

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

REPORTS

Item No. 3 Expansion of Transit Vehicle Overhaul and Maintenance Facilities

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the financial status of the Expansion of Transit Vehicle Overhaul and Maintenance Facilities, as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,
Project ID: 4210000417,
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
T. VanDekerkhove	G. Ewankiw	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The project design is nearing completion. Construction is proceeding with parking lot excavation, structural steel erection, floor slab installation, electrical upgrade and renovation of the future Treasury section.

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 Expansion of Transit Vehicle Overhaul and Maintenance Facilities, 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 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)

The Project is currently in the Final Design and Construction Phase (Update from last report)

The contractor has finalized the building addition requirements and their proposed design, with the exception of minor interior design elements. The contractor has completed all foundation installations and structural steel construction is ongoing.

Table 1 – Contracts

Contracts							
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 Total Completion	Estimated % Complete
1158-2015	Colliers Project Leaders Inc.	Owner Advocate/Project Management Services	\$ 759,918	\$ 418,282	8-Apr-2016	1-Mar-2019	64%
757-2016B	PCL Constructors Canada Inc.	Design Builder	\$ 43,992,954	\$ 51,212	11-Jul-2017	1-Mar-2019	40%
643-2017	Manitoba Hydro	25k V Service Upgrade	\$ 150,000	-	27-Jul-17	2-Mar-2019	0
			-	-			
			-	-			
		Total	\$ 44,902,872	\$ 469,494			

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

Project is on schedule.

Following the completion of the permit process and the start of construction, PCL has submitted to the City a request for an extension of time due to a delay in obtaining their land development and foundation permits. The City is evaluating this request.

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Award of Contract: Garage Expansion	2017 Q2	2017 Q3	2017 Q3	100%
2	Mulvey Avenue Temporary Parking Lot Complete	2017 Q3	2017 Q3	2017 Q4	100%
3	Brandon Parking Lot Rezoning	2017 Q3	2018 Q2	2018 Q2	100%
4	Start of Construction	2017 Q4	2017 Q4	2017 Q4	100%
5	Brandon Avenue Parking Lot Complete	2017 Q4	2018 Q3		0%
6	Construction of Interior Office Fit-up Start	2018 Q1	2018 Q1	2018 Q1	100%
7	Substantial Performance - Building available for occupancy	2018 Q4	2019 Q2		0%
8	Total Performance	2019 Q1	2019 Q2		0%
9	LEED NC Silver Certification Complete	2020 Q4	2020 Q4		0%
10					

Risk (Update from last report)

Original building electrical feeds are underground and subject to failure due to shifting foundations and aging. New distribution installation could cause damage to existing feeds.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
Original building electrical feeds are underground and subject to shifting foundations and aging.	Certain critical electrical feeds to be replaced with overhead cables to improve reliability.
Ongoing:	
Owner initiated changes after approvals/decisions will cause delays and increase costs.	Diligent evaluation of benefits to requested changes is required.
Existing equipment or systems infrastructure may be determined by Authority Having Jurisdiction (AHJ) as non-compliant with current codes, and could impact cost and schedule. Ex. Installation of a new Paint Booth could require a code upgrade to the existing electrical feed.	Contingency will be drawn on as AHJ responds to permit application with requirements.
Timely execution of the Federal and Provincial funding agreements.	Finalization of the Provincial and Federal funding agreements are underway.
The maintenance facility operates 24 hours per day, 365 days per year and the efficiency of the operation cannot be compromised.	Strong emphasis on project staging during construction management of the project.
Schedule risk due to plan review timing.	Diligent adherence to required review timelines.
Mitigated:	
Schedule risk due to permit approval process.	The demolition permit for 566 Brandon and development permit for the employee parking lot have been issued.
Schedule risk due to re-zoning approval.	Rezoning of a vacant residential property on Brandon Avenue necessary for the parking lot is at Land Titles registration.
Discovery of sub-surface rubble could impact cost and schedule.	Diligent oversight of the extent of sub-surface rubble has minimized cost and schedule impact.

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

No Update

Table 4 – Project Funding Forecast and Receivable

Funding Forecast and Receivable			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 3		
City of Winnipeg			
Transfer from Prior Year Authorization	9.16	9.16	9.16
Retained Earnings	5.04	5.04	5.04
Subtotal City of Winnipeg	14.20	14.20	14.20
Province of Manitoba			
Transfer from Prior Year Authorization - Manitoba Winnipeg Infrastructure Agreement (MWIA)	13.00	13.00	13.00
Federal Government			
Public Transit Infrastructure Fund (PTIF)	26.00	26.00	26.00
Total	53.20	53.20	53.20

Federal and provincial funding have been approved with signed agreements pending.

Property Acquisition (Update from last report)

A variance to provide temporary employee parking at 409 Mulvey Avenue East was granted an extension until December 31, 2019.

