

<b>To:</b>	Warden Milne and Members of Grey County Council
<b>Committee Date:</b>	January 12, 2023
<b>Subject / Report No:</b>	TR-CW-01-23
<b>Title:</b>	Capital Purchase Prior to 2023 Budget Approval – Road Construction and Facilities
<b>Prepared by:</b>	Matt Marck, Engineering Manager Jim Nicoll, Operations Manager
<b>Reviewed by:</b>	Pat Hoy, Director of Transportation Services
<b>Lower Tier(s) Affected:</b>	Member Municipalities
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW19-23; Endorsed by County Council January 26, 2023, per Resolution CC11-23.

## Recommendation

1. That report TR-CW-01-23 regarding Capital Purchase-Construction Prior to 2023 Budget Approval be received; and
2. That staff be authorized to issue the tenders for the Grey Road 7 Pulverize and Pave Rehabilitation (2.8 km north of Grey Road 13 to Sideroad 22B), Grey Road 7 Reconstruction (Meaford shared project - Muir Street to Hwy 26), Grey Road 7 Pulverize & Pave Rehabilitation (Grey Road 40 - 4 Sideroad), Grey Road 18 Pulverize & Pave (Grey Road 11 - Grey Road 29), Grey Road 28 (Grey Road 4 to Saugeen River Bridge), Kimberley Salt Dome Replacement, Removal and Replacement of Underground Fuel Storage Tanks at Clarksburg; and
3. That the tenders be issued prior to 2023 budget approval due to tender constraints in accordance with Sections 3.3 (c), 10.0 and 10.1 f) of the Purchasing Policy.

## Executive Summary

Transportation Services staff is requesting permission to tender for the above noted capital construction projects prior to 2023 budget approval.

## Background and Discussion

Staff is seeking to tender the noted construction projects prior to 2023 budget approval in order to secure the most favourable tender pricing for these significant projects.

Section 10.1 f) of the purchasing policy states that items requiring pre-budget approval must be reported to Council to have the expenditure authorized via resolution.

In Section 3.3 c) of the policy, it states that staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the current Ten-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 total length of all road sections under these projects is 40 kilometres.

The underground fuel storage tanks at Clarksburg have come to the end of their lifecycle and will be replaced with above ground storage tanks. Early award will help to obtain favorable pricing and get a contractor secured. The process to remove underground tanks and replace them with above ground tanks includes environmental testing which can add time constraints to complete the project over a single construction season. Therefore, it is best that this project be awarded early in order to complete the project by year-end.

The dome at Kimberley is a fabric covered structure constructed in the early 1990's. This dome has come to the end of its life cycle and will be replaced with a conventional building. Early award will help to obtain favorable pricing and get a contractor secured as building contractors are busy. To ensure that the material is contained for next winter season, it is also essential that we secure a builder early in the year to meet project timelines.

With the 2023 budget being scheduled to be presented at an upcoming Committee of the Whole meeting and Council meeting, the Transportation Services Department feels that it is in the County's best interest to tender these projects prior to budget approval. In the past, Transportation Services has released construction tenders in the first or second month of the fiscal year and obtained very favourable pricing.

## Legal and Legislated Requirements

None.

## Financial and Resource Implications

These capital projects are estimated to cost a total of \$21,008,500 as noted below.

<b>Project</b>	<b>Estimated Cost</b>
Grey Road 7 Pulverize and Pave Rehabilitation (2.8 km north of Grey Road 13 to Sideroad 22B)	\$4,689,700
Grey Road 7 Reconstruction (Meaford shared project - Muir Street to Hwy 26)	\$2,635,200
Grey Road 7 Pulverize & Pave Rehabilitation (Grey Road 40 - 4 Sideroad)	\$3,511,700
Grey Road 18 Pulverize & Pave (Grey Road 11 - Grey Road 29)	\$7,175,600
Grey Road 28 (Grey Road 4 to Saugeen River Bridge)	\$2,346,300
Kimberly Salt Dome Replacement	\$500,000

Removal and Replacement of Underground Fuel Storage Tanks at Clarksburg	\$150,000
<b>Total Estimated Costs</b>	<b>\$21,008,500</b>
<b>Percentage of 2023 Expenditures</b>	<b>45.39%</b>

The gross expenditures amount contained in the first year (2023) of the current Transportation Services Ten Year Capital Forecast Plan is \$46,288,800. The total project costs are estimated to be \$21,008,500, which is 45.39% of the proposed 2023 capital expenditures. The total percentage of gross expenditures to be used before the approval of the 2023 Budget, including these capital projects, would be 47.16%. The tandem trucks and half tons (TR-CW-15-22) make up the difference of 1.77%.

## Relevant Consultation

- Internal  
Finance Department
- External

## Appendices and Attachments

2023 Projects Location Map

# 2023 Construction Projects Location Map

