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# HALDIMAND COUNTY

## Report FCA-01-2021 Budget Revision – Dunnville Roads Yard Sand Storage Facility Roof Replacement



For Consideration by Council in Committee on September 14, 2021

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### OBJECTIVE:

To seek Council approval for the budget revision required to proceed with the capital project for the Dunnville Roads Yard Sand Storage Facility Roof Replacement.

### RECOMMENDATIONS:

1. THAT Report FCA-01-2021 Budget Revision – Dunnville Roads Yard Sand Storage Facility Roof Replacement be received;
2. AND THAT the revised budget as outlined in Report FCA-01-2021 be approved.

**Prepared by:** Ashley Schaeffer, Project Manager, Facilities Capital & Asset Management

**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 Dunnville Roads Yard Sand Storage Facility Roof Replacement project tender closed over the approved budget of \$75,000 and requires Council approval for a budget revision to award the tender and proceed with the project.

### BACKGROUND:

In 2014, as part of the County's asset management program, Ontario Roof Consultants & Associates (ORC) completed Roof Assessment Reports for the County's facilities to forecast repairs and replacement requirements over a twenty year horizon. Through this process, the Dunnville Roads Yard Sand Storage Facility Roof Replacement was identified for the 2021 Tax Supported Capital Budget. Staff have confirmed through field inspections that this project should be completed this year.

### ANALYSIS:

The Dunnville Roads Yard Sand Storage Facility Roof Replacement (FCA-11-2021) tender closed on August 17, 2021 with the following four bids:

Bidder	Bid Price Received (including full HST)
Flynn Canada Ltd.	\$147,211.60
Provincial Industrial Roofing & Sheet Metal Company Limited	\$155,154.09

Crawford Roofing Corporation	\$238,380.28
Atlas-Apex Roofing Inc.	\$241,445.80

The lowest acceptable bid for the tender was received from Flynn Canada Ltd. in the amount of \$132,567.84 (including non-rebateable HST). The current approved project budget is \$75,000 resulting in a shortfall of approximately \$65,000 which includes an additional contingency to cover unforeseen work.

In accordance with Procurement Policy 2013-02, Council must approve the budget revision for a capital project with a budget shortfall of more than \$75,000 or 20% of the approved budget.

Based on the tender review and discussions with roofing contractors, staff believe the higher than anticipated bid prices are primarily due to the material costs of the shingles which have been trending higher this year due to supply and demand issues and the increased costs of construction work related to the pandemic. County staff and the County's roofing consultant (ORC) have recently inspected the sand dome roof and have confirmed that the roof is in an advanced state of deterioration and at risk of incurring significant damage if not replaced.

## FINANCIAL/LEGAL IMPLICATIONS:

In order to proceed with the project a budget revision to the Dunnville – Roof Replacement Sand Storage Facility project in the amount of \$65,000 is required. In order to cover this shortfall staff are recommending the following revision to the 2021 Tax Supported Capital Budget and Forecast:

	Current Approved Budget	Change	Proposed Revised Budget
<b>Expenditures:</b>			
Dunnville Roads Yard – Roof Replacement Sand Storage Facility (C-322012)	\$75,000	\$65,000	\$140,000
<b>Total Capital Expenditures</b>	<b>\$75,000</b>	<b>\$65,000</b>	<b>\$140,000</b>
<b>Financing:</b>			
CRR General	\$75,000	\$65,000	\$140,000
<b>Total Financing</b>	<b>\$75,000</b>	<b>\$65,000</b>	<b>\$140,000</b>

If approved, the total budget for the capital project will be revised to \$140,000 and staff will proceed with the award of the tender through a purchase order.

It should be noted that as a result of a sustained increase in projects over the forecasted period, additional contributions were redirected from other reserves through the 2021 Tax Supported Capital Budget and Forecast in order to address funding pressures on the Capital Replacement Reserve - General. There are currently sufficient funds within this reserve to accommodate the budget increase required for this project however staff will continue to monitor this Reserve through regular monitoring as well as through the County's review of the 2022 Tax Supported Capital Budget and Forecast.

**STAKEHOLDER IMPACTS:**

Not applicable.

**REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

**ATTACHMENTS:**

1. None.