

<b>To:</b>	Warden Halliday and Members of Grey County Council
<b>Committee Date:</b>	November 22, 2018
<b>Subject / Report No:</b>	TR-CW-47-18
<b>Title:</b>	Capital Procurement Prior to 2019 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 the Committee as presented per Resolution CW289-18; Endorsed by County Council on December 20, 2018 as per Resolution <i>CC05-19</i> .

## Recommendation

1. That Report TR-CW-47-18 be received; and
2. That Staff be authorized to issue the tender for the Grey Road 40 Pulverize and Pave Construction Project prior to 2019 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 40 pulverize and pave construction project prior to 2019 budget approval.

## Background and Discussion

Staff is seeking to tender the Grey Road 40 pulverize and pave construction project prior to 2019 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 40; from Veterans Road North to Grey Road 12. The total project length is 15.5 kilometres.

With the 2019 budget being scheduled to be presented at the upcoming January 31, 2019 Committee of the Whole meeting and February 14, 2018 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 \$5,350,000.00 and is to be funded by the OCIF Provincial Grant, development charges, federal gas tax reserve and levy as noted in Table 1 below.

<b>Table 1 Grey Road 40 Pulverize and Pave Project Cost Estimate</b>	
OCIF Provincial Grant	\$1,249,562.00
From Reserve Development Charges Category 3	\$2,241,851.00
From Reserve Federal Gas Tax	\$242,448.00
Levy Requirement	\$1,616,139.00
<b>Total Estimated Cost</b>	<b>\$5,350,000.00</b>

The gross expenditures amount contained in the first year (2019) of the current Transportation Services Ten Year Capital Forecast Plan is \$18,409,600. Fifty percent of the gross expenditures is \$9,204,800 and \$1,377,830 of this amount is already committed for the procurement of two tandem trucks and two tandem roll-off trucks as per TR-CW-48-18 Capital Purchase Prior to Budget Approval, which was endorsed by Council on November 8, 2018. Therefore, \$7,826,970 still remains available for procurement prior to the 2019 budget approval, as per section 3.3 (c) of the Purchasing Procedure. This project, with a cost of \$5,350,000, falls within this approved amount, as noted within Table 2.

<b>Table 2 Pre-Budget Approval for Grey Road 40 Construction Project</b>	
Gross Expenditure Amount for the first year of the 2019 Capital Forecast	\$18,409,600.00
Fifty Percent of Gross Expenditure Allowed Amount	\$9,204,800.00
Less Amount allocated to Pre-Budget Approval of Tandem Truck Purchase	\$1,377,830.00
Net amount available for Pre-Budget Purchase within the first year of the 2019 Capital	\$7,826,970.00

<b>Table 2</b> <b>Pre-Budget Approval for Grey Road 40 Construction Project</b>	
Forecast	
Total Estimated Cost of Grey Road 40 Construction	\$5,350,000.00

## Relevant Consultation

- Internal  
Finance Department
- External

## Appendices and Attachments

2019 Grey Road 40 Project Location Map

# 2019 Grey Road 40 Project Location Map

