
HALDIMAND COUNTY

Report ENG-04-2022 ICIP Grant Funding Award and Budget Amendment - Cast Iron Watermain Replacement - Cayuga



For Consideration by Council in Committee on May 10, 2022

OBJECTIVE:

To obtain Council approval for a budget amendment in the capital funding for the Cayuga cast iron watermain replacement project.

RECOMMENDATIONS:

1. THAT Report ENG-04-2022 ICIP Grant Funding Award and Budget Amendment - Cast Iron Watermain Replacement - Cayuga be received;
2. AND THAT the revised budgets as outlined in Report ENG-04-2022 be approved;
3. And that staff be authorized to enter into any required funding agreements.

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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 County was successful in a grant funding application for the Cayuga cast iron watermain project from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure Funding Stream. The ICIP program provides up to 40% project funding from the Federal Government and up to 33.33% project funding from the Provincial Government. Through the grant the County has received \$1,234,144 in funding for this project.

Based on the lowest compliant tender pricing the project requires a budget revision to increase total funding for the work. This funding increase is related to higher than estimated bid prices resulting from increased material costs, especially watermain pipe which is facing supply chain issues.

The net result of the ICIP grant funding and the budget amendment from the tender results is a return of \$402,900 to the CRR-Roads Infrastructure reserve fund and \$449,200 to the CRR-Water reserve fund.

The proposed budget amendment impacts only the capital reserve fund balances noted within the report and therefore have no impact on the proposed rates included in the 2022 Rate Supported Operating Budgets and Capital Forecast.

BACKGROUND:

The Cast Iron Watermain Replacement - Cayuga tender includes the following work:

- Johnston Street – Echo Street to end - hot mix resurfacing.
- Kerr Street East – Winnett Street to 100 m west of Winnett Street - cast iron watermain replacement, replace existing curbs, hot mix road resurfacing.
- Norton Street East - Winnett Street to 60 m west of Winnett Street - cast iron watermain replacement, replace existing curbs, hot mix road resurfacing.
- Ouse Street North - Talbot Street to Cayuga Street North - cast iron watermain replacement, replace existing curbs, hot mix road resurfacing.
- Norton Street West - Ottawa Street West to end - cast iron watermain replacement, replace existing curbs, hot mix road resurfacing.
- Kerr Street West - Ottawa Street to Munsee Street - cast iron watermain replacement, replace existing curbs and sidewalks, hot mix road resurfacing.
- Mohawk Street East - Winnett Street East to end - cast iron watermain replacement, replace existing curbs, hot mix road resurfacing.

The current Tax Supported Capital budget includes \$686,000 allocated to this project and the current Rate Supported Operating and Capital budget includes \$699,000 allocated to this project funded from the CRR - Roads Infrastructure and CRR - Water reserve funds respectively.

The County has also received \$1,234,143.90 in grant funding from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure Funding Stream. This funding was not accounted for in the project and will require a budget amendment.

Section 3.03 of Procurement Policy 2013-02 provides the parameters for reallocating budget funds for capital projects to address budget deficits. If the scope of work changes or if the budget shortfall exceeds \$75,000 or 20% of the approved project budget, a report to Council is required to authorize the proposed amendments.

ANALYSIS:

The Cast Iron Watermain Replacement – Cayuga project tender (ENG-52-2022) closed April 5, 2022 with two compliant bids. The lowest acceptable bid for the tender was received in the amount of \$1,766,486.00 (including non-rebateable HST). The total approved budget for all components of the project is \$1,385,000.00 creating a funding shortfall of \$381,486.

Based on the tender review staff believe that the higher than estimated bid prices are a result of increased material costs including asphalt which is tied to the cost of oil and watermain pipe which is facing supply chain issues.

The County has also received grant funding from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure Funding Stream. The ICIP program provides up to 40% project funding from the Federal Government and up to 33.33% project funding from the Provincial Government. The max funding that the County received for this project is \$1,234,143.90.

