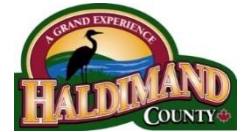

HALDIMAND COUNTY

Report PW-ES-04-2018 Budget Reallocation – Stirling Street Reconstruction, Caledonia



For Consideration by Council in Committee on April 24, 2018

OBJECTIVE:

To seek Council approval for the reallocation of capital funding for the Stirling Street Reconstruction Project in Caledonia.

RECOMMENDATIONS:

1. THAT Report PW-ES-04-2018 Budget Reallocation – Stirling Street Reconstruction, Caledonia be received;
2. AND THAT the revised budgets as outlined in Report PW-ES-04-2018 be approved.

Prepared by: Lloyd Rollinson, Project Manager, Municipal Infrastructure

Reviewed by: Tyson Haedrich, M. Eng., P. Eng., Director, Engineering Services

Respectfully submitted: Paul Mungar, C.E.T., CMM III, General Manager of Public Works

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

The Stirling Street Reconstruction Tender closed over the approved budget and requires a budget reallocation to award the project. The budget shortfalls will be funded through savings from existing projects.

BACKGROUND:

In accordance with Procurement Policy 2013-02, Council must approve the reallocation of funds for a capital project where there is a budget shortfall of \$75,000 or more (or 20% of the approved budget) or where insufficient funds are currently available.

ANALYSIS:

Tender PW ES 18-061, Stirling Street Reconstruction – Argyle Street to Peebles Street, Caledonia closed on March 6, 2018. A single bid was received from Coco Paving Inc. in the amount of \$1,319,725 (including non-rebateable HST).

Based on the tender closing price, staff identified two project components; road construction and sanitary sewer, that exceeded the thresholds as outlined in the Procurement Policy. Based on this information, staff negotiated a reduction of \$61,408 in Coco's bid to \$1,258,317 (including non-rebateable HST), however a report to Council is still required for the approval to revise the project component budgets.

The storm sewer component of the project also requires a budget reallocation, which although within the Procurement Policy thresholds, staff have included the revision in the report for clarity.

Once the project budgets are approved, staff will proceed with the award of the tender through the bid award process.

FINANCIAL/LEGAL IMPLICATIONS:

Staff have identified sufficient savings in several projects to cover the required budget increases in the Stirling Street Reconstruction Project components. To fund the revised bid amount of \$1,258,317 (including non-rebateable HST) staff are recommending the following revisions to the approved Tax Supported Capital Budget, as well as the approved Rate Supported Capital Budget.

Although not directly related to the required increase, the Development Charges Debt, related to the Jarvis Lagoon Upgrade (Project C.454.0010) also requires a budget amendment in order to maintain the original approved project funding between CRRF Sewer and DCRF Sewer Debt.

Project Expenditures	Current Approved Budget	Change	Proposed Revised Budget
Stirling Street Reconstruction (C.372.0018)	\$695,000	\$190,000	\$885,000
Stirling Street Sanitary Sewer (C.452.0087)	\$182,000	\$130,000	\$312,000
Stirling Street Storm Sewer (C.495.0035)	\$228,000	\$20,000	\$248,000
Total Stirling Street Project	\$1,105,000	\$340,000	\$1,445,000
Townline Road Bridge (C.374.0049)	\$680,000	(\$90,000)	\$590,000
Concession 8 Bridge (C.374.0089)	\$539,000	(\$100,000)	\$439,000
Jarvis Lagoon Upgrades (C.454.0010)	\$1,040,100	(\$155,000)	\$885,100
Park Street Drainage (C.495.0036)	\$200,000	(\$20,000)	\$180,000
Total Other Projects	\$2,459,100	(\$365,000)	\$2,094,100
Total Capital Expenditures	\$3,564,100	(25,000)	\$3,539,100

The related financing impacts for the projects included above, are shown below:

Project Financing	Current Approved Budget	Change	Proposed Revised Budget
CRR – Roads Infrastructure	\$1,914,000	-	\$1,914,000
CRRF – Sewer	\$1,034,400	-	\$1,034,400
DCRF - Sewer	\$22,700	-	\$22,700
DCRF - Sewer Debt	\$165,000	(25,000)	\$140,000
CRRF – Storm Sewer	\$428,000	-	\$428,000
Total Financing	\$3,564,100	(25,000)	\$3,539,100

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

None.