

---

# HALDIMAND COUNTY

## Report ENG-05-2021 Budget Reallocation - King Street West and Porter Avenue Resurfacing, Hagersville



For Consideration by Council in Committee on June 22, 2021

---

### OBJECTIVE:

To seek Council approval for the reallocation of capital funding for the King Street West Hot Mix Resurfacing and Porter Avenue Urban Paving project in Hagersville.

### RECOMMENDATIONS:

1. THAT Report ENG-05-2021 Budget Reallocation – King Street West and Porter Avenue Resurfacing, Hagersville be received;
2. AND THAT the Tax Supported Capital Budget be amended as outlined in Report ENG-05-2021.

**Prepared by:** Kristopher R. Franklin, Manager, Engineering Services

**Respectfully submitted:** Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

The Road Rehabilitation - King Street West, Porter Avenue Hagersville Project tender (ENG-32-2021) closed higher than the overall approved capital budget. Savings to fund the shortfall have been identified within existing projects and to be in compliance with Procurement Policy 2013-02 a budget reallocation is required.

### BACKGROUND:

The Road Rehabilitation – King Street West, Porter Avenue in Hagersville tender includes the following work:

- King Street West – Tracks to Concession 13 - Hot mix resurfacing, replacement of curbs and sidewalks.
- King Street West – Storm Sewer Rehabilitation - Replacement of cross culverts, relocation of roadside ditches, catch basin repair, storm pipe rehabilitation
- Porter Avenue – Hot mix resurfacing, culvert replacements, regrading, drainage improvements.

### ANALYSIS:

The Road Rehabilitation - King Street West, Porter Avenue Hagersville project tender (ENG-32-2021) closed May 18, 2021 with the following five bids:

<b>Bidder</b>	<b>Bid Price Received (including full HST)</b>
Associated Paving & Materials Ltd	\$1,216,337.52
Brennan Paving & Construction Ltd.	\$1,127,231.50
Coco Paving Inc.	\$1,084,800.00
Dufferin Construction Company	\$1,064,982.63
Rankin Construction Inc.	\$1,075,776.95

The lowest acceptable bid for the tender was received from Dufferin Construction Company in the amount of \$957,604.85 (including non-rebateable HST). There are also approximately \$85,000 in engineering, soils investigation, and preliminary sewer work associated with the project bringing the total required budget to \$1,050,000. The total approved budget for all components of the project is \$701,000 creating a funding shortfall of \$349,000.

Based on the tender review staff believe that the higher than estimated bid prices are a result of increased material costs, especially asphalt which is tied to the cost of oil. Based on the close spread of the five bids staff believe the prices represent fair market value and are recommending awarding the tender to Dufferin Construction Company as the lowest compliant bidder.

The funding shortfall is above the Procurement Policy 2013-02 threshold of \$75,000 that allows staff the authority to reallocate funds without a report to Council.

## **FINANCIAL/LEGAL IMPLICATIONS:**

To fund the total required budget amount of \$1,050,000 staff have identified savings within an existing project and will require a transfer from the respective reserve accounts.

The following revisions to the tax supported capital budget are required to fund the project:

<b>Project Expenditures</b>	<b>Current Approved Budget</b>	<b>Change</b>	<b>Proposed Revised Budget</b>
<b>King Street West –Tracks to Concession 13</b>			
Road Reconstruction	\$600,000	\$295,000	\$895,000
Storm Sewer Rehab	\$75,000	\$0	\$75,000
<b>Porter Avenue</b>			
Road Reconstruction	\$26,000	\$54,000	\$80,000
<b>Haldimand Road 20 – Kohler Road to Hald/Dunn Townline</b>			
Road Reconstruction	\$3,987,000	(\$349,000)	\$3,638,000
<b>Total Capital Expenditures</b>	<b>\$4,688,000</b>	<b>\$0</b>	<b>\$4,688,000</b>

The related financing impacts for the projects included above, are shown below:

<b>Project Financing</b>	<b>Current Approved Budget</b>	<b>Change</b>	<b>Proposed Revised Budget</b>
Ont Comm Infr Rsv Fund ( <b>Hald Road 20 – Kohler Road to Hald/Dunn Townline )</b>	\$3,987,000	(\$349,000)	\$3,638,000
Ont Comm Infr Rsv Fund ( <b>King Street West –Tracks to Concession 13)</b>	\$75,000	\$349,000	\$ 424,000
CRR Roads Infrastructure ( <b>King Street West –Tracks to Concession 13)</b>	\$525,000	(\$54,000)	\$ 471,000
CRR Roads Infrastructure ( <b>Porter Avenue)</b>	\$26,000	\$54,000	\$ 80,000
CRR Storm Sewer ( <b>King Street West – Tracks to Concession 13)</b>	\$75,000	\$0	\$ 75,000
<b>Total Financing</b>	<b>\$4,688,000</b>	<b>\$0</b>	<b>\$4,688,000</b>

In accordance with Procurement Policy 2013-02, Council must approve the reallocation of funds for a capital project with a budget shortfall of \$75,000 or more (or 20% of the approved budget) or where insufficient funds are currently available. Once the funding is approved, staff will proceed with the award of the tender through a purchase order.

## **STAKEHOLDER IMPACTS:**

Not applicable.

## **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

## **ATTACHMENTS:**

1. None