The net result of the ICIP Grant funding and the budget amendment from the tender results is a return of \$402,900 to the CRR - Roads Infrastructure reserve fund and \$449,200 to the CRR - Water reserve fund.

Catalina Excavating Inc. is the successful bidder for the project and has previously completed watermain work for the County with satisfactory results. Staff have also contacted references from other municipalities and have received positive feedback.

FINANCIAL/LEGAL IMPLICATIONS:

The 2022 Tax Supported Capital budget includes \$686,000 related to road reconstruction for this project and the 2022 Rate Supported Operating and Capital budget for Water and Wastewater includes \$699,000 for construction costs related to watermain replacements for this project. Based on the ICIP grant funding and the tender results, staff propose a revision to the budget as follows:

	2022 Approved Budget	Additional Funds Required	Proposed Revised Budget
Capital Expenditures:			
<u>Road Reconstruction</u>			
372084 - Johnston Street - Echo Street to end**	\$35,000	\$31,000	\$66,000
372019 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$80,000	\$10,000	\$90,000
372020 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$40,000	\$20,000	\$60,000
372017 - Ouse Street North - Talbot Street to Cayuga Street North	\$175,000	\$55,000	\$230,000
372025 - Norton Street West - Ottawa Street West to end	\$50,000	\$15,000	\$65,000
372026 - Kerr Street West - Ottawa Street to Munsee Street	\$105,000	\$25,000	\$130,000
372027 - Mohawk Street East - Winnett Street East to end	\$150,000	\$15,000	\$165,000
375002- Excess Soils-Road Reconstruction***	\$51,000	\$0	\$51,000
Total Road Reconstruction	\$686,000	\$171,000	\$857,000
<u>Watermain Replacement - Construction</u>			
475015 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$90,000	\$40,000	\$130,000
475016 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$52,000	\$33,000	\$85,000
475013 - Ouse Street North - Talbot Street to Cayuga Street North	\$158,000	\$57,000	\$215,000
475019 - Norton Street West - Ottawa Street West to end	\$95,000	\$30,000	\$125,000
475020 - Kerr Street West - Ottawa Street to Munsee Street	\$114,000	\$46,000	\$160,000
475021 - Mohawk Street East - Winnett Street East to end	\$190,000	\$5,000	\$195,000
Total Watermain Replacement	\$699,000	\$211,000	\$910,000
Total Capital Expenditures:	\$1,385,000	\$382,000	\$1,767,000
Financing:			
<u>Federal ICIP Grant (40% Max \$673,200):</u>			
372019 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$0	\$35,600	\$35,600
372020 - Norton Street East - Winnett Street to 60 m west of Winnett	\$0	\$23,700	\$23,700
372017 - Ouse Street North - Talbot Street to Cayuga Street North	\$0	\$91,000	\$91,000

372025 - Norton Street West - Ottawa Street West to end	\$0	\$25,700	\$25,700
372026 - Kerr Street West - Ottawa Street to Munsee Street	\$0	\$51,500	\$51,500
372027 - Mohawk Street East - Winnett Street East to end	\$0	\$65,300	\$65,300
375002- Excess Soils-Road Reconstruction***	\$0	\$20,200	\$20,200
475015 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$0	\$51,500	\$51,500
475016 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$0	\$33,600	\$33,600
475013 - Ouse Street North - Talbot Street to Cayuga Street North	\$0	\$85,100	\$85,100
475019 - Norton Street West - Ottawa Street West to end	\$0	\$49,500	\$49,500
475020 - Kerr Street West - Ottawa Street to Munsee Street	\$0	\$63,300	\$63,300
475021 - Mohawk Street East - Winnett Street East to end	\$0	\$77,200	\$77,200
Total Federal ICIP Grant:	\$0	\$673,200	\$673,200
<u>Provincial ICIP Grant (33.33% Max \$560,943.90):</u>			
372019 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$0	\$29,700	\$29,700
372020 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$0	\$19,800	\$19,800
372017 - Ouse Street North - Talbot Street to Cayuga Street North	\$0	\$75,900	\$75,900
372025 - Norton Street West - Ottawa Street West to end	\$0	\$21,400	\$21,400
372026 - Kerr Street West - Ottawa Street to Munsee Street	\$0	\$42,900	\$42,900
372027 - Mohawk Street East - Winnett Street East to end	\$0	\$54,400	\$54,400
375002- Excess Soils-Road Reconstruction***	\$0	\$16,800	\$16,800
475015 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$0	\$42,900	\$42,900
475016 - Norton Street East - Winnett Street to 60 m west of Winnett	\$0	\$28,000	\$28,000
475013 - Ouse Street North - Talbot Street to Cayuga Street North	\$0	\$70,800	\$70,800
475019 - Norton Street West - Ottawa Street West to end	\$0	\$41,200	\$41,200
475020 - Kerr Street West - Ottawa Street to Munsee Street	\$0	\$52,800	\$52,800
475021 - Mohawk Street East - Winnett East to end	\$0	\$64,300	\$64,300
Total Provincial ICIP Grant:	\$0	\$560,900	\$560,900
<u>CRR – Roads Infrastructure:</u>			
372084 - Johnston Street - Echo to end**	\$35,000	\$31,000	\$66,000

