

Minutes – Standing Policy Committee on Finance – October 12, 2017

REPORTS

**Item No. 6 Expansion of Transit Vehicle Overhaul and Maintenance Facilities,
Project ID: 4210000417, Quarterly Project Status Report No. 11
For the Period Ended June 30, 2017**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received the financial status of the Expansion of Transit Vehicle Overhaul and Maintenance Facilities, as information.

Minutes – Standing Policy Committee on Finance – October 12, 2017

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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

Carried

ADMINISTRATIVE REPORT

Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,
Project ID: 4210000417,
Quarterly Project Status Report No. 11
For the Period Ended June 30, 2017

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
T. VanDekerkhove	G. Ewankiw	B. D'Avignon A/CFO	M. Jack A/CAO

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The project is awarded to PCL Constructors Canada Inc. in the amount of \$43,992,954, and is currently in the design phase. Substantial Performance is scheduled for January 28, 2019.

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 \$21 million (2017) 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 Design Phase (Update from last report)

Construction Contract awarded to PCL Constructors Canada Inc. by Standing Policy Committee – Infrastructure Renewal Public Works on July 11, 2017, in the amount of \$43,992,954.

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	\$ 347,503	8-Apr-2016	1-Mar-2019	49%
757-2016B	PCL Constructors Canada Inc.	Design Builder	\$ 43,992,954	\$ -	11-Jul-2017	1-Mar-2019	9%
			-	-			
			-	-			
			-	-			
		Total	\$ -	\$ 347,503			

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Award of Contract: Garage Expansion	6/27/2017	7/11/2017	7/11/2017	100%
2	Mulvey Avenue Temporary Parking Lot Complete	8/21/2017	9/25/2017		90%
3	Brandon Parking Lot Rezoning Complete	9/12/2017	11/12/2017		50%
4	Start of Construction	11/17/2017			0%
5	Brandon Avenue Parking Lot Complete	12/6/2017	6/1/2018		0%
6	Construction of Interior Office Fit-up Start	3/1/2018	3/1/2018		0%
7	Substantial Performance - Building available for occupancy	12/31/2018	1/28/2019		0%
8	Total Performance	3/1/2019	3/1/2019		0%
9	LEED NC Silver Certification Complete	12/31/2020	12/31/2020		0%
10					

Risk (Update from last report)

No change notices yet.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
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	Contingency will be drawn on as AHJ responds to permit application with requirements.
Ongoing:	
Schedule risk to meet deadline of March 2019 for Public Transit Infrastructure Fund.	Diligent adherence to contractor schedule is critical.
Timely execution of the Federal and Provincial funding agreements.	Efforts to expedite formalization of 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.
Area residents may be concerned with the proposed expansion and impacts on neighbourhood traffic.	Public engagement sessions before RFP issued contributed to specification development, and sessions after design completion to help mitigate neighbour concerns.
Schedule risk due to permit approval process	Diligent adherence to City and Contractor submission requirements
Schedule risk due to plan review timing	Diligent adherence to required review timelines
Schedule risk due to re-zoning approval	Diligent adherence to City requirements for submissions in timely fashion
Employee parking will be displaced by the building expansion. Temporary parking off-site needs to be prepared.	Temporary parking lot nearing completion at 409 Mulvey.
Mitigated:	
Budget risk from drop in value of Canadian dollar as much of the equipment originates off-shore, such as hoists, cranes, paint booths and flued dispensing systems.	Award of contract has finalized these costs

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

Table 4 – Project Funding Forecast and Receivable

Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 4		
City of Winnipeg			
- Transfer from Prior Year Authorization	9,160		9,160
- Retained Earnings	5,040		5,040
Province of Manitoba			
- Transfer from Prior Year Authorization - Manitoba Winnipeg Infrastructure Agreement (MWIA)	13,000		13,000
Federal Government of Canada			
- Public Transit Infrastructure Fund (PTIF)	26,000		26,000
Total	\$ 53,200	\$ -	\$ 53,200

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

Property Acquisition (Update from last report)

N/A

Stakeholder Engagements/Communications (Update from last report)

Email correspondence was sent August 28, 2017 to inform area residents and the South Osborne Residents Group of the upcoming City Centre Community Committee meeting set for September 5, 2017. Community Committee meeting is for re-zoning application and road closure application, whereby a section of Brandon Avenue is closed to construct the parking lot while still allowing through traffic to the VIA Rail maintenance facility.

Public Hearing signs posted on Osborne Street and on Brandon Avenue advertising the September 5, 2017 Community Committee meeting.

Subsequent Events after Report Period End Date

1. Standing Policy on Infrastructure Renewal and Public Works awarded the construction contract to PCL Constructors Canada Inc. in the amount of \$43,992,954 on July 11, 2017.
2. Letter of Intent issued to PCL Constructors Canada Inc. on July 21, 2017.
3. Public Transit Infrastructure Fund (PTIF) for the Garage Expansion (PTIF-001) was approved on May 1, 2017 for \$50,000,000.
4. PTIF for the Backup Power Generator (PTIF-002) was approved on June 15, 2017 for \$3,200,000.

FINANCIAL IMPACT

Financial Impact Statement Date: [September 29, 2017](#)

Project Name:

**Title: Expansion of Transit Vehicle Overhaul and Maintenance Facilities,
Project ID: 4210000417,
Quarterly Project Status Report No. 11
For the Period Ended June 30, 2017**

COMMENTS:

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

original signed by _____

P. Jamieson-Bell

A/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.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Tim VanDekerkhove, Project Manager
Date: September 29, 2017

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, Acting Director of Transit
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Colliers Project Leaders Inc.
Adopted Budget	\$53,200 M
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	-20% to +30%; (\$42,560 M to \$69,160 M)
Amended Budget	
Class of Estimate (Amended)	
Range of Estimate (Amended)	
Project Scope	
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, Acting 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 - Patty Jamieson-Bell, Acting Manager of Finance & Administration 	

Appendix B – Financial Forecast

Appendix B - Expansion of Transit Vehicle Overhaul and Maintenance Facilities *
As at June 30, 2017

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, 2017	Projected Costs				Total Forecasted Costs			
					2017	2018	2019	2020				
Engineering, Design and Other	\$ 1,100		\$ 1,100	\$ 426	\$ 274	\$ 300	\$ 100	\$ -	\$ 1,100	\$ -	\$ -	\$ -
Construction	\$ 41,500		\$ 41,500	\$ -	\$ 17,200	\$ 18,200	\$ 8,593	\$ -	\$ 43,993	\$ (2,493)	\$ -	\$ (2,493)
Land Acquisition			\$ -	\$ -			\$ 100	\$ -	\$ 100	\$ (100)	\$ -	\$ (100)
Internal Financing / Overhead Costs	\$ 500		\$ 500	\$ 76	\$ 237	\$ 331	\$ 156	\$ -	\$ 800	\$ (300)	\$ -	\$ (300)
Contingency	\$ 10,100		\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,207	\$ 2,893	\$ -	\$ 2,893
Total Project Budget	\$ 53,200	\$ -	\$ 53,200	\$ 502	\$ 17,711	\$ 18,831	\$ 8,949	\$ -	\$ 53,200	\$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	1%		1%									

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

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 on.

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.