
HALDIMAND COUNTY

Report ENG-04-2023 Budget Amendment – Frank Marshall Business Park Storm Pond Upgrade



For Consideration by Council in Committee on February 7, 2023

OBJECTIVE:

To obtain approval for a capital budget amendment for the Frank Marshall Business Park Storm Pond Upgrade project.

RECOMMENDATIONS:

1. THAT Report ENG-04-2023 Budget Amendment - Frank Marshall Business Park Storm Pond Upgrade be received;
2. AND THAT the revised budgets as outlined in Report ENG-04-2023 be approved.

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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 existing stormwater management pond at the Frank Marshall Business Park in Dunnville is currently at capacity and must be upgraded to the final build out design to allow further development along Ramsey Drive, including the County supported affordable housing project. The storm pond upgrade includes both expansion to provide additional capacity as well as the clean out of the existing facility.

The project was tendered in December 2022, and ten compliant bids were received with the lowest approximately \$316,000 higher than the \$1,600,000 approved construction budget for the project. There is also a further \$52,000 required for the existing engineering and testing budget of \$100,000, resulting in a total budget amendment of \$372,000 to the \$1,700,000 approved budget.

Based on the bid analysis the higher than estimated bid prices are attributable to both labour and material costs as well as the testing and disposal of the 30,000 m³ of excess soils expected to be generated by the project.

The proposed budget amendment impacts the balance in the Industrial Land Sales Reserve Fund, however the costs associated with this project are to be recovered by the property owners through local servicing.

BACKGROUND:

The stormwater management pond at the Frank Marshall Business Park in Dunnville is currently at capacity and to allow the remainder of Phase 1 and future phases of the business park to develop,

including the County supported affordable housing project, the pond must be upgraded to its ultimate capacity.

The Frank Marshall Business Park Storm Pond Upgrade project includes the following work:

- Excavation and grading of approximately 40,000 m³ of material
- Installation of pond liner
- Reconstruction of new pond inlet and outlet
- Disposal of approximately 30,000 m³ of excess soil
- Construction of new maintenance and access road
- Landscaping and restoration

Section 3.03 of Procurement Policy 2013-02 provides the parameters for reallocating budget funds for capital projects to address budget deficits. Under this policy 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 Frank Marshall Business Park Storm Pond Upgrade project tender closed December 6, 2022 with ten compliant bids. The lowest acceptable bid for the tender was received from Stonecast Contracting Limited in the amount of \$1,915,846 (including non-rebateable HST). The total approved budget for the construction portion of the project is \$1,600,000 creating a funding shortfall of \$315,846. Based on the tender review staff believe that the higher than estimated bid prices are a result of increased labour and material costs.

There is also a cost impact of \$52,000 related to the additional provincial excess soil regulations that came into effect on January 1, 2023 and increase the regulations on testing and disposal of the approximate 30,000 m³ of excess soil that is expected to be generated from this project. This will require an amendment to the \$100,000 budget approved for engineering and testing.

In summary, the total budget for the project is \$1,700,000 and the required additional funds are \$372,000 which represents an increase of approximately 22% over the approved budget.

FINANCIAL/LEGAL IMPLICATIONS:

The 2022 Tax Supported Capital budget includes \$1,700,000 in funding for this project. In order to fund the project staff are proposing the following budget amendments:

	2022 Approved Budget	Additional Funds Required	Proposed Revised Budget
Capital Expenditures:			
<u>Urban Storm Sewer System</u>			
495030 - FMBP Stormwater Management Pond Upgrade - Construction	\$1,600,000	\$320,000	\$1,920,000
495030 - FMBP Stormwater Management Pond Upgrade - Engineering and Testing	\$100,000	\$ 52,000	\$152,000
<u>Total Capital Expenditures:</u>	\$1,700,000	\$372,000	\$2,072,000
<u>Financing:</u>			

<u>Industrial Land Sales Reserve Fund:</u>			
495030 - FMBP Stormwater Management Pond Upgrade	\$1,700,000	\$372,000	\$2,072,000
Total Financing:	\$1,700,000	\$372,000	\$2,072,000

The funding source for this project is the Industrial Land Sales Reserve Fund, however the costs associated with this project are to be recovered by the property owners through local servicing. The future cost recoveries will replenish the balance in this reserve fund over time.

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:

None