

# Summary of Fall 2019 SCBA Recommendations

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## Summary of Recommended 2019 Fall SCBA Adjustments

The following is a high level summary of the total impact of the 2019 Fall SCBA to the 2019-2022 Approved Capital Budget. Adjustments are broken down by budget adjustment type. This is a summary of the Detailed 2019 Fall SCBA Adjustment Report in Attachment 3.

No.	Budget Adjustment Type	Impact to 2019-2022 Capital Budget (\$000's)
3.1	New Profiles Recommended for Funding	\$5,040
3.2	Scope Changes	\$17,703
3.3	Recosting	\$8,611
3.4	Historical Adjustments	\$ -
3.5	Funding Source Adjustments (Council)	\$ -
3.6	Transfers in Excess of \$2 Million Between Profiles	\$ -
3.7	Transfers from Capital to Operating	\$<6,363>
3.8	Transfers from Operating to Capital	\$2,071
3.9	Project Development and Delivery Model Adjustments	\$16,300
	<b>Totals</b>	<b>\$43,362</b>

## Breakdown of 2019 Fall SCBA Adjustments

The following is a high level summary for each of the categories of Fall 2019 Supplemental Capital Budget Adjustments shown in the Detailed 2019 Fall SCBA Adjustment Report (Attachment 3).

### 3.1 New Profiles Recommended for Funding

New profiles recommended for funding can be broken down further between profiles requesting new funding, and new stand-alone profiles requesting funding from existing composite profiles. The latter category would include profiles that are at Checkpoint 3 of the PDDM process and are seeking a transfer of delivery dollars from an existing approved composite profile.

### **New Profiles Requesting New Funding**

Administration is recommending Council approve \$5.0 million in new funding related to new capital profiles. This request relates entirely to \$5.0 million of Developer Financing (EPCOR funding for underground utilities) that is available to offset the total costs of capital profile “#19-22-9002 - Imagine Jasper 109-114 St - Phase 1”. Additional details for this profile are included in adjustment 3.1-4 under the “New Stand-Alone Profiles Requesting Funding from Existing Composites” section. As the funding source is Developer Financing, there is no impact to available corporate funding.

### **New Stand-Alone Profiles Requesting Funding from Existing Composites**

The following capital profiles propose funding derived from the transfer of existing funding from approved composite capital profiles. They describe projects originally within the scope of the approved composite profiles that have completed a sufficient level of planning and design (reached checkpoint three) and are being created as a standalone profile to be compliant with Capital Budget practices (\$2 million or greater for growth and \$5 million or greater for renewal projects). Please refer to the specific capital profiles included in Attachment 8 for additional information for each capital project. The approval of these projects would have a \$0 impact on the overall approved 2019-2022 Capital Budget, with the exception of the \$5.0 million in Developer Financing noted in item 3.1-4 below.

#### **3.1-1. 19-30-1100 - Beaumaris Lake Open Space Rehabilitation (\$9.1 million)**

Creation of a new stand-alone profile for the rehabilitation of open space assets around Beaumaris Lake. The funding will take the project from checkpoint 3 to checkpoint 5. Funding to come from existing composite profiles “CM-33-0000 - Open Space: Open Space Renewal”, “CM-35-0000 - Open Space: Soft Landscaping”, and “CM-32-0000 - Open Space: Park Renewal”.

#### **3.1-2. 19-10-1101 - Edmonton Convention Centre Underground Structure Renewal (\$15.1 million)**

Creation of a new stand-alone profile for renewal of the underground structure encasing the Edmonton Convention Centre underlying Jasper Avenue. The funding will take the project from checkpoint 3 to checkpoint 5. Funding to come from existing composite profiles “CM-12-0000 - Facility Service Delivery”, “CM-11-0000 - Facility Safety and Security”, “CM-13-0000 - Facility Service Support”, and “CM-22-0000 - Transportation Goods Movement”.

