

HALIFAX

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Item No. 14.1.2
Halifax Regional Council
November 14, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by



SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

DATE: November 7, 2017

SUBJECT: **Increase to Contract, Q17L345 Titus Smith Park - Supply and Installation of Performance Stage**

ORIGIN

This report originates from a need to increase, Q17L345 Titus Smith Park - Supply and Installation of Performance Stage, beyond 20% and \$20,000 of its original award.

LEGISLATIVE AUTHORITY

The *HRM Charter*, Section 35(2) (d) (i), The Chief Administrative Officer may, subject to policies adopted by the Council, make or authorize expenditures, and enter into contracts on behalf of the Municipality, for anything required for the Municipality where the amount of the expenditure is budgeted or within the amount determined by the Council by policy, and may delegate this authority to employees of the Municipality.

In accordance with Administrative Order 2016-005-ADM, The Procurement Administrative Order, Appendix B, Contract Amendment Guidelines, Council can approve cumulative contract amendments of any amount; director is limited to 15% or \$15,000, CAO is limited to 20% or \$20,000.

RECOMMENDATION

It is recommended that Halifax Regional Council approve an increase of \$29,283 (net HST included) from project account # CP000002 – Park Upgrades, as outlined in the Financial Implications section of this report.

BACKGROUND

On July 18, 2017, Q17L345 Titus Smith Park - Supply and Installation of Performance Stage, was awarded to the lowest bid meeting specifications, Elmsdale Landscaping, in the amount of \$79,806 (net HST Included), under Purchase Order No. 2070770922.

DISCUSSION

Funding for Q17L345 Titus Smith Park - Supply and Installation of Performance Stage was approved in The 2016/17 Capital Budget under project account CP000002 - Park Upgrades.

A geotechnical investigation was undertaken and a subsequent report was prepared by Stantec Consulting Ltd. in June, 2017. The recommendation was to remove existing sod/topsoil, fill and any other deleterious materials encountered from the area below the stage foundation, exposing underlying glacial till.

The actual work commenced in October of 2017. When preparing the gravel base for the stage, it was discovered that soil conditions did not allow for sufficient structural integrity. Additional work was required to remove and replace this unsuitable material, in order to meet geotechnical recommendations and allow the construction of the stage to proceed.

The cost of the additional work is \$29,283 (net HST Included)

Contract Award (Net HST included)	\$ 79,806
Current Request for Increase (net HST included)	<u>\$ 29,283</u>
New Contract Value (Net HST included)	\$109,089

This request for increase represents a cumulative increase of 36.7% to the original contract of \$79,805 (Net HST included).

FINANCIAL IMPLICATIONS

Funding in the amount of \$29,283 (net HST included), is available from Project Account No. CP000002 – Park Upgrades. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CP000002 - Park Upgrades**

Cumulative Unspent Budget	\$857,350
Less Purchase Order Increase	\$ 29,283
Balance	\$828,067

RISK CONSIDERATION

The above ground structure has yet to be installed on site and additional structural fill could be required, although the risk is considered low.

ENVIRONMENTAL IMPLICATIONS

No environmental implications.

ALTERNATIVES

Council could choose not to increase the budget for this contract. This is not recommended for the reasons outlined in this report.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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