



Subject: Change Order for RFP2022-003 - Engineering Consulting Services for the Reconstruction of Cranberry Road

Report Number: OPD 25-014

Department: Operations and Development Department

Submitted by: Leo Ferreira, Manager of Engineering

Meeting Type: Council Meeting

Meeting Date: Monday, April 14, 2025

RECOMMENDATION

- A. THAT report OPD 24-014 titled “Change Order for RFP2022-003 - Engineering Consulting Services for the Reconstruction of Cranberry Road” be received as information; and
- B. THAT Council approve the \$44,279 additional expenditure to the awarded project RFP2022-003 – Engineering Consulting Services for the Reconstruction of Cranberry Road; and
- C. THAT Council authorize the Director of Finance to increase the Town’s portion to \$90,000 to accommodate the additional costs associated with the project.

BACKGROUND

In February 2022, a tender was issued for Capital Project #212 – Engineering Consulting Services for the Reconstruction of Cranberry Road. The Town and County agreed to contribute equal portions of the approved budget, totaling \$260,000. Table 1 provides a summary of the funding sources for this project.

Table 1. Funding sources for the Cranberry Road Reconstruction - Detailed Design Project

CRANBERRY RD RECONSTRUCTION	TOWN-FUNDED		COUNTY - FUNDED	TOTAL
	Reserves	Development Charges (DCs)		
Approved budget	\$66,000	\$64,000	\$130,000	\$260,000

A total of 10 bids were received and evaluated. The contract was awarded to CJDL Consulting Engineers, located in Tillsonburg, Ontario, in April 2022. The awarded contract price was \$135,721 (net of refundable HST), significantly below the approved budget.

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Since 2022, there has been a \$5K change order, plus in March 2025, CJDL submitted another change order for Hydrogeological and Excess Soils Testing works, which was not included in the original contract. The additional proposed amount of the change order is \$35,616 (net of refundable HST), representing a 26% increase.

The Town currently does not have a policy in place to address changes on contracts of this magnitude. As such, staff is seeking Council approval for this change order.

DISCUSSION

Staff have evaluated the change order and have deemed it valid where the work was not part of the original Contract and the pricing is fair.

Notably, the soil conditions resulting in the recommendation to complete this additional investigative work were discovered through the early design work and could not have been known in advance.

Importantly, staff believe that this additional Design Phase work adds significant value, as it is likely to result in savings during the Construction Phase, effectively offsetting the upfront costs.

CONSULTATION

External: CJDL Consulting Engineers

Internal: Director of Operations and Development, Director of Finance / Treasurer

FINANCIAL IMPACT/FUNDING SOURCE

The 2022 approved budget allocated \$130,000 from Town sources for this project, comprising \$66,000 from Town levy and \$64,000 from development charges.

The Town's portion of the contract awarded to CJDL in 2022 was \$67,861.

With the approval of the prior and current change order totaling \$41,331, the Town's contribution would increase from \$67,861 to approximately \$88,527. Staff is recommending an adjustment to round the allocation up to \$90,000, enabling timely accommodation of any minor price adjustments, if necessary. This represents an additional \$22,139 per Town and County beyond the originally awarded amount.

The request to increase the Town's portion of the awarded amount to \$90,000 still remains within the approved Town-funded budget of \$130,000 allocated for this project.

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Table 2. Summary of Adjusted Financials

Cranberry Rd Reconstruction DESIGN	Town-funded	County-funded	Total
Approved budget (\$)	\$ 130,000	\$ 130,000	\$ 260,000
Tender Award (\$) (A)	\$ 67,861	\$ 67,861	\$ 135,722
Extras (\$) (B)	\$ 22,139	\$ 22,139	\$ 44,279
Total (\$) (A+B)	\$ 90,000	\$ 90,000	\$ 180,000

The final cost of \$90,000 for the Town would be funded \$61,235 from DC Reserve, and \$28,765 from Engineering Reserve.

Finance note - At a future date, staff will bring forward an amendment to the Purchasing Policy to allow for administrative approval of Council-set thresholds for contract overages.

CORPORATE GOALS

- ☐ Lifestyle and amenities
- ☐ Customer service, communication and engagement
- ☐ Business attraction, retention and expansion
- ☐ Community growth
- ☒ Connectivity and transportation
- ☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – Tillsonburg residents and businesses will be connected to each other, regional networks, and the world through effective traditional and digital infrastructure.

Strategic Direction – Develop a robust, long-term asset management plan to inform evidence-based decisions on the maintenance, rehabilitation and replacement of municipal infrastructure.

Priority Project – *Ongoing Projects* - Asset Management

ATTACHMENTS

N/A