#### **3.1-3. 19-22-9903 - 105 Avenue (Columbia Avenue) (\$16.0 million)**

Creation of a new stand-alone profile for Columbia Avenue (109 St to 116 St). The funding will take the project from checkpoint 3 to checkpoint 5. Funding to come from existing composite profile “CM-99-9000 - Infrastructure Delivery-Growth”.

#### **3.1-4. 19-22-9002 - Imagine Jasper 109-114 St - Phase 1 (\$24.4 million)**

Creation of a new stand-alone profile for Jasper Avenue from 109 Street to 114 Street. The project includes roadway and sidewalk reconstruction, the installation of streetscaping and the construction of an underground stormwater facility for EPCOR.

The funding will take the project from checkpoint 3 to checkpoint 5. Funding to come from existing composite profiles “CM-99-9000 - Infrastructure Delivery-Growth”, “CM-22-0000 - Transportation Goods Movement”, and as noted in the “New Profiles Recommended for Funding” section, \$5.0 million from EPCOR (developer financing).

### 3.2 Scope Changes

Scope changes recommended for funding can be broken down further between scope changes requesting new funding, and scope changes requesting funding from an existing budget. Scope changes recommended in the 2019 Fall SCBA will result in a net \$17.7 million increase to the 2019-2022 Approved Capital Budget.

#### Scope Changes Requesting New Funding

Scope changes recommended for new funding are as follows:

##### **3.2-6A. 17-74-4103 - Jasper Avenue New Vision Phase 2 (\$17.7 million)**

Scope change related to adding the delivery of Phase 2 of the Jasper Avenue New Vision Project, including streetscape and roadway reconstruction of Jasper Avenue from 97 Street to 100 Street. Note that this work is tied to the Edmonton Convention Centre structure renewal, but is separately funded. Revised completion date is Dec 2023.

The total delivery scope funding request for this profile is \$27.7 million. \$17.7 million relates to new Downtown CRL Debt funding, and \$10.0 million is requested via a transfer from an existing composite profile (See Adjustment 3.2-6B/C outlined in the “Scope Changes Funded Within Existing Approved Budget” section below.

#### Scope Changes Requesting Funding From Existing Budget

Scope changes recommended to be funded with a transfer from an existing approved budget (and therefore have no impact to the City’s overall capital budget) are as follows:

##### **3.2-1. 17-99-2010 - Bonnie Doon Pool Rehabilitation (\$0.8 million)**

Unforeseen underground storm/sewer utility conditions have led to a scope increase. This adjustment accommodates the installation of new underground utilities and mitigates future risk of a sewer failure in the future. A transfer from “CM-12-0000 - Facility: Service Delivery - Renewal” is recommended. There is sufficient funding within the facility renewal program to accommodate this request.

##### **3.2-2. 12-66-1413 - Kathleen Andrews Transit Garage (\$0.0 million)**

A scope description change is required to include the construction of employee LRT platforms to address long term operational cost savings by significantly reducing travel time for bus operators and LRT train operators. The project costs are estimated to be \$876,000, and will be covered within the existing budget. The existing schedule will not be impacted.

##### **3.2-3. 19-17-0601 - River Crossing/West Rosedale Redevelopment (\$0.0 million)**

On September 10, 2019, City Council directed Administration to “amend the existing [River Crossing] capital profile for the Fall 2019 Supplemental Capital Budget Adjustment and prioritize investment for amenities in River Crossing.” Accordingly this change request prioritizes capital projects within River Crossing as follows:

