

Chair and Members
Civic Works Committee

April 17, 2014
(Award Contract)

**RE: Supply of Turbo Blower Systems for
Vauxhall, Adelaide and Oxford Wastewater Treatment Plants
Capital Project ES5084-11 - 2011 Replace Equipment PCP
APGN INC. - \$742,000.00 (excluding H.S.T.)**

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance confirms that the cost of this project can 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 & Engineering Services and City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$331,150	\$331,150	\$331,150		\$0
Construction	727,929	727,929	727,929		0
Replace Equipment	1,761,171	2,095,171	424,681	742,237	928,253
City Related Expenses	80,981	80,981	1,745	12,822	66,414
NET ESTIMATED EXPENDITURES	<u>\$2,901,231</u>	<u>\$3,235,231</u>	<u>\$1,485,505</u>	<u>\$755,059</u> 1)	<u>\$994,667</u>

SOURCE OF FINANCING:

Capital Sewer Rates	\$2,568,880	\$2,568,880	\$1,485,505	\$421,059	\$662,316
Drawdown from Sewage Works Reserve Fund	332,351	332,351			332,351
Other Contributions-OPA Incentive 2)	0	334,000		334,000	0
TOTAL FINANCING	<u>\$2,901,231</u>	<u>\$3,235,231</u>	<u>\$1,485,505</u>	<u>\$755,059</u>	<u>\$994,667</u>

Financial Note:

	<u>Blowers</u>	<u>Refresher Training</u>	<u>Total</u>
1) Contract Price	\$729,400	\$12,600	\$742,000
Add: HST @13%	94,822	1,638	96,460
Total Contract Price Including Taxes	824,222	14,238	838,460
Less: HST Rebate	81,985	1,416	83,401
Net Contract Price	<u>\$742,237</u>	<u>\$12,822</u>	<u>\$755,059</u>

2) Incentives totalling \$334,000 is being offered through the Ontario Power Authority's (OPA) Process and System Upgrades (PSU) program which will help offset the purchase and installation of the new equipment.

3) There will be total annual savings of \$170,050 with the approval of this project.

EH

Alan Dunbar
Manager of Financial Planning & Policy