

Report TR-TAPS-01-15

To: Chair and Members of the Transportation and Public Safety Committee
From: Patrick Hoy, Engineering Manager
Meeting Date: December 18, 2014
Subject: **Capital Purchases Prior to 2015 Budget Approval - Construction**
Status: Recommendation adopted by Committee as presented per Resolution TAPS04-15; Endorsed by County Council January 6, 2015 per Resolution CC22-15;

Recommendation(s)

WHEREAS the 2015 budget has not yet been approved;

AND WHEREAS section 10.0, 10.1 f) of the purchasing procedure states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution;

AND WHEREAS as per section 3.3 c) of the purchasing procedures, staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the current Five Year Capital Expenditure Forecast, prior to the annual budget being approved, once Council has authorized via resolution;

NOW THEREFORE BE IT RESOLVED THAT Report TR-TAPS-01-15 be received and that staff be authorized to let tenders for:

- 1. Structure 003-900 Replacement – Grey Road 3 - Keady Bridge**
- 2. Grey Road 15 Reconstruction – Owen Sound**
- 3. Grey Road 119 Reconstruction**

Background

Staff is seeking to tender (up to) three contracts prior to 2015 budget approval.

Section 10.1 f) of the purchasing procedure states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution. In section 3.3 c) of the procedure, it states that staff is authorized to procure

up to fifty percent of gross expenditures contained in the first year of the current Five Year Capital Expenditure Forecast, prior to the annual budget being approved, once Council has authorized these capital expenditures via resolution, the tenders can be released for bidding by contractors.

The Five Year Capital Expenditure Forecast within Report TR-TAPS-45-14, and as accepted by Council July 8, 2014, identified a gross capital expenditure for 2015 of \$11,895,218.

The Municipal Infrastructure Investment Initiative (MIII) funding agreement for the Grey Road 119 reconstruction project requires that a report confirming Council award be forwarded to the Province by March 15, 2015, making an early award necessary as per the terms of the \$2,000,000 MIII grant. If the contract is not awarded before March 15, 2015, the County may be disqualified for the grant.

The Transportation Services Department has, in the last few years, been releasing the majority of construction tenders in February and obtained very favorable pricing.

Financial / Staffing / Legal / Information Technology

Considerations

Table 1 identifies the projects required for approval. The most recent cost estimate for these projects has changed since the presentation of the 2015-2019 Five Year Plan, as the projects are nearing final design; the projects were in a preliminary stage in May.

Table 1 – Projects Requested for Pre-Budget Approval

Project	Estimated Cost as presented within the 2015-2019 Forecast	Revised Estimated Cost
Structure 003-900 Bridge Replacement on Grey Road 3 North of Keady	\$1,422,991	\$600,000
Grey Road 15 Reconstruction (Third Ave East) Owen Sound*	\$3,243,249	\$1,960,684
Grey Road 119 Reconstruction – from Blue Mountain Road to Banks	\$3,145,000	\$3,255,947
Total	\$7,811,240	\$5,816,631

*tender to be released by Owen Sound

Estimated Cost of Projects _____ \$5,816,631 = 48.9%

Projected Cost per 2015-2019 Forecast \$11,895,218

Link to Strategic Goals / Priorities

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

Respectfully submitted by,

Patrick Hoy,
Engineering Manager

Director Sign Off: *Michael Kelly, Director of Transportation Services*

Attachment

[TR-TAPS-45-14 Transportation Services – 2015 Draft Five Year Capital Forecast](#)