

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	CP M29.30 GALT Fifth Line Widening
Recommendation	Staff is recommending a contract increase to Canadian Pacific Railway for additional work required for the Fifth Line Grade Crossing and Widening in the total amount of \$319,883 (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>Through PDA-070-22, subsequently reported to Council through CORS-073-22, Staff proceeded with emergency work for CPM29.30 GALT Fifth Line Widening with Canadian Pacific Railway (CP) in the amount of \$938,108 (exclusive of HST). To-date, one change order has been issued in the amount of \$261,430 (exclusive of HST), awarded through PDA-078-23 and subsequently reported back to Council through CORS-056-23. The current contract total is \$1,199,538 (exclusive of HST).</p> <p>As part of the reconstruction and widening of Fifth Line from Main Street East to Derry Road, the at-grade crossing of the Canadian Pacific Railway (CP) tracks needed to be reconstructed by CP forces to suit the new alignment and road cross section of Fifth Line. The work was started during the 2023 construction season in conjunction with the current capital construction project on Fifth Line and will be completed in 2024.</p> <p>This contract increase of \$319,883 (exclusive of HST) is to account for final costs associated with the CP works. CP has noted that some works that were required to complete the crossing were missed in the project estimation by CP. CP charges for the work are based on actuals. CP has provided the appropriate backup in support of this request.</p> <p>The new contract total will be \$1,519,421 (exclusive of HST).</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C34004618-A0611-7450
Account Description	Fifth Line (Hwy 401 – Derry Road)
Project Total Budget	\$19,403,984
Contract Budget	\$0
Actual (Net of HST Rebate)	\$325,512
Variance	\$325,512 (U) (Note 2)
Funding Source	Project Variance Account / Development Charges

Schedule H

Note 1: Financial impact includes any non-refundable portion of HST. Contract actuals include 3% Canadian Transportation Agency overhead fee which is standard for railway works.

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.