

APPENDIX 'A'

Chair and Members
Civic Works Committee

#16088
May 27, 2016
(Contract Price Increase and
Increase in Engineering Fees)

**RE: Elgin Middlesex Pumping Station Upgrades
(Subledger FW090010)
Capital Project EW3540 - Elgin Middlesex Pumping Station Capital Maintenance
Baseline Constructors Inc. - \$1,580,269.01 (excluding H.S.T.)
AECOM - \$39,677.00 (excluding H.S.T.)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCE OF FINANCING:

Finance & Corporate Services 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, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$382,142	\$319,719	\$40,375	\$22,048
Construction	1,865,426	1,535,569	203,520	126,337
City Related Expenses	252,432	252,432		0
NET ESTIMATED EXPENDITURES	<u>\$2,500,000</u>	<u>\$2,107,720</u>	<u>\$243,895</u> 1)	<u>\$148,385</u>

SOURCE OF FINANCING:

Drawdown from Capital Water Reserve Fund	\$833,334	\$702,574	\$81,298	\$49,462
Federal Government Funding 2)	833,333	702,573	81,299	49,461
Provincial Government Funding 2)	833,333	702,573	81,298	49,462
TOTAL FINANCING	<u>\$2,500,000</u>	<u>\$2,107,720</u>	<u>\$243,895</u>	<u>\$148,385</u>

Financial Note:

	<u>Construction</u>	<u>Engineering</u>	<u>Total</u>
1) Estimated Expenditure	\$1,580,269	\$39,677	\$1,619,946
Less: Amount Previously Approved	1,380,269		1,380,269
Contract Price	200,000	39,677	239,677
Add: HST @13%	26,000	5,158	31,158
Total Contract Price Including Taxes	226,000	44,835	270,835
Less: HST Rebate	22,480	4,460	26,940
Net Contract Price	<u>\$203,520</u>	<u>\$40,375</u>	<u>\$243,895</u>

- 2) This project has been approved as a project under the Building Canada Fund (Federal) and HELP Clean Water Initiative (Provincial).
- 3) Future additional annual operating cost savings of \$50,000 as a result of this project, it being noted that these costs are a result of replacing older maintenance prone pumps and equipment with new more energy efficient pumps and equipment, and will be considered within future Water Operating Budgets.

JG

Alan Dunbar
Manager of Financial Planning & Policy