Stakeholder Engagements/Communications (Update from last report)

Updates to the website and project Stakeholders are ongoing. Status of construction activities causing noise and vibration being communicated to neighbours.

Subsequent Events after Report Period End Date

1. Structural steel erection complete.
2. Roofing near completion.
3. Brandon parking lot open.
4. Two of three electrical distributions switched over.
5. Renovation framing complete; electrical/mechanical rough-in underway

FINANCIAL IMPACT

Financial Impact Statement Date: [October 29, 2018](#)

Project Name:

Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,

Project ID: 4210000417,

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 and 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.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Tim VanDekerkhove, Project Manager
Date: October 29, 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	Expansion of Transit Vehicle Overhaul and Maintenance Facilities
Business Owner (Department)	Transit
Project ID	4210000417
Project Sponsor	Greg Ewankiw, Director of Transit
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Colliers Project Leaders Inc.
Adopted Budget	\$53.2 M
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	-20% to +30%; (\$42.56 M to \$69.16 M)
Amended Budget	
Class of Estimate (Amended)	
Range of Estimate (Amended)	
<u>Project Scope</u>	
Expansion of the Transit Vehicle Overhaul and Maintenance Facilities	
Interior Office Fit-up	
Upgrade of 421 Osborne St Electrical System, including backup generators	
Construction of employee parking area on Brandon Avenue	
Major Capital Projects Advisory Committee Membership:	
<ul style="list-style-type: none"> - Greg Ewankiw, Director of Transit - Georges Chartier, Chief Asset & Project Management Officer, Office of the CAO - John Kiernan, Director of Planning, Property and Development - Scott Payne, Manager, Asset Management Office - Laurie Fisher, Manager of Finance & Administration 	

Appendix B – Financial Forecast

Appendix B - Expansion of Transit Vehicle Overhaul and Maintenance Facilities * 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							Total Forecasted Costs
					2018	2019	2020	2021				
Engineering, Design and Other	\$ 1,100		\$ 1,100	\$ 1,121	\$ 435	\$ 235	\$ -	\$ -	\$ 1,791	\$ (691)	\$ (691)	\$ -
Construction	\$ 41,500		\$ 41,500	\$ 9,303	\$ 31,040	\$ 3,682	\$ -	\$ -	\$ 44,025	\$ (2,525)	\$ (2,493)	\$ (32)
Land Acquisition	\$ -		\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ (100)	\$ (100)	\$ -
Internal Financing / Overhead Costs	\$ 500		\$ 500	\$ 543	\$ 136	\$ 121	\$ -	\$ -	\$ 800	\$ (300)	\$ (300)	\$ -
Contingency ¹	\$ 10,100		\$ 10,100	\$ -	\$ -	\$ 6,484	\$ -	\$ -	\$ 6,484	\$ 3,616	\$ 3,584	\$ 32
Total Project Budget	\$ 53,200	\$ -	\$ 53,200	\$ 10,967	\$ 31,611	\$ 10,622	\$ -	\$ -	\$ 53,200	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	21%		21%									

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

¹ Change Orders in the amount of \$51,212 have been approved with PCL Constructors Canada Inc. of which \$32,475 have been processed and reflected above. The remaining approved Change Orders will be reflected above as completed.

Appendix C – Key Project Events (History)

April 7, 2016: Contract for an Owner Advocate/Project Manager for the Transit Vehicle Overhaul and Maintenance Facility Expansion project was awarded to Colliers Project Leaders in the amount of \$759,918.00.

December 14, 2016: Council approved a report submitted by Transit titled Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project.

- That the Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project be approved with an approved 2017 capital budget of \$53.2 million.
- That the Winnipeg Public Service be authorized to proceed with the Expansion of Transit Vehicle Overhaul and Maintenance Facilities Capital Project as a Design-Build delivery model.
- That the Standing Policy Committee on Infrastructure Renewal and Public Works be delegated authority to approve the contract, upon confirmation satisfactory to the Chief Financial Officer of federal and provincial funding.

September 23, 2016: Request for Qualification (RFQ 757-2016A) to shortlist qualified Design-Build Contractors closed, and three contractors were notified of their inclusion on the short list on January 26, 2017.

May 16, 2017: A Request for Proposal (RFP 757-2016B) closed.

July 11, 2017: Standing Policy Committee on Infrastructure Renewal and Public Works (SPC-IRPW) awarded the project to PCL Constructors Canada Inc. in the amount of \$43,922,954.00.

November 20, 2017: Construction starts on project early works, which includes new south exit and perimeter roadway around expansion footprint.

January 8, 2018: The Federal Government announced the deadline for completing projects under the PTIF program will be extended to March 2020.

February 6, 2018: Gas line abandonment complete.

February 12, 2018: South exit door complete and west exit door closed.

March 26, 2018: Piling complete.

June 4, 2018: Structural steel erection starts.