approved that external borrowing authority of \$23,550,000 for the 2016 Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project be approved in replacement of \$23,550,000 of debt previously approved as part of the Public Private Partnership.

Note: This will make the external borrowing amount equal to \$16,500,000 plus \$23,550,000 for a total of \$40,050,000 in 2016 with all related debt and finance charges to be repaid from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve. A portion of this external debt is to be utilized to fund the City’s portion of the \$69 million contingency.

On January 19, 2017, the City and Federal Government executed the project Federal Funding Agreement.

On December 14, 2017, P3 Canada and the City of Winnipeg executed an amendment to the existing P3 Canada/ City of Winnipeg Southwest Rapid Transit Stage 2 & Pembina Hwy Underpass project- Financial Agreement. P3 Canada increased its funding contribution to \$93.3 m.

On December 31, 2017, P3 Canada was dissolved by the Federal Government.

On March 23, 2018, the City of Winnipeg and the Federal Government signed off on a Novation Agreement that transferred the Federal Governments funding obligations and oversight from P3 Canada to Infrastructure Canada.