

Chair and Members
Civic Works Committee

September 13, 2013
(Award Contract)

RE: Elgin Middlesex Pumping Station Upgrades
Capital Project EW3540 - Elgin Middlesex Pumping Station
Baseline Constructors Inc. - \$1,340,067 (excluding H.S.T.)
AECOM - \$120,389.50 (excluding H.S.T.)

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance confirms that the total cost of this project can not be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental and Engineering Services & City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Financing Requirement</u> 2)	<u>Revised Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>
Engineering	\$175,000	\$107,142	\$282,142	\$159,633	\$122,509
Construction	1,158,759	335,899	1,494,658	131,006	1,363,652
City Related Expenses	166,241		166,241	166,241	
NET ESTIMATED EXPENDITURES	\$1,500,000	\$443,041	\$1,943,041	\$456,880 1)	\$1,486,161

SOURCE OF FINANCING

Capital Water Rates	\$1,500,000		\$1,500,000	\$456,880	\$1,043,120
Drawdown from Capital Water Reserve Fund - tsf fr. EW3526 - Arva Pumping Station Upgrades		443,041	443,041		443,041
TOTAL FINANCING	\$1,500,000	\$443,041	\$1,943,041	\$456,880	\$1,486,161

Financial Note:

	<u>Construction</u>	<u>Engineering</u>	<u>Total</u>
1) Contract Price	\$1,340,067	\$120,390	\$1,460,457
Add: HST @13%	174,209	15,651	189,860
Total Contract Price Including Taxes	1,514,276	136,041	1,650,317
Less: HST Rebate	150,624	13,532	164,156
Net Contract Price	<u>\$1,363,652</u>	<u>\$122,509</u>	<u>\$1,486,161</u>
2) The additional \$443,041 drawdown from the Capital Water Reserve Fund can be accommodated by a transfer from EW3526 - Arva Pumping Station Upgrades.			
3) The Elgin Pumping Station Pump Upgrade works may also be eligible for subsidy from the OPA. City Staff have initiated the application process to the OPA SaveONEnergy Retrofit Program for incentive funding available for high efficiency equipment improvements. Early estimations in pre-project calculations indicate possible subsidies estimated between \$80,000 and \$140,000.			
4) It is anticipated that operating costs will decrease by approximately \$50,000 annually due to the work to be completed as part of this project.			

JG

Larry Palarchio
Director of Financial Planning & Policy