

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	CP Project Management – Fifth Line Construction CP M29.30 Galt Subdivision
Recommendation	Staff is recommending a contract increase to Canadian Pacific Railway for project management consulting services related to the Fifth Line construction project in the total amount of \$26,850 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>The current contract awarded to CP for Project Management Expenses is \$48,019 (exclusive of HST), awarded through PO 22-00133.</p> <p>This contract increase of \$26,850 (exclusive of HST) is for additional project management effort required to support the project. The complexity of the project required more dedicated hours from senior staff than was originally budgeted for in 2022. Additionally, the length of time CP had estimated at the onset of the project (12 months) has been increased due to project delays as a result of conflicts and coordination with other utilities.</p> <p>The new contract total will be \$74,869 (exclusive of HST).</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C34004618-A0611-7450
Account Description	Fifth Line (Hwy 401 to Derry Road)
Project Total Budget	\$19,403,984
Contract Budget	\$0
Actual (Net of HST Rebate)	\$27,323
Variance	\$27,323 (U) (Note 2)
Funding Source	Project Variance Account / Development Charges

Note 1: Financial impact includes any non-refundable portion of HST.

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Note 2: Staff recommend reallocating a portion of the contingency budget from the 2022 Fifth Line (Hwy 401 – Derry Road) project to the 2018 Fifth Line (Hwy 401 – Derry Road) project. This will result in \$352,834 of savings from C34004622 being returned to the Project Variance Account and Development Charges Reserve Fund which can be used to fund this unfavourable variance. This will ensure the Town's overall funding plan is not impacted. Both funding adjustments are included on Schedule A.