

<b>To:</b>	Warden Hicks and Members of Grey County Council
<b>Committee Date:</b>	September 26, 2019
<b>Subject / Report No:</b>	TR-CW-21-19
<b>Title:</b>	Capital Purchase Prior to 2020 Budget Approval - Construction
<b>Prepared by:</b>	Matt Marck, Engineering Manager Sharon Melville, Buyer
<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 CW187-19; Endorsed by County Council October 10, 2019 per Resolution CC80-19;

## Recommendation

1. That Report TR-CW-21-19 be received; and
2. That Staff be authorized to issue the tender for the Grey Road 9 Pulverize and Pave Construction Project prior to 2020 budget approval due to tender constraints in accordance with Section 3.3 (c) of the Purchasing Procedure which allows the procurement of up to fifty percent of gross expenditures in year one of the ten year capital forecast and section 10.0, 10.1 f) of the purchasing procedure stating that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution.

## Executive Summary

Transportation Services staff is requesting permission to tender for the Grey Road 9 pulverize and pave construction project prior to 2020 budget approval.

## Background and Discussion

Staff is seeking to tender the Grey Road 9 pulverize and pave construction project prior to 2020 budget approval in order to secure the most favourable tender pricing for this significant project.

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 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.

Transportation Services is recommending to pulverize and pave Grey Road 9 from Grey Road 109 to Grey Road 23. The total project length is 8.0 kilometres.

With the 2020 budget being scheduled to be presented at an upcoming January 2020 Committee of the Whole meeting and February 2020 Council meeting, the Transportation Services Department feels that it is in the County's best interest to tender this project 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

This construction project is estimated to cost \$3,046,995.00 and is to be funded by the federal gas tax reserve and levy as noted in Table 1 below.

<b>Table 1 Grey Road 9 Pulverize and Pave Project Cost Estimate</b>	
From Reserve Federal Gas Tax	\$2,537,466.00
Levy Requirement	\$509,529.00
<b>Total Estimated Cost</b>	<b>\$3,046,995.00</b>

The gross expenditures amount contained in the first year (2020) of the current Transportation Services Ten Year Capital Forecast Plan is \$18,487,152. The project costs are estimated to be \$3,046,995, which is 16.48% of the proposed 2020 capital plan. The total percentage of gross expenditures to be used before the approval of the 2020 Budget, including this construction project, would be 19.79%.

## Relevant Consultation

- Internal  
Finance Department
- External

## Appendices and Attachments

2020 Grey Road 9 Project Location Map

# 2020 Grey Road 9 Project Location Map

