

APPENDIX 'A'

#13096

Chair and Members
Civic Works Committee

July 12, 2013
(Award Contract)

**RE: Gordon Sanitary Trunk Sewer Rehabilitation
Capital Project ES2473 - Gordon Trunk Sewer Rehabilitation
LiquiForce Services - \$2,287,000 (excluding H.S.T.)
Dillon Consulting Limited - \$54,560 (excluding H.S.T.)**

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

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

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Funding Required</u> 2)	<u>Revised Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>
Engineering	\$301,307		\$301,307	\$245,787	\$55,520
Construction	4,698,693	37,845	4,736,538	2,409,287	2,327,251
NET ESTIMATED EXPENDITURES	<u>\$5,000,000</u>	<u>\$37,845</u>	<u>\$5,037,845</u>	<u>\$2,655,074</u> 1)	<u>\$2,382,771</u>

SOURCE OF FINANCING

Drawdown from Sewage Works Reserve Fund	\$3,000,000	\$37,845	\$3,037,845	\$655,074	\$2,382,771
Federal Gas Tax	2,000,000		2,000,000	2,000,000	
TOTAL FINANCING	<u>\$5,000,000</u>	<u>\$37,845</u>	<u>\$5,037,845</u>	<u>\$2,655,074</u>	<u>\$2,382,771</u>

Financial Note:

	<u>Construction</u>	<u>Engineering</u>	<u>Total</u>
1) Contract Price	\$2,287,000	\$54,560	\$2,341,560
Add: HST @13%	297,310	7,093	304,403
Total Contract Price Including Taxes	2,584,310	61,653	2,645,963
Less: HST Rebate	257,059	6,133	263,192
Net Contract Price	<u>\$2,327,251</u>	<u>\$55,520</u>	<u>\$2,382,771</u>

- 2) The additional funding requirement of \$37,845 is available as an additional drawdown from the Sewage Works Reserve Fund. Environmental and Engineering Services has identified a number of capital projects that are completed and will have funds released on closure by the 2013 second quarter reporting of capital projects.
- 3) There are no anticipated additional operating costs to the Environmental and Engineering Services budget in 2013 or subsequent years associated with the approval of this proposal.

JG

Larry Palarchio
Director of Financial Planning & Policy