



# The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer/Treasurer
Date:	January 21, 2019
Report No:	CORS-002-19
Subject:	Purchasing Various - January

**Recommendation:** **THAT Council approve the budget amendments and related funding sources as outlined on Schedule A;**

**AND THAT Council approve the contract increase to Bronte Construction for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction in the total amount of \$103,060 (exclusive of HST) as outlined on Schedule B;**

**AND THAT Council approve the contract increase to Hatch Corporation for contract administration services for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction in the total amount of \$32,420 (exclusive of HST) as outlined on Schedule C;**

**AND THAT the Manager, Purchasing and Risk Management be authorized to execute the contract(s), as outlined by the purchasing by-law, and the Mayor and the Town Clerk be authorized to sign any other required paperwork.**

## EXECUTIVE SUMMARY

This report is being submitted to have Council's authorization on the various items on the attached Schedules. Requests are being made as per the guidelines outlined in the Purchasing By-law No. 061-2018 and the Budget Management Policy (Policy No.113).

## REPORT

### Background

Procurement of goods and services is governed by By-law No. 061-2018. Purchasing activity is undertaken in a manner that is intended to support the Town's mandate to



# The Corporation of the Town of Milton

provide effective, responsible government and efficiently deliver services to the residents of Milton.

## Discussion

Information pertaining to the recommended purchasing awards is included on the corresponding Schedules (A to C) attached.

## Financial Impact

Financial impacts are outlined in detail on the attached Schedules B and C. The resulting funding adjustments are presented on Schedule A, and result in a net overall increase in approved capital budgets of \$186,874.

Respectfully submitted,

Troy McHarg  
Interim Commissioner, Corporate Services

For questions, please contact: Debbie Cochrane, CPPB 905-878-7252, x2143  
For questions, please contact: Nisha Vashisht, CPA, CMA 905-878-7252, x2472

## Attachments

- Schedule A - Summary of Changes in Project Budgets and Funding
- Schedule B – Contract Increase to Bronte Construction for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction
- Schedule C – Contract Increase to Hatch Corporation for Contract Administration of Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction

CAO Approval  
William Mann, MCIP, RPP, OALA, CSLA, MCIF, RPF  
Chief Administrative Officer

## CORS-002-19 - Schedule A

**Summary of Changes in Capital Project Budgets and Funding**

<b>Schedule</b>	<b>B</b>	<b>Total Change in Funding Sources Increase / (Decrease)</b>
<b>Project Number</b>	<b>C33013717</b>	
<b>Project Description</b>	<b>Wheelabrator Way - Including Culvert Replacement</b>	
<b>Total Approved Project Budget</b>	<b>\$ 2,569,226</b>	
<b>Recommended Budget Change Project Variance Account</b>	<b>186,874</b>	<b>186,874</b>
<b>Total Increase/(Decrease) in Funding</b>	<b>186,874</b>	<b>\$ 186,874</b>
<b>Total Revised Project Budget</b>	<b>\$ 2,756,100</b>	

## COUNCIL AUTHORITY FOR CONTRACT AWARDS

<b>Project Award</b>	Contract Increase to Bronte Construction for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction
<b>Recommendation</b>	<b>Staff is recommending the contract increase to Bronte Construction for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction in the total amount of \$103,060 (exclusive of HST).</b>
<b>Purpose of Report</b>	As per Section 7.1.2 of Purchasing By-law No. 061-2018, Council approval is required.
<b>Background information</b>	<p>The current contract awarded to Bronte Construction for Wheelabrator Way culvert replacement, bank stabilization and road reconstruction is \$2,237,360 (exclusive of HST). (Original award of \$1,992,471 plus \$244,889 change orders to-date).</p> <p>This contract increase of \$103,060 (exclusive of HST) provides for the additional contract fees required to address the additional unforeseen costs for various change orders (asphalt increase, pavement design changes) and also to address additional funds required to cover line over runs (additional granular material, top soil and earth excavation required). These costs relate in part to the challenges that resulted in the construction period increasing from an estimated to 85 days to 111 days for reasons including utility relocates, watermain conflicts and inclement weather. The work and associated costs have been reviewed by Engineering staff and are therefore being recommended at this time.</p>

### Financial Planning Section: Budget Impact (Note 1)

<b>Account Number(s)</b>	C33013717-A0613-7665	C33013717-A0611-7670
<b>Account Description</b>	Wheelabrator Way – Including Culvert Replacement (Structural)	Wheelabrator Way – Including Culvert Replacement (Roadworks)
<b>Project Total Budget</b>	\$2,569,226	\$2,569,226
<b>Contract Budget</b>	\$0	\$0
<b>Actual</b> <small>(Net of HST Rebate)</small>	\$87,514	\$17,360
<b>Variance</b> <small>(note 2)</small>	\$87,514(U)	\$17,360(U)
<b>Funding Source</b>	Project Variance Account	Project Variance Account

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: Due to overruns in construction and contract administration to date, additional contingency of \$48,000 is being requested to ensure sufficient funding to the end of the project. There is also funding required of \$34,000 for the project management recovery due to the complexity of the work and extended construction timeframe. When combined with the funding increases noted above for the contract, a total increase of \$186,874 is being requested with funding from the project variance account per Schedule A.

## COUNCIL AUTHORITY FOR CONTRACT AWARDS

<b>Project Award</b>	Contract Increase to Hatch Corporation for Contract Administration of Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction
<b>Recommendation</b>	<b>Staff is recommending the contract increase to Hatch Corporation for contract administration services for Wheelabrator Way Culvert Replacement, Bank Stabilization and Road Reconstruction in the total amount of \$32,420 (exclusive of HST).</b>
<b>Purpose of Report</b>	As per Section 7.1.2 of Purchasing By-law No. 061-2018, Council approval is required.
<b>Background information</b>	<p>The current contract with Hatch Corporation for contract administration for Wheelabrator Way culvert replacement, bank stabilization and road reconstruction is \$158,250 (exclusive of HST). (Original award of \$74,500 plus \$83,750 change order to-date).</p> <p>This contract increase of \$32,420 (exclusive of HST) provides for the additional contract administration fees for extra days due to utility relocations, watermain conflicts and inclement weather for this construction project. The work and associated costs have been reviewed by Engineering staff and are therefore being recommended at this time.</p>
<b>Financial Planning Section: Budget Impact</b> (Note 1)	
<b>Account Number(s)</b>	C33013717-A0611-7210
<b>Account Description</b>	Wheelabrator Way – Including Culvert Replacement
<b>Project Total Budget</b>	\$2,259,226
<b>Contract Budget</b> (Note 2)	\$0
<b>Actual</b> (Net of HST Rebate)	\$32,991
<b>Variance</b>	\$32,991 (U)
<b>Funding Source</b>	Contingency

Note 1: Financial impact includes any non-refundable portion of HST.