

REPORT NAME

Additional funding request – Bridge File (BF) 75572 – Range Road 271 between Township Road 494 and Highway 39 – Construction

RECOMMENDATION

That the Council approves the increase of budget for the BF 75572 (Range Road 271 between Township Road 494 and Highway 39) construction project (Project 2023-BF-008) by \$215,000 to a total of \$543,000 to be funded by internal savings or the capital asset lifecycle management engineered structure management reserve.

Options (if available):

N/A

IMPLICATIONS

Reason: To secure additional funding for BF 75572 culvert replacement project.

Authority (MGA section/bylaw/policy number): Municipal Government Act, RSA 2000, s.245

Additional Amount of funding required: \$215,000

Funding source: Internal savings or the capital asset lifecycle management engineered structure management reserve

BACKGROUND

The BF 75572 culvert replacement project is on Range Road 271 between Township Road 494 and Highway 39. It was approved in the 2022 budget and carried forward to 2024 with a budget of \$328,000. A summary of the approved budget is provided in Table 1 below:

Table 1: Approved Budget Summary

Detail	Amount
Construction	\$ 253,000
Engineering	\$ 75,000
Total	\$ 328,000

The project was delayed due to the need to purchase additional Right of Way (ROW). The ROW agreements were finalized on July 24, 2024.

The tender was advertised on August 8, 2024, with a closing date of August 29, 2024. The project's construction is scheduled for completion by August 31, 2025. Eight bids were received through the County's Bonfire procurement management system, and a summary of the bids is provided in Table 2 below:

Submitted by: Khushnud Yousafzai, Manager – Engineering, Des Mryglod, Director – Engineering and Utilities

Reviewed by: Alan Grayston, General Manager – Development and Community Services

Date: 09/18/24

Table 2: Bids Summary

Bidders	Bid Amount
Checkmark Services Ltd.	\$492,700.00
Plains Constructors	\$657,025.00
Terra-Pro	\$636,698.23
Prairie Erectors	\$639,016.85
Unsurpassable Construction	\$674,200.00
Rockwood Contracting	\$708,465.00
1690082 AB Ltd	\$799,536.00
Formula Alberta Ltd	\$869,900.00

After reviewing the bids, the lowest tender, less 80% of site occupancy days, was submitted by Checkmark Services Ltd. for **\$468,700**, which is **\$215,700** higher than the approved construction budget. Please note that the project completion date is August 31, 2025, so there is no “premium” being paid for a bridge completion deadline.

The bids received significantly exceed the approved budget. The increase is attributed to rising construction costs over the past few years due to higher inflation, fluctuations in material prices, labor shortages, and increased demand in the construction industry.

Retendering the project in 2025 will likely not guarantee a lower bid. Therefore, the administration is requesting \$215,000 be allocated to fund the anticipated shortfall, as canceling or delaying the project is not a viable option and will likely not guarantee lower pricing. The revised budget summary is provided in Table 3 below:

Table 3: Budget Revision Summary

	Amount
Previous budget	\$ 328,000
Increase requested	\$ 215,000
Revised Project Cost	\$ 543,000

ATTACHMENTS

- None

Submitted by: Khushnud Yousafzai, Manager – Engineering, Des Mryglod, Director – Engineering and Utilities

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