

APPENDIX 'A'

#12096

Chair and Members
Civic Works Committee

June 8, 2012
(Award Contract)

RE: 2012 Cathodic Protection Program
Capital Project EW3765-12 - 2012 Main Replacement - Engineering
Global Cathodic Protection Inc. - \$309,221 (excluding H.S.T.)

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

Finance Department 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 Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer, 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	\$884,096	\$884,096		\$0
Construction	5,162,404	2,750,348	314,664	2,097,392
Relocate Utilities	65,000			65,000
City Related Expenses	23,500	563		22,937
NET ESTIMATED EXPENDITURES	\$6,135,000	\$3,635,007	\$314,664 1)	\$2,185,329
SOURCE OF FINANCING:				
Capital Water Rates	\$6,135,000	\$3,635,007	\$314,664	\$2,185,329
TOTAL FINANCING	\$6,135,000	\$3,635,007	\$314,664	\$2,185,329

Financial Note:

1) Contract Price	\$309,221
Add: HST @13%	40,199
Total Contract Price Including Taxes	349,420
Less: HST Rebate	34,756
Net Contract Price	<u>\$314,664</u>

- 2) There are no anticipated additional annual operating costs to the Environmental and Engineering Services budget in 2012 and subsequent years associated with the approval of this project. It is anticipated that this project will actually provide a savings to Water Operations by decreasing the amount of maintenance required on these cathodically protected sections of watermains. Operations will then be able to focus their resources on distribution system challenges including watermain flushing, valve maintenance and lead service replacements elsewhere in the City.



Alan Dunbar
Manager of Financial Planning & Policy

JG