

APPENDIX "A"

Chair and Members
Civic Works Committee

#17195
October 24, 2017
(Award Contract)

**RE: Construction Tender Award - Vauxhall Wastewater Treatment Plant Flood Protection
(Subledger FS17VX02)
Capital Budget Project ES3042 - Flood Protection Measures at Vauxhall PCP
H.I.R.A. Limited - \$4,315,844.00 (excluding H.S.T.)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

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

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Financing Adjustment</u>	<u>Revised Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>
Construction	\$3,200,000	\$1,462,830	\$4,662,830	\$271,027	\$4,391,803
NET ESTIMATED EXPENDITURES	<u>\$3,200,000</u>	<u>\$1,462,830</u>	<u>\$4,662,830</u>	<u>\$271,027</u>	<u>\$4,391,803</u> 1)
<u>SOURCE OF FINANCING</u>					
Drawdown from Sewage Works Reserve Fund	2) \$3,200,000	(826,920)	\$2,373,080	\$67,757	\$2,305,323
Clean Water and Wastewater Fund (CWWF)	2)	2,289,750	2,289,750	203,270	2,086,480
TOTAL FINANCING	<u>\$3,200,000</u>	<u>\$1,462,830</u>	<u>\$4,662,830</u>	<u>\$271,027</u>	<u>\$4,391,803</u>

1) **Financial Note:**

Contract Price	\$4,315,844
Add: HST @13%	561,060
Total Contract Price Including Taxes	4,876,904
Less: HST Rebate	485,101
Net Contract Price	<u>\$4,391,803</u>

- 2) A capital project to undertake these works was previously approved by Council in the 2016-2019 Wastewater budget for \$3.2 million, fully funded from the Sewage Works Reserve Fund.
This project was approved through the CWWF program for a total project cost of \$3,053,000, with \$2,289,750 coming from CWWF funding (Federal and Provincial government contributions).
The total cost of the project after tendering is \$4.7 million, creating a \$1.6 million shortfall versus the CWWF approved project.
After accounting for the shortfall, a commitment of \$0.8 million from the Sewage Works Reserve Fund will be freed up.

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Larry Palarchio
Director of Financial Planning & Policy