TO: CHAIR AND MEMBERS  
FROM: J. T. HOBBS  
SUBJECT: CONTRACT INCREASE  

MEETING ON JULY 22, 2009  
DIRECTOR  
FLEET, FACILITIES & DEPARTMENTAL RESOURCES  
2009 SUPPLY & LAY HOT MIX ASPHALT  
TENDER NO. 09-28

RECOMMENDATION

That, on the recommendation of the Director of Fleet Facilities & Departmental Resources, the following actions BE TAKEN with respect to increasing the contract value of the 2009 Supply & Lay Hot Mix Asphalt contract – Tender Number 09-28:

(a) The contract value for TCG Asphalt and Construction Inc. BE INCREASED from $4,550,843.75 to $5,060,843.75 (exclusive of GST) to complete additional pavement rehabilitation at the AJ Tyler Operations Centre identified by the Infrastructure Stimulus Funding program;

(b) The financing for this project BE APPROVED as set out in the Sources of Financing Report attached hereto as Appendix "A";

(c) IT BE RECOGNIZED that this work would not have been undertaken without the stimulus funding for this project having been provided through contributions of both the Canadian Federal Government and the Ontario Provincial Government; it being noted that the award of the extension of this contract is in compliance with the Corporation’s Purchasing By-Law and Policy.

PREVIOUS REPORTS PERTINENT TO THIS MATTER


BACKGROUND

Purpose:

The purpose of this report is to recommend to increase the contract value for the 2009 Supply & Lay Hot Mix Asphalt contract awarded to TCG Asphalt and Construction Inc. to allow asphalt pavement replacement within the City’s A.J. Tyler Operations Centre Work Yard as approved in the Infrastructure Stimulus Funding program.

Discussion:

The A.J. Tyler Operations Centre is host to storage of equipment and hundreds of vehicles that support various City services including facility, fleet, dispatch, roads, sewer, water forces and administrative staff. Within the works yard, the existing driving surface is continuously subjected to extreme vehicle loading and significant portions have exceeded life expectancy. The Infrastructure Stimulus Funding Program provides an opportunity to replace the existing deteriorated pavement, effectively reducing immediate maintenance costs and minimizing potential trip and fall hazards.

TCG Asphalt and Construction Inc. will continue to act as the contractor. They have proven to be a very qualified contractor to complete this project at this time.
While the Supply & Lay Hot Mix contract is typically managed through the City's Construction Administration Division's program, arrangements are in place for the City's Facilities Design & Construction Division to carry out the construction administration for this single project with all terms and conditions of the existing contract to apply.

Conclusion:

The approval of this report will permit the required replacement of asphalt pavement within the confines of the AJ Tyler Operations Centre works yard.

There are no anticipated additional operating costs to the Environmental and Engineering Services budget in 2009 and subsequent years associated with the approval of this project.

No savings are anticipated should separate tenders be prepared and called.

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<tr>
<th>SUBMITTED BY:</th>
<th>RECOMMENDED BY:</th>
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<tbody>
<tr>
<td>R. PEDLOW</td>
<td>J. T. HOBBS</td>
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<tr>
<td>MANAGER, FACILITIES</td>
<td>DIRECTOR</td>
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<tr>
<td>DESIGN &amp; CONSTRUCTION</td>
<td>FLEET FACILITIES &amp; DEPARTMENTAL RESOURCES</td>
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Attach: Appendix "A" – Sources of Financing

c: P. McNally, P. Eng., General Manager Environmental and Engineering Services and City Engineer
APPENDIX 'A'  

Chair and Members  
Board of Control  
July 10, 2009  
(Contract Value Increase)

RE: 2009 Supply & Lay Hot Mix Asphalt  
Capital Project GG1600-677 - AJ Tyler Operations Centre  
TCG Asphalt and Construction Inc. - $510,000.00

FINANCE AND CORPORATE SERVICES DEPARTMENT REPORT ON THE SOURCES OF FINANCING:  
Finance and Corporate Services 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 Director of Fleet, Facilities & Departmental Resources, the detailed source of financing for this project is:

<table>
<thead>
<tr>
<th>ESTIMATED EXPENDITURES</th>
<th>Approved Budget</th>
<th>This Submission</th>
<th>Balance for Future Work</th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$719,000</td>
<td>$510,000</td>
<td>$209,000</td>
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NET ESTIMATED EXPENDITURES:  
Debenture Quota  
Federal Stimulus Funding  
Provincial Stimulus Funding

TOTAL FINANCING

FINANCIAL NOTE:
1) Total Contract Price - $5,060,844  
Less: Amount previously approved by Council March 09 - $4,550,844  
Net Contract Increase - $510,000

NOTE TO CITY CLERK:
2) Administration hereby certifies that the estimated amounts payable in respect of this project do not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.

3) That consistent with Municipal Council resolution on March 30, 2009, Civic Administration is authorized to make an application to the Federal and Provincial Governments under the Municipal Infrastructure Loan Program for the City's debt component for both property tax supported projects and sewer rate supported projects identified by the Municipal Council as priority projects for stimulus funding.

4) This project has been approved as part of the Infrastructure Stimulus Funding Program announced in June 2009. The project was planned in future years with 100% City of London funding. The budget has been brought forward to 2009 and the future budgets reduced accordingly. Since the project is now funded earlier on a 1/3 Federal, 1/3 Provincial, 1/3 Municipal funding formula, the City of London portion will be funded either through:
   a) Debt;  
   b) Draws from the Vacancy Management Reserve. This Reserve currently has a balance of $3.4 million.  
   c) Draws from the Operating Budget Contingency Reserve.

5) There are no anticipated additional annual operating costs to the Environmental and Engineering Services budget in 2009 and subsequent years associated with the approval of this project.