- 1) Rosedale Power Plant Strategic Renovation Plan that includes Building Condition Assessment including Structural Assessment, Heritage Conservation Plan and Building Code Assessment. Estimated cost to complete to Checkpoint 3 (Design Development): \$0.7 million targeting completion Q4 2020. The development phase of the project will identify strategic renovations to the power plant complex, and prioritize them according to the need in preserving the structure, allowing public-oriented uses to begin occurring in the power plant or portions thereof, even if on a temporary basis. Following the Project Develop and Delivery Model, once Development Phase is completed, a Detailed Design and Construction estimate and schedule will be available based on required and prioritized scopes of work.
- 2) River Crossing Street Concept Design. Estimated cost: \$0.4 million. This project will be initiated in Q2 2020 and is expected to be completed by Q3 2021. This project will build off of the transportation analysis completed as part of the River Crossing Business Plan and do more detailed assessment regarding multimodal traffic movement, intersection capacity, grades, property requirements, costs, etc. It will prepare a concept plan for roadways and other transportation facilities in the area to be used as the basis of design (preliminary and detailed engineering). In doing this work it will review the direction in the business plan to convert Rosedale Road into a two-way complete street, determine the advantages and disadvantages of this change relative to elimination of Rosedale Road, and recommend a course of action regarding this roadway including the possibility of a phased transition. The planning work will be coordinated with neighbourhood and arterial renewal work in Rosedale and include supporting work including public and Indigenous engagement.
- 3) Interpretive Park Co-Design. Estimated cost: \$2.0 million for the required planning and design. This project may be initiated in 2021 after the configuration of the surrounding roadway network is confirmed as part of the River Crossing Street Concept Design project. The project will integrate with the Traditional Burial Grounds and Fort Edmonton Cemetery and the design of the Touch the Water promenade. It will also be coordinated with Legislature precinct planning, implementation activities associated with the Downtown Public Places Plan, and (if this is underway) design of development parcels to the north. The design of the interpretive park, as outlined in the River Crossing Business Plan, will involve a co-design process with Indigenous nations, community members and other stakeholders.
- 4) River Crossing Street and Sewer Design. Estimated cost: \$0.6 million. This project is anticipated to be initiated in Q1 2022, pending completion of the planning work. Once certainty regarding the roadway network is provided through the River Crossing Street Concept Design, design of the streets and sewers can begin. The estimated cost identified for this phase of work is preliminary in nature and will be updated following the completion of the River Crossing Street Concept Design

phase, in alignment with City Policy C591 (Capital Project Governance) and the Project Development and Delivery Model.

5) Rossdale Power Plant Strategic Renovations. Targeted cost of \$6.0 million to be validated through the PDDM process at Checkpoint #3. This project is anticipated to be initiated in Q1 2021 upon completion of the Rossdale Power Plant Strategic Renovation Plan and completed by Q4 2022. Using the estimated Detailed Design and Construction estimate and schedule prepared as part of the Rossdale Power Plant Strategic Renovation Plan, construction of required and prioritized scopes of work within the \$6.0 million available in this capital profile will be undertaken.

**3.2-4. 19-24-0100 - 170 St Over CN Rail Bridge (B170) Rehab (\$2.1 million)**

Additional funding is required due to scope variance from pre-tender to post tender analysis to improve some of the bridge approaches and incorporate lessons learned from the southbound rehab. The original budget was based on concept information, and was updated during detailed design.

The recommended funding source is a transfer from existing composite profile “CM-24-0000 - Transportation: Bridges & Aux Structures Renewal”.

**3.2-5. 17-99-2001 - Century Place Base Bldg Rehab & Tenant Improvements (\$3.0 million)**

Required to complete densification and renovation to align with the City’s GHG reduction initiatives. A new mechanical and electrical system will be installed in Century Place to the point of entry on each floor to eventually phase out the current system after each floor densification. The recommended funding source is a transfer from existing composite profile “CM-13-0000 - Facility: Service Support-Renewal”.

**3.2-6. 17-74-4103 - Jasper Avenue New Vision Phase 2 (\$10.0 million)**

**B/C**

Scope change related to adding the delivery of Phase 2 of the Jasper Avenue New Vision Project, including streetscape and roadway reconstruction of Jasper Avenue from 97 Street to 100 Street. Note that this work is tied to the Edmonton Convention Centre structure renewal, but is separately funded. Recommended funding source is a transfer from existing composite profile “CM-74-4100 - Downtown CRL”. Revised completion date is Dec 2023.

The total delivery scope funding request for this profile is \$27.7 million. In addition to the \$10.0 million transfer recommended above, there is an additional \$17.7 million for new Downtown CRL Debt funding (See Adjustment 3.2-6A outlined in the “Scope Changes Requesting New Funding” section above).

