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# HALDIMAND COUNTY

## Report ENG-09-2023 Caledonia and Springvale Urban Paving Program - Budget Reallocation



For Consideration by Council in Committee on April 11, 2023

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### OBJECTIVE:

To seek Council approval for the reallocation of capital funding for the 2023 Urban Paving Program projects in Caledonia and Springvale.

### RECOMMENDATIONS:

1. THAT Report ENG-09-2023 Caledonia and Springvale Urban Paving Program – Budget Reallocation be received;
2. AND THAT the Tax Supported Capital Budget be amended as outlined in Report ENG-09-2023.

**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 2023 Caledonia/Springvale Urban Paving project includes the paving and replacement of curbs and sidewalks of eight streets in Caledonia and the paving of six streets in Springvale. The replacement of approximately 430 metres of mixed concrete sidewalk and asphalt pathway along the south side of Orkney Street in Caledonia is also included in the proposed work.

The project was tendered in March 2023 and five compliant bids were received. Based on the lowest compliant bid from Dufferin Construction Company a budget amendment is required to increase total funding for the project by reallocating savings realized from an already completed project. This funding increase is related to higher than estimated bid prices in both labour and material costs, especially with asphalt which is heavily impacted by the price of oil.

By utilizing identified savings, the proposed budget amendment does not impact the capital replacement reserve fund (CRRF) balance or impact the 2023 Tax Capital Budget.

### BACKGROUND:

The Caledonia/Springvale Urban Paving tender (see Attachments 1 and 2) includes the following work:

- Morgan Drive – Hot mix resurfacing, replacement of curbs and sidewalks.
- Morgan Court – Hot mix resurfacing, replacement of curbs and sidewalks
- McKenzie Road – Haddington Street to Fuller Drive – Hot mix resurfacing, replacement of curbs and sidewalks

- McMaster Drive – Hot mix resurfacing, replacement of curbs and sidewalks
- McKeown Court – Hot mix resurfacing, replacement of curbs and sidewalks
- Iona Court – Hot mix resurfacing, replacement of curbs and sidewalks
- Claire Innis Court – Hot mix resurfacing, replacement of curbs and sidewalks
- Duncan Court – Hot mix resurfacing, replacement of curbs and sidewalks
- Orkney Street West – Ross Street to Inverness Street – Sidewalk replacement on south side
- Spruce Avenue – Hot mix resurfacing
- Oak Boulevard – Hot mix resurfacing
- Walnut Street – Hot mix resurfacing
- Pine Crescent – Hot mix resurfacing
- Maplewood Avenue – Hot mix resurfacing
- Birch Boulevard – Hot mix resurfacing

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 Caledonia/Springvale Urban Paving (ENG-31-2023) project tender closed March 14, 2023 with five compliant bids. The lowest acceptable bid for the tender was received from Dufferin Construction Company in the amount of \$ 2,540,159 (including non-rebateable HST). The total approved budget for all components of the project is \$2,285,300 creating a funding shortfall of \$254,859.

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 relatively narrow 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.

## FINANCIAL/LEGAL IMPLICATIONS:

To fund the total required budget amount of \$2,562,000 a transfer from the respective reserve accounts is required. In order to make up the funding shortfall staff have identified savings within an existing project (Oswego Bridge Rehabilitation) which was completed under budget.

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

Project Expenditures	Current Approved Budget	Change	Proposed Revised Budget
<b>376065 - Morgan Drive</b>	\$455,900	\$101,100	\$557,000
<b>376071 - Morgan Court</b>	\$44,900	\$5,600	\$50,500

<b>376073 - McKenzie Road-Haddington Street to Fuller Drive</b>	\$810,900	\$11,600	\$822,500
<b>376067 - McMaster Drive</b>	\$344,900	\$62,100	\$407,000
<b>376068 - McKeown Court</b>	\$123,000	\$500	\$123,500
<b>376069 - Iona Court</b>	\$79,900	\$23,100	\$103,000
<b>376188 - Claire Innis Court</b>	\$77,500	\$13,500	\$91,000
<b>376099 - Duncan Court</b>	\$67,000	\$23,500	\$90,500
<b>375033 - Orkney Street West Sidewalk – Ross Street to Inverness Street</b>	\$115,000	\$12,000	\$127,000
<b>376109 - Spruce Avenue</b>	\$48,500	\$7,500	\$56,000
<b>376115 - Oak Boulevard</b>	\$20,800	\$200	\$21,000
<b>376116 - Walnut Street</b>	\$18,500	\$3,500	\$22,000
<b>376113 - Pine Crescent</b>	\$46,100	\$400	\$46,500
<b>376114 - Maplewood Avenue</b>	\$23,100	\$7,400	\$30,500
<b>376117 - Birch Boulevard</b>	\$9,300	\$4,700	\$14,000
<b>374052- Oswego Bridge Rehabilitation</b>	\$1,565,000	(\$276,700)	\$1,288,300
<b>Total Capital Expenditures</b>	<b>\$3,850,300</b>	<b>\$0</b>	<b>\$3,850,300</b>
<b><u>Financing:</u></b>			
<b><u>CRR Roads Infrastructure</u></b>			
<b>376065 - Morgan Drive</b>	\$455,900	\$101,100	\$557,000

<b>376071 - Morgan Court</b>	\$44,900	\$5,600	\$50,500
<b>376073 - McKenzie Road- Haddington Street to Fuller Drive</b>	\$810,900	\$11,600	\$822,500
<b>376067 - McMaster Drive</b>	\$344,900	\$62,100	\$407,000
<b>376068 - McKeown Court</b>	\$123,000	\$500	\$123,500
<b>376069 - Iona Court</b>	\$79,900	\$23,100	\$103,000
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<b>376117 - Birch Boulevard</b>	\$9,300	\$4,700	\$14,000
<b>374052- Oswego Bridge Rehab</b>	\$1,565,000	(\$276,700)	\$1,288,300
<b><u>Total CRR – Roads Infrastructure:</u></b>	<b>\$3,850,300</b>	<b>\$0</b>	<b>\$3,850,300</b>
<b>Total Financing</b>	<b>\$3,850,300</b>	<b>\$0</b>	<b>\$3,850,300</b>

Provided 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

## **REFERENCES:**

1. [Policy No. 2013-02 Procurement Policy](#)

## **ATTACHMENTS:**

1. Map of Work Areas - Caledonia
2. Map of Work Areas - Springvale