
HALDIMAND COUNTY

Report RDS-02-2021 Budget Revision: Supply and Installation of Fencing for Walpole Roads Yard



For Consideration by Council in Committee on October 5, 2021

OBJECTIVE:

To seek Council approval for the budget revision required to proceed with the capital project for the Walpole Roads Yard New Fence and Gate Installation.

RECOMMENDATIONS:

1. THAT Report RDS-02-2021 Budget Revision: Supply and Installation of Fencing for Walpole Roads Yard be received;
2. AND THAT the revised budget as outlined in Report RDS-02-2021 be approved.

Prepared by: Alexander Fagan, Operations Technologist/Contracts Administrator - Roads Operations

Reviewed by: David Pressey, Director - Roads Operations

Respectfully submitted: Philip Mete, P. Eng., General Manager of Public Works Operations

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

EXECUTIVE SUMMARY:

The Walpole Roads Yard New Fencing and Gate project Request for Quotation (RFQ) closed over the approved budget of \$75,000 and requires Council approval for a budget revision to award the contract and proceed with the project.

BACKGROUND:

In 2018, Haldimand County acquired a one acre parcel of land immediately north of the Walpole Roads Operations Yard. Since 2019, this area has been used for the storage of equipment due to a shortage of space within the currently fenced area of the yard. In July of 2021 an RFQ was prepared to procure a contractor to extend fencing to this area and replace the yard's existing gate.

ANALYSIS:

The Walpole Roads Yard Fence and Gate Installation (RDS-27-2021) RFQ was issued to four bidders. The RFQ closed on August 5, 2021 with the following two bids received:

Bidder	Bid Price Received (Including full HST)
Peninsula Construction Inc.	\$107,322.88
Royal Fence Ltd.	\$113,485.90

The lowest acceptable bid for the tender was received from Peninsula Construction Inc. in the amount of \$97,198.44 (including non-rebateable HST). The current approved project budget is \$75,000 resulting in a shortfall of approximately \$30,000 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 discussions with fencing contractors, staff believe the higher than anticipated bid prices are primarily due to the material costs of chain link fencing 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 have reviewed and inspected the Walpole yard and have confirmed that this parcel of land requires fencing this year in order to ensure materials and equipment stored on this parcel are protected and secure. Deferring this project will increase the risk of theft and vandalism that much longer. Additionally, we plan to use this area for temporary storage of excess soils while testing is completed and a destination site is identified.

FINANCIAL/LEGAL IMPLICATIONS:

The 2021 Tax Supported Capital Budget included \$75,000 (including non-rebateable HST) related to this project, with funding from CRR-General. For the above noted reasons, staff propose a revision to the budget as follows:

	Current Approved Budget	Change	Proposed Revised Budget
Expenditures:			
Walpole - Fence and Gate (322018)	\$75,000	\$30,000	\$105,000
Total Capital Expenditures:	\$75,000	\$30,000	\$105,000
Financing:			
CRR General:	\$75,000	\$30,000	\$105,000
Total Financing:	\$75,000	\$30,000	\$105,000

If approved, the total budget for the capital project will be revised to \$105,000 and staff will proceed with the award of the quotation 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