### **3.3 Recosting**

Recosting adjustments are required when an approved capital project is projected to be over or under budget. This can occur when tenders on capital projects are well over/under the

budgeted projection. Recommended Recosting adjustments can further be broken down into the following three categories:

- Increase to Budget - Requesting New Funding
- Increase to Budget - Requesting Funding from Existing Budget
- Decrease to Budget - Releases

Recosting changes recommended in the 2019 Fall SCBA will result in a net \$8.6 million increase to the 2019-2022 Approved Capital Budget.

### **Increase to Budget - Requesting New Funding**

Notable recosting adjustments recommended for new funding are as follows:

#### **3.3-4. 12-66-1044 - Groat Road over N. Sask. River (\$8.0 million)**

Capital profile 12-66-1044 Groat Road over N. Sask River was introduced in the 2019 Spring SCBA as an emerging item.

Funding is required to cover higher than expected costs for resident engineering, detailed design, and traffic accommodation. The \$8.0 million adjustment is partially offset with a \$1.0 million transfer in funds from the existing composite profile "CM-24-0000 -Transportation: Bridges & Auxiliary Structures - Renewal", leaving \$7.0 million recommended to be funded with unallocated Pay-as-you-go from the corporate pool. It should be noted that the Spring 2019 SCBA included the release of \$7 million to the corporate pool from various bridge renewal projects undertaken during the 2015-2018 period, and \$300k is being released in this SCBA from the Victoria Trail Overpass renewal Profile (16-66-2420).

#### **3.3-7. CM-25-1001 - Vehicle and Equipment Replacement (\$19.2 million)**

The funding source for the entire \$19.2 million adjustment is the Fleet Replacement Reserve and does not have any impact to the tax levy or any other funding requirements for other capital projects as these funds are restricted only to the replacement of fleet vehicles as identified through the lifecycle plan. This \$19.2 million is directly related to the \$19.2 million of funding that was released from the profile at the end of the 2015-2018 capital budget cycle.

This additional \$19.2 million in funding is required for the 2019-2022 capital budget cycle to enable the continued replacement of fleet vehicles per Policy C617 (Fleet Replacement Reserve) resulting from timing delays of fleet replacements from the previous capital budget cycle.

#### **3.3-8. CM-25-3003 - Vehicle & Equipment Hoist Program (\$1.3 million)**

These hoists are between 20 and 25 years old and are deteriorating due to wear and corrosion. Work for the Paterson Transit Garage is also still outstanding. Process delays in transition from Design to Construction have been caused by enhanced

environmental regulation and safety compliance. The funding source for this \$1.3 million adjustment is unallocated Pay-as-you-go from the corporate pool.

**3.3-15. 15-28-4200 - Ambleside SW District Office, Maintenance Yard & Fuel Site (\$2.3 million)**

Budget adjustment to cover costs associated with unexpected site utility costs associated with up-sizing and relocating utilities related to future servicing of the entire site. EPCOR and ATCO require single services to a site. This initial Fuel Station does not require increased utility sizes, however, if they are not done initially during this phase, they will have to be removed and replaced in the future when the site is expanded further. This poses a risk of potentially shutting the facility down in the future. The recommended funding source is \$2.3 million of unallocated Pay-as-you-go from the corporate pool.

A detailed breakdown of all recommended Recosting adjustments can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

**Increase to Budget - Requesting Funding from Existing Budget**

Notable recosting adjustments requesting a transfer from an existing approved budget (and therefore have no impact to the City's overall capital budget) are as follows:

**3.3-1. 16-66-2421 - 106 Avenue over Wayne Gretzky Drive Bridge Rehabilitation (\$0.6 million)**

Additional funds required due to the bridge condition being worse than initially anticipated. The recommended funding source is a transfer from existing composite profile "CM-24-0000 - Transportation: Bridges & Aux structures-Renewal". There is sufficient funding within the approved renewal program to accommodate this request.

