

APPENDIX 'A'

#17017

February 10, 2017
(Award Contract)

Chair and Members
Civic Works Committee

RE: Fox Hollow Stormwater Management Facility #3 and Trunk Sanitary Sewer Construction Phase 2
(Subledger SWM11003)
Capital Project ES3020-FH3 - SWM Facility - Fox Hollow #3
Capital Project ES523616 - Fox Hollow Trunk Sanitary Sewer
J-AAR Excavating Limited - \$4,063,057.20 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCE OF FINANCING:

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

	Approved Budget	Additional Funding Required	Revised Budget	Committed To Date	This Submission	Balance for Future Work
ESTIMATED EXPENDITURES						
ES3020-FH3-SWM Facility-Fox Hollow #3						
Engineering	\$1,101,993		\$1,109,311	\$1,109,311		\$0
Land Purchase	1,098,997		1,098,997	1,098,997		0
Construction	3,545,893	1,812,036	5,372,847	1,652,926	3,719,921	0
City Related Expenses	30,917		8,681	8,681		0
	<u>5,777,800</u>	<u>1,812,036</u>	<u>7,589,836</u>	<u>3,869,915</u>	<u>3,719,921</u>	<u>0</u>
ES523616-Fox Hollow Trunk Sanitary Sewer						
Engineering	147,019		147,019	147,019		0
Construction	652,981		652,981		414,646	238,335
	<u>800,000</u>	<u>0</u>	<u>800,000</u>	<u>147,019</u>	<u>414,646</u>	<u>238,335</u>
NET ESTIMATED EXPENDITURES	<u>\$6,577,800</u>	<u>\$1,812,036</u>	<u>\$8,389,836</u>	<u>\$4,016,934</u>	<u>\$4,134,567</u>	<u>\$238,335</u>

SOURCE OF FINANCING:

ES3020-FH3-SWM Facility-Fox Hollow #3						
Drawdown from Sewage Works Reserve Fund	\$237,604		\$237,604	\$159,063	\$78,541	\$0
Drawdown from City Services - Mjr. SWM Reserve Fund (Development Charges)	3) 1,631,485		1,631,485	1,092,193	539,292	0
Additional Drawdown from City Services - Mjr. SWM R.F. (Development Charges)-tsf from ES3020-OV2-SWM Facility-Old Victoria No. 2		2&3) 346,838	346,838		346,838	0
Debenture By-law No. W.5330-17 - Serviced through City Services - Mjr. SWM Reserve Fund (Development Charges)	3&4) 3,908,711		3,908,711	2,618,659	1,290,052	0
Additional Debenture Quota (Serviced through City Services-Mjr. SWM R.F.(Development Charges))-tsf from the following projects below:						
ESSWM-SB-SWM Facility-Wickerson No. S-B		839,151	839,151		839,151	0
ESSWM-WO4-SWM Facility-White Oaks No. 4		500,000	500,000		500,000	0
ES3020-OV2-SWM Facility-Old Victoria No. 2		94,147	94,147		94,147	0
ES3020-HP1B1-SWM Facility-Hyde Park 1B1		31,900	31,900		31,900	0
	<u>5,777,800</u>	<u>1,812,036</u>	<u>7,589,836</u>	<u>3,869,915</u>	<u>3,719,921</u>	<u>0</u>
ES523616-Fox Hollow Trunk Sanitary Sewer						
Drawdown from City Services - Sewers Reserve Fund (Development Charges) -	3) 800,000		800,000	147,019	414,646	238,335
TOTAL FINANCING	<u>\$6,577,800</u>	<u>\$1,812,036</u>	<u>\$8,389,836</u>	<u>\$4,016,934</u>	<u>\$4,134,567</u>	<u>\$238,335</u>

Financial Note:

- | | ES3020-FH3 | ES523616 | Total |
|--------------------------------------|--------------------|------------------|--------------------|
| 1) Contract Price | \$3,655,583 | \$407,474 | \$4,063,057 |
| Add: HST @13% | 475,226 | 52,972 | 528,198 |
| Total Contract Price Including Taxes | 4,130,809 | 460,446 | 4,591,255 |
| Less: HST Rebate | 410,888 | 45,800 | 456,688 |
| Net Contract Price | <u>\$3,719,921</u> | <u>\$414,646</u> | <u>\$4,134,567</u> |
- 2) The additional funding requirement of \$1,812,036 can be transferred from other wastewater SWM capital projects that have a surplus. (see chart below)
- | | | |
|--|--------------------|--|
| ES3020-HP1B1 - SWM Facility - Hyde Park 1B1 | \$31,900 | (\$31,900 Debt(CS-Mjr SWM RF)) |
| ES3020-OV2 - Old Victoria No. 2 SWM Facility | 440,985 | (\$346,838 CS-Mjr SWM RF & \$94,147 Debt(CS-Mjr SWM RF)) |
| ESSWM-SB - Wickerson No. S-B SWM Facility | 839,151 | (\$839,151 Debt(CS-Mjr SWM RF)) |
| ESSWM-WO4 - White Oaks No. 4 SWM Facility | 500,000 | (\$500,000 Debt(CS-Mjr SWM RF)) |
| | <u>\$1,812,036</u> | |
- 3) Development Charges have been utilized in accordance with the underlying legislation and the Development Charges Background Study completed in 2014.
- This project was originally identified in the 2009 Development Charge Background Study for a total budget of \$5.8 million. It has been reported previously that this value was no longer sufficient and as such the anticipated increase was included in the 2017 GMIS process. During the 2017 Capital Budget development, the final revised cost estimate of the facility was unknown. This Source of Financing report shows a budget adjustment in the amount of \$1.8 million to complete Fox Hollow SWMF #3 project.

NOTE TO CITY CLERK:

- 4) The City Clerk be authorized to increase Debenture By-law No. W.5330-17 by \$1,465,198 from \$3,908,711 to \$5,373,909.

JG

Larry Palarchio
Director of Financial Planning & Policy