HALDIMAND COUNTY


For Consideration by Council in Committee on May 30, 2017

OBJECTIVE:
To request approval to reallocate capital funds for the Walpole Roads Operations Yard Sand Dome Roof Repair Project from the Dunnville Garage – Retrofit Overhead Doors Project in order to award Request for Quotation PW-RO-17-003, Roof Replacement as submitted.

RECOMMENDATIONS:
1. THAT Report PW-RO-04-2017 Walpole Roads Operations Yard Sand Dome Roof - Capital Budget Revision, be received;

2. AND THAT the revised Capital Budgets, as outlined in Report PW-RO-04-2017 Walpole Roads Operations Yard Sand Dome Roof - Capital Budget Revision, be approved.

Prepared by: Danielle Fletcher, Roads Operations Project Manager
Reviewed by: Brent Hammond, Manager of Roads Operations
Respectfully submitted: Paul Mungar, C.E.T., CMM III, General Manager of Public Works
Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:
The Walpole Roads Operations Yard sand dome is in need of repair. The roof has been repaired previously but damage has continued to occur. The 2016 budget identified $25,000 for repair, but with continuing damage, staff have re-evaluated the roofing needs with the assistance of Ontario Roof Consultants and determined that more than just a repair is required and a budget increase to $100,000 is necessary for roof replacement.

BACKGROUND:
The approved 2016 Tax Supported Capital Budget included $25,000 for the Walpole Roads Operations Yard sand dome roof repair. The shingles had been replaced in 2009 but due to regular high winds in this location, repairs were required in 2013 to replace shingles blown off or damaged. Damage to the shingles has continued to be a problem to the point where damage to the plywood is evident. Given the maintenance issues, staff held off making the repairs in order to have the County-approved roof consultant, Ontario Roof Consultant (ORC), review the conditions.
During the 2017 Tax Supported Capital Budget deliberations, Council also approved the project “Dunnville Garage – Retrofit Overhead Doors (4 ft. x 12 ft.).” As described in the Financial/Legal Implications section of this report, staff are recommending a budget reallocation from this Dunnville Retrofit project to the Walpole – Sand Dome Repairs project.

Section 3.03 of Procurement Policy 2013-02 provides the parameters for reallocating budgeted funds for capital projects to address budget deficits as follows:

### 3.03 Authority to Reallocate Approved Budget Funds

**Capital Budget**

- The shortfall cannot exceed 20% of the project budget to a maximum of $75,000;
- General scope of work or service delivery method cannot be changed;
- If reallocating funds from a capital project/component, the capital project/component in which funds are being transferred from must already be an awarded project/component;
- Revised Bid Award form must be completed when funds are reallocated;
- The funding source must be the same for all accounts affected by the reallocation.

Because this reallocation falls outside of the first three parameters given above, a Council report is necessary to seek approval to reallocate funds to cover the budget shortfall.

**ANALYSIS:**

After review from ORC, it was recommended that a higher standard of shingle and an improved installation process be used for this particular building due to the ongoing issues including a high wind area, which will minimize the maintenance of the dome roof. The specification was developed by ORC and includes removal of existing and replacement with a 20 year warranty laminated shingle, and replacement of damaged plywood.

To expedite the necessary repairs and ensure a proper budget, staff requested quotations for the project as it was assumed that the work would be under $75,000. Five bids were received for Request for Quotation PW-RO-17-003, Roof Replacement, which closed on April 26th 2017, with one bid disqualified as a result of being received after the closing deadline.

Flynn Canada Ltd. submitted the lowest bid at $88,746, excluding HST. Additional provisional items are identified as an unknown until construction commences and are estimated at a cost of $4,260, excluding HST, for additional plywood repairs and a new metal peak cap if required. The roofing project will be managed by ORC (Ontario Roofing Corporation) with total consulting fees costing approximately $5,100, excluding HST. The proposed roof will have a warranty for ten years under the North American Olympic Roof Protection Program which the County requires for all roof replacements since 2014.

As noted above, a Request for Quotation (RFQ) was issued as it was anticipated that the cost would be less than $75,000. As all bids received exceeded this threshold, as per the Procurement Policy 2013-02, a Request for Tender (RFT) process should have been utilized which has specific advertisement requirements, public bid opening processes and defined terms and conditions to address complex work requirements. Even though the process was not compliant with the Procurement Policy, there is minimal risk of any challenge or issue with the RFQ process in this particular case as the competition was advertised and the bid results posted on the County website in the same manner as a
RFT; and the RFQ included specific terms and conditions that were relevant to the complexity of the work.

**FINANCIAL/LEGAL IMPLICATIONS:**

To accommodate the project as described above and to stabilize the funding levels in the current fiscal year, staff are recommending to reallocate the necessary funds for the Walpole – Sand Dome Roof Repairs Project, from the Dunnville – Overhead Door Retrofit Project. The engineering/design component of the Overhead Doors Project will commence in 2017 along with some minor repairs, but the main construction portion will be deferred and re-budgeted in the 2018 Tax-Supported Capital Budget with a revised estimate, if required. The related budget impacts are depicted in the table below (costs include the non-rebateable portion of HST):

<table>
<thead>
<tr>
<th>Capital Expenditures:</th>
<th>Council-Approved Budget</th>
<th>Revised 2017 Costs</th>
<th>Proposed Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walpole – Sand Dome Roof Repairs</td>
<td>$25,000</td>
<td>$99,840</td>
<td>$100,000</td>
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<tr>
<td>Roof Repair</td>
<td></td>
<td>$90,310</td>
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<tr>
<td>Provisional Items (plywood repairs and metal peak cap)</td>
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<td>$4,340</td>
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<tr>
<td>Consulting Fees</td>
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<td>$5,190</td>
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<td>Dunnville – Retrofit Overhead Doors (4x12ft)</td>
<td>$125,000</td>
<td>($75,000)</td>
<td>$50,000</td>
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<td><strong>Total Capital Expenditures</strong></td>
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<td><strong>$150,000</strong></td>
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<td>Capital Financing:</td>
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<td>CRR-General</td>
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<td>$150,000</td>
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</tbody>
</table>

**STAKEHOLDER IMPACTS:**

Not applicable.

**REPORT IMPACTS:**

Agreement: Yes
By-law: No
Budget Amendment: Yes
Policy: No

**ATTACHMENTS:**

None.