**3.3-2. 17-99-1022 - Civic Precinct Surface and Fountain Renewal (\$0.8 million)**

Unsuitable sub-grade material has been encountered at the Civic Precinct Surface and Foundation Renewal Project. A contractor is required to replace moist clay with recycled concrete that has impacted the budget. The recommended funding source is a transfer from existing composite profile "CM-12-0000 - Facility: Service Delivery". There is sufficient funding within the approved renewal program to accommodate this request.

**3.3-3. 15-28-5823 - Jasper Place Bowl Grandstand Replacement (\$0.5 million)**

Additional funding is requested to accommodate the budget shortfall of tendered work, unforeseen ground conditions, site remediation due to wet weather, and various change orders for structural details. The recommended funding source is a transfer from existing composite profile "CM-13-0000 - Facility: Service Support". There is sufficient funding within the approved renewal program to accommodate this request.



**3.3-18. 19-20-5001 - Streetscape Improvements (97 St: Jasper Ave to 102 Ave) (\$2.0 million)**

Additional funding required to cover foundation and engineering costs in relation to the Harbin Gate installation, in addition to higher than expected bids for improvements to 97 Street. The recommended funding source is a transfer from existing composite profiles “11-17-0407 - The Quarters - Phase 1” and “15-74-4109 - Future Phase Green and Walkable - Other Streets”.

**3.3-19. 17-28-1009 - Kinistinaw Park (\$0.5 million)**

Additional funding is required to address both concept design and preliminary design for Phase 2 of Kinistinaw Park. This will not result in an overall change to the scope of the project. The recommended funding source is a transfer from existing composite profile “15-74-4031 - The Quarters Downtown - Phase 2”.

A detailed breakdown of all recommended Recosting adjustments can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

**Decrease to Budget - Releases**

Noted Recosting adjustments that result in a release of funds are as follows:

**3.3-5. CM-30-3030 - Open Space: Planning and Design - Growth and CM-99-9000- Infrastructure Delivery - Growth (<\$1.0 million>)**

To adjust the profile to align the Jumpstart Partnership funding with the funding agreement with Canadian Tire. The end result is a reduction in partnership funding of \$1.0 million.

**3.3-6. CM-60-1419 - Telecom Life Cycle (<\$1.8 million>)**

In the prior budget cycle, funding from the Provincial E911 grant for the Internet Protocol Call Handling Project was estimated to be \$3.605 million. Updated projections have reduced this funding requirement by \$1.805 million to \$1.800 million.

**3.3-9. 16-66-2420 - Victoria Trail Overpasses Rehabilitation (<\$0.3 million>)**

Lower project costs than expected have resulted in a release of \$0.3 million in MSI funding to the corporate pool.

**3.3-10. CM-99-2717 - Operational Yards OHS/Security Improvements (<\$1.0 million>)**

\$1.0 million in MSI funding is released back to the corporate pool as the project did not meet the eligibility criteria. Therefore, at the end of 2018, the profile had a \$1,000,000 surplus of MSI funding. The work within this profile will continue within the composite profile (CM-10-1010 Facility: Planning and Design - Growth).

**3.3-17. 15-74-4103 - Initial Phase Jasper Avenue New Vision (<\$17.7 million>)**

The remaining funding from this profile is being released due to the original scope of work being delayed from the 2015-2018 capital budget cycle, to the 2019-2022 capital budget cycle. Reasons for the delay were as follows:

- Structural assessments of infrastructure underneath Jasper Avenue identified repairs that increased the complexity of the project,
- A delay improved the ability to coordinate with Imagine Jasper Avenue so as to create a more unified streetscape ultimately, and
- A coordination with Valley line LRT construction - Delivery work on Jasper Avenue could not proceed in 2019 due to traffic impacts and potential risks of disrupting LRT work.

This release of funds is consistent with previous budget adjustments approved by Council in 2017 to adopt this scope of work into the PDDM model - Council previously approved a transfer of \$2.7 million from this profile towards a new planning and design profile (Profile #17-74-4103). The remaining delivery dollars for that profile are being requested in the Fall 2019 SCBA.

