

**Minutes – Standing Policy Committee on Finance – October 11, 2019**

**REPORTS**

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

**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 Expansion of Transit Vehicle Overhaul and Maintenance Facilities, as contained in this report.

**Minutes – Standing Policy Committee on Finance – October 11, 2019**

**DECISION MAKING HISTORY:**

Moved by Councillor Gilroy,

That the report of the Winnipeg Public Service be received as information.

Carried

## ADMINISTRATIVE REPORT

**Title:** Expansion of Transit Vehicle Overhaul and Maintenance Facilities,  
Project ID: 4210000417,  
Quarterly Project Status Report No. 18  
For the Period Ended May 31, 2019

**Critical Path:** Standing Policy Committee on Finance

### AUTHORIZATION

Author	Department Head	CFO	CAO
T. VanDekerkhove	G. Ewankiw	P. Olafson, Interim CFO	D. Wardrop, Acting Interim CAO

### EXECUTIVE SUMMARY

Project On Schedule: Yes  No

Project On Adopted Budget: Yes  No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

Interim occupancy for the building has been granted. Paint and preparation booth installation complete and fire pump certification is ongoing, expansion work continues and the treasury renovation deficiency work is ongoing.

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 \$23 million (2019) 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)

### **Construction:** (Update from last report)

The contractor has completed the building envelope and is now focusing on interior construction and system commissioning, which include paint booths and bus hoists. Existing heavy shop equipment relocation and connections has started.

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	\$ 549,164	8-Apr-2016		90%
757-2016B	PCL Constructors Canada Inc.	Design Builder	\$ 43,992,954	\$ 770,317	11-Jul-2017		86%
643-2017	Manitoba Hydro	25k V Service Upgrade	\$ 150,000	-	27-Jul-17		100%
169-2019	Manitoba Hydro	600AMP, 3-Phase, 347/600V service extension to accommodate electric fire pump	\$ 150,000	-	13-Feb-19		100%
			-	-			
		<b>Total</b>	<b>\$ 45,052,872</b>	<b>\$ 1,319,481</b>			

### Upcoming Procurements:

Description	Anticipated Award Date

### **Schedule** (Update from last report)

Project is on schedule.

The treasury renovation reached substantial performance on March 15, 2019 and deficiencies continue to be addressed with a move in early June 2019.

The contractor anticipates reaching total completion in the fourth quarter of 2019.

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	2018 Q4	100%
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 Q4		0%
9	LEED NC Silver Certification Complete	2020 Q4	2020 Q4		0%
10					

**Risk** (Update from last report)

Completion of the fire pump system to provide sprinkler protection to the paint booths, relocation of existing heavy shop equipment from current garage to expansion shops area, and the timely installation of City card access and CCTV camera security system is required by substantial completion.

Table 3 – Significant Risks and Mitigations Strategies

<b>Significant Risks and Mitigation Strategies</b>	
<b>Risk Statement and Explanation</b>	<b>Risk Mitigation Management Plan</b>
<b>New:</b>	
Schedule risk due to fire pump installation, shops equipment relocation and security system installation.	Substantial Performance dependent on fire pump installation, strict adherence to established relocation schedule and necessity for secure facility will reduce schedule risk.
<b>Ongoing:</b>	
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.
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.
<b>Mitigated:</b>	
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.
Original building electrical feeds are underground and subject to shifting foundations and aging.	Critical electrical feeds were replaced with overhead cables to improve reliability.
Inadequate water flow and pressure from City watermain for sprinkler system.	Fire pump to boost flow and pressure to be installed
Schedule risk due to plan review timing.	Plan review completed.
Owner initiated changes after approvals/decisions will cause delays and increase costs.	No further changes
Timely execution of the Federal and Provincial funding agreements.	Provincial and Federal funding agreements have been executed.

**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

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

Federal and provincial funding agreement for the Garage Expansion project valued at \$50 M has been executed. The agreement for the Backup Generators (PTIF 002) valued at \$3.2 M has been executed.

**Property Acquisition** (Update from last report)

No Update

**Stakeholder Engagements/Communications** (Update from last report)

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

### **Subsequent Events after Report Period End Date**

1. Substantial performance reached.
2. Training on installed systems ongoing.
3. Relocation of existing shop equipment is ongoing.
4. Treasury operations have moved to the renovated facility and are fully operational.



**FINANCIAL IMPACT**

**Financial Impact Statement**    Date: [September 23, 2019](#)

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**Project Name:**

**Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,**

**Project ID: 4210000417,**

**Quarterly Project Status Report No. 18**

**For the Period Ended May 31, 2019**

**COMMENTS:**

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

**original signed by**

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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:** September 23, 2019

### **Appendices**

Appendix A – Key Project Facts  
Appendix B – Financial Forecast  
Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

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

## Appendix B – Financial Forecast

### Appendix B - Expansion of Transit Vehicle Overhaul and Maintenance Facilities \* As at May 31, 2019

Project Component Deliverables	Budget (in 000's)			Actual Costs To May 31, 2019	Expenditure Forecast (in 000's)				Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget	Council Approved Change	Amended Budget		Projected Costs							
					2019	2020	2021	2022				
Engineering, Design and Other	\$ 1,100		\$ 1,100	\$ 1,790	\$ 1	\$ -	\$ -	\$ -	\$ 1,791	\$ (691)	\$ (691)	\$ -
Construction	\$ 41,500		\$ 41,500	\$ 43,441	\$ 1,971	\$ -	\$ -	\$ -	\$ 45,412	\$ (3,912)	\$ (3,264)	\$ (648)
Land Acquisition	\$ -		\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ 100	\$ (100)	\$ (100)	\$ -
Internal Financing / Overhead Costs	\$ 500		\$ 500	\$ 730	\$ 70	\$ -	\$ -	\$ -	\$ 800	\$ (300)	\$ (300)	\$ -
Contingency <sup>1</sup>	\$ 10,100		\$ 10,100	\$ -	\$ 5,097	\$ -	\$ -	\$ -	\$ 5,097	\$ 5,003	\$ 4,355	\$ 648
<b>Total Project Budget</b>	<b>\$ 53,200</b>	<b>\$ -</b>	<b>\$ 53,200</b>	<b>\$ 45,961</b>	<b>\$ 7,239</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,200</b>	<b>\$ -</b>		
<b>% of Project Budget Spent</b> (Actual Costs to Date / Adopted & Amended Budget)	86%		86%									

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

<sup>1</sup> Change Orders in the amount of \$1,419 million have been approved with PCL Constructors Canada Inc. as of May 31, 2019, of which \$708,373 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.

October 1, 2018: Brandon Avenue employee parking lot complete

November 17, 2018: Existing Electrical Distributions upgraded

November 20, 2018: Garage floor slabs complete

January 11, 2019: Building Envelope complete

February 8, 2019: Permanent power supplied to Garage Expansion