372019 - Kerr Street East - Winnett Street to 100 m west of Winnett Street	\$80,000	\$ (55,300)	\$24,700
372020 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$40,000	\$ (23,500)	\$16,500
372017 - Ouse Street North - Talbot Street to Cayuga Street North	\$175,000	\$ (111,900)	\$63,100
372025 - Norton Street West - Ottawa Street West to end	\$50,000	\$ (32,100)	\$17,900
372026 - Kerr Street West - Ottawa Street to Munsee Street	\$105,000	\$ (69,400)	\$35,600
372027 - Mohawk Street East - Winnett Street East to end	\$150,000	\$ (104,700)	\$45,300
375002- Excess Soils-Road Reconstruction***	<u>\$51,000</u>	<u>\$ (37,000)</u>	<u>\$14,000</u>
<u>Total CRR – Roads Infrastructure:</u>	<u>\$686,000</u>	<u>\$ (402,900)</u>	<u>\$283,100</u>
<u>CRRF – Water****:</u>			
475015 - Kerr Street East – Winnett Street to 100 m west of Winnett Street	\$90,000	\$(54,400)	\$35,600
475016 - Norton Street East - Winnett Street to 60 m west of Winnett Street	\$52,000	\$(28,600)	\$23,400
475013 - Ouse Street North - Talbot Street to Cayuga Street North	\$158,000	\$(98,900)	\$59,100
475019 - Norton Street West - Ottawa Street West to end	\$95,000	\$(60,700)	\$34,300
475020 - Kerr Street West - Ottawa Street to Munsee Street	\$114,000	\$(70,100)	\$43,900
475021 - Mohawk Street East - Winnett East to end	\$190,000	\$(136,500)	\$53,500
<u>Total CRRF – Water:</u>	<u>\$699,000</u>	<u>(449,200)</u>	<u>\$249,800</u>
Total Financing:	\$1,385,000	\$382,000	\$1,767,000

**372084 - Johnston Street – Echo Street to end was not included in the grant funding

***375002 – Excess Soils Management – annual project budget is \$150,000 for 2022, amounts shown represent the impact from the related road reconstruction projects ONLY.

**** CRRF-Water Funding shown is for the construction portion ONLY, other costs (engineering/quality assurance) are funded from this source also but are not related to this tender.

The Federal component of the ICIP funding is 40% to an upset limit of \$673,200 with the Provincial component being 33.33% to an upset limit of \$560,943.90. The remaining funds and any overages will be the responsibility of the County and will be funded from the respective CRR – Roads Infrastructure and CRR - Water reserve funds.

The net result of the ICIP Grant funding and the budget amendment from the tender results is a return of \$402,900 to the CRR - Roads Infrastructure reserve fund and \$449,200 to the CRR - Water reserve fund. As these changes impact only the capital reserve funds noted above, there will be no impact on the end rate charged to users as a result of these changes.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

None