

Subject: Culvert Replacement Program Budget Exceedance**Recommendation:**

BE IT RESOLVED THAT Council receive Report #2024-0098 Culvert Replacement Program Budget Exceedance, for information;

AND THAT Council approve the award of the Balfour Street Culvert Replacement to Country Line Construction Inc. in the amount of \$99,875.00 plus applicable taxes;

AND THAT council approve a budget increase of \$57,089.99 for project RD 03-24.

Background:

In December 2023, council approved the Culvert Replacement Program as a part of the 2024 capital budget. This program is approved under RD 03-24 for \$60,000 and is used to replace failing culverts within the Town. In January of 2024 two culverts were identified as in need of replacement after showing signs of failure, one located on Centre Street North of Sawmill Road and the other on Balfour Street North of River Road.

The Centre Street culvert is located approximately 700m north of Sawmill Road and consists of a single 900mm diameter corrugated steel Pipe (CSP). The Balfour Street culverts are located approximately 300m north of River Road and consists of two (2) arched multi-plate culverts each with a height of 1.6m, span of 2.4m, and a length of 14.5m. The south culvert is showing signs of failure with a sinkhole developing in the shoulder of the Balfour Street above it. Town staff are monitoring this location for further signs of failure however if the culverts are not replaced this year a full road closure may be required.

Analysis:

As part of the 2024 Capital Budget, Council approved the capital project RD 03 24, Culvert Replacement Program, in the total amount of \$60,000.

On January 26th the culvert located on Centre Street suffered a failure causing the road to be closed for 2 days while an emergency repair was performed by CRL

Campbell Construction & Drainage LTD. The cost of the replacement was \$17,517.97 including the non-recoverable portion of HST (1.76%). This left a remaining balance of \$42,482.03 to be used for the Culvert Located on Balfour Street.

On March 12th, 2024, staff initiated the public tendering process for the Balfour Street Culvert replacement under the Town's procurement policy (P303-00). On April 8th, 2024, staff closed the request for tender (RFT) with six (6) bid submissions.

The unofficial bid results (exclusive of net HST) are as follows:

1) County Line Construction Inc.	\$99,875.00
2) Anthony's Excavating Central Inc.	\$117,720.00
3) CRL Construction & Drainage LTD	\$139,400.00
4) O'Hara Trucking and Excavating	\$146,400.00
5) Lancoa Contracting Inc.	\$157,799.00
6) Real Landscaping Plus Inc.	\$218,400.00

All six (6) bids exceed the approved budget amount for construction. The unofficial low bid for this project was received from County Line Construction Inc. for \$99,875.00 (plus HST). The non-recoverable portion of HST (1.76%) is \$1,757.80 resulting in a total estimated project cost of \$101,632.80. As a result, the budget shortfall for RD 03-24 is \$59,150.77.

Financial Considerations:

Council approved a budget of \$60,000 for the Culvert Replacement program under capital accounts RD 03-24. The emergency replacement of the Centre Street culvert resulted in a cost of \$17,517.97 including the non-recoverable portion of HST (1.76%), this has left a remaining budget of \$42,482.03.

The lowest bidder for the Balfour Street Culvert Replacement has submitted a tender price of \$99,875.00, bringing the total project cost including applicable taxes to \$101,632.80. This has resulted in a budget shortfall of \$59,150.77.

It is the staff's recommendation to proceed with the award of this project in the amount of \$99,875.00 (plus applicable taxes) and to adjust the budget with additional funding from the Roads Reserve.

Alternatives Reviewed:

Should Council decide to not approve the additional expenditure above the original budget amount, Balfour Street will most likely need to be closed to all vehicular and pedestrian traffic and the replacement of this culvert will be included as a project in the 2025 capital budget for consideration. There are 5 properties with frontage on this section of Balfour Street with only one residential property and the other 4 being farm fields. The residential property is located on the corner of River Road and Balfour Street so the potential road closure would have a limited effect on residents.

Strategic Plan Relationship: Infrastructure Investment and Renewal

The Town's infrastructure benefits from the timely replacement of aging infrastructure and is critical to ensuring the Town maintains a safe and efficient transportation network. This structure has been identified as needing immediate replacement as the existing culverts have begun to fail.

Consultation:

Consultation was undertaken in the preparation of this report with the Director of Public Works

Other Pertinent Reports/Attachments:

N/A

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