The \$17.7 million of released funding is being requested to be applied towards "17-74-4103 - Jasper Avenue New Vision Phase 2" within Change Request 3.2-6A.

A detailed breakdown of all recommended Recosting adjustments can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

### 3.4 Historical Adjustments

This type of adjustment occurs when a change in a funding source in past years requires an adjustment to the overall budget of a profile. For example, changes in projected partnership funding or developer financing could occur throughout the lifetime of the capital profile, or the City may receive additional grant funding.

There are no Historical Adjustments recommended in the 2019 Fall SCBA.

### 3.5 Funding Source Adjustments (Council)

This type of adjustment is strictly for funding source adjustments that result in no change to the overall budget of a profile, however requires Council approval because they involve reserve funding or debt funding. Composite profiles are also included as part of this process. All sources of funding adjustments will result in an overall adjustment balance of "0".

A detailed breakdown of recommended Funding Source Adjustments (Council) can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

### 3.6 Transfers in Excess of \$2 Million Between Profiles

Approved profiles with transfers between them that exceed \$2 million need to be approved by City Council. The net result is an overall adjustment of \$0 to the 2019-2022 Approved Capital Budget.

A detailed breakdown of recommended Transfers in Excess of \$2 million Between Profiles can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

### 3.7 Transfers from Capital to Operating

\$6.4 million of capital funding for approved profiles is required to be transferred to operating, since these amounts are classified as operating expenses for accounting purposes.

A detailed breakdown of recommended Transfers from Capital to Operating can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

### 3.8 Transfers from Operating to Capital

Approved profiles require a transfer of \$2.0 million of Operating funding to Capital Expenditures.

A detailed breakdown of recommended Transfers from Operating to Capital can be found in the Detailed 2019 Fall SCBA Report in Attachment 3.

### 3.9 Project Development and Delivery Model Adjustments

Approved by City Council at the April 25, 2017 meeting, Capital Project Governance Policy C591 implemented the Project Development and Delivery Model (PDDM) to ensure that all capital projects (infrastructure, fleet and equipment, information technology and land) follow a phased approach that includes formal checkpoint reviews as projects progress through their lifecycle (strategy, concept, design, build and operate). As the majority of projects approved in the 2015-2018 capital budget predate this policy, a number of profiles were advanced without the benefit of this more robust process to define scope, schedule and budget. Administration is asking Council to approve the revised cash flows and completion dates for the following profiles. Updating the cash flow, refining the scope of work, and revising the completion date for these profiles will allow Administration to begin consistently measuring its capital project performance with the gates associated with the PDDM. Updates to the status of these profiles are communicated to Council and the public through Integrated Infrastructure Services quarterly capital project reporting (Building Edmonton web-based map).

Project Development and Delivery Model Adjustments recommended in the 2019 Fall SCBA will result in a net \$16.3 million increase to the 2019-2022 Approved Capital Budget.

Project Development and Delivery Model Adjustments are as follows:

#### **3.9-1. 18-66-6503 - 50 Street CPR Grade Separation (\$16.3 million)**

The 50 Street CP Rail Grade Separation project was approved for capital funding early in the project development (checkpoint 2 as opposed to checkpoint 3). To take advantage of a time-sensitive grant funding opportunity, the funding request was not aligned with Capital Governance Policy C591. The project has since progressed in terms of its level of development, including an increased understanding of the scope, schedule, and budget. With this more complete understanding of the scope and budget, it has been determined that additional funding is required for the project. This request is being made to advance the project to Checkpoint 4 (detailed design), in addition to requesting funding for land, and for early construction works. Revised completion date is December 2024.

Ongoing discussions are taking place with other orders of government as well as CP Rail to finalize their contribution agreements to the project. As such, additional

funding will be required for the project, which is why it appears as an emerging issue in Attachment 7.

The funding source for the \$16.3 million budget request is Pay-As-You-Go from the unallocated corporate pool. There is the potential for this amount to be reduced in the future based on the finalization of the contribution agreements. Any adjustments to the City's contribution will be brought forward when the remaining funding is brought forward as noted in Attachment 7.