

HALIFAX

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Item No. 14.1.3
Halifax Regional Council
April 25, 2017

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed by 
SUBMITTED BY: _____
Jacques Dubé, Chief Administrative Officer
DATE: March 10, 2017
SUBJECT: Award Tender 16-171 Dartmouth Sportsplex Revitalization – Construction Services

ORIGIN

April 15, 2014 Halifax Regional Council Motion:

That Halifax Regional Council direct staff to include the Dartmouth Sportsplex Revitalization project in the strategic capital projects to be considered by the Audit and Finance Standing Committee for determination of priorities and funding strategies.

July 29, 2014 Halifax Regional Council Item No. 14.2.10 Motion:

Approve an increase of \$2.2 million to the 2014-15 gross capital budget for the Dartmouth Sportsplex Renewal and Refurbishment (Account CB000006) with funding from Regional Facility Expansion Reserve – Q145.

Community Facility Master Plan, approved by Regional Council on May 27, 2008.

Approved 2015/2016 Capital Budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Administrative Order*.

Section 36 of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

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RECOMMENDATION

It is recommended that Halifax Regional Council award Tender 16-171, Dartmouth Sportsplex Revitalization – Construction Services, to the lowest priced qualified bidder, Marco Maritimes Ltd., for a total cost of \$ 23,273,000 (HST fully refundable). Funding is available from Project Account CB000006 – Dartmouth Sportsplex Revitalization, as outlined in the Financial Implications section of this report.

BACKGROUND

The Dartmouth Sportsplex is owned by HRM and is operated by the Dartmouth Sportsplex Community Association (DSCA). The Sportsplex was opened in 1982 and no longer meets contemporary user needs. Staff presented a full report and recommendation regarding the renovation of this municipal recreation asset on April 15, 2014, Item 14.1. Regional Council subsequently approved the project and allocated funding toward the detailed design of the project.

The Dartmouth Sportsplex (DSP) delivers municipal recreation, sport and community programming for residents. As a result of increased competition along with aging infrastructure, the Dartmouth Sportsplex has experienced challenges attracting and retaining customers. The 2010 Revitalization Report indicated that without a change in focus and investment in infrastructure, the Sportsplex will be operationally unsustainable without ongoing support. The revitalization will provide upgraded infrastructure that will provide flexible, welcoming, and accessible spaces that will focus on active living for a broad range of ages. The renewal plan will result in a municipal facility that is reflective of community interests and needs and will align with the municipal mandate for recreation service provision. The project includes renovation of existing and creation of new spaces that will extend the life of the facility and better align the building capability with user's expectations.

Specific areas to be renewed include:

- New gymnasium – sized for two basketball courts, other sports, and multi-purpose activities
- Renovated locker/change rooms
- New entrance and lobby space
- New fitness/cardio rooms overlooking Wyse Road
- Repainting/replacing existing metal roofing
- Replacing water slides and Pirate's Cove, with new slides, and indoor splash pad
- Meeting rooms and multipurpose spaces
- Fitness studios
- Improved visibility, security, and aesthetic feel

The following outcomes are expected to be achieved from this project:

- Improve overall recreation, sport and community program delivery
- Improve accessibility and appeal to the public
- Improve multi-use space for all age groups, including youth and seniors' programs
- Improve the state of good repair of the facility
- Increase number of users of the facility
- Improve the energy efficiency and user experience by replacing outdated equipment

The following outcomes are expected in the community:

- Increased access to recreation
- Increased participation of all ages in healthy, active lifestyles
- Increased physical activity
- Increased leadership and community involvement
- Improved feelings of wellbeing, connection and belonging

The program components listed above were developed by HRM staff after extensive program analysis, community consultation, and discussion with the Dartmouth Sportsplex Community Association and its key stakeholders – residents and facility users. The updates will re-position the facility to meet the current needs of residents' involved in all aspects of recreation, and will enable better access to programs and services of all age groups and populations.

As the Dartmouth Sportsplex is located on the Dartmouth Common, the design will be in accordance with provisions in the Halifax Regional Municipality Charter and related land use bylaws. As per the Charter, any expansion to this building requires the approval of Provincial Cabinet. On November 8, 2016, Halifax Regional Council directed the Mayor to send a letter asking permission for the expansion. Permission from Cabinet was received on March 15, 2017.

HRM Parks and Recreation is investigating options to assist the community through the service interruptions. For example, local recreation centres such as the Findlay Centre and Dartmouth North Community Centre will be looking into expanding fitness and recreation programs during the renovation period.

DISCUSSION

This award is for construction services for the Dartmouth Sportsplex Revitalization Project.

The construction team will work closely with HRM staff and the design team from Diamond Schmitt/Abbott Brown Architects, who were previously chosen through RFP 15-029.

Tenders were called and posted to the Province of Nova Scotia's Procurement website on December 1, 2016, and closed on February 22, 2017. Qualified bids received were:

Company Name	Total Price \$ (HST Fully Refundable)
Marco Maritimes Ltd. *	23,273,000
PCL Constructors Inc.	23,299,000
Avondale Construction Ltd.	23,396,503
Maxim Construction Inc.	24,240,000

*Recommended bidder

Variance from Estimate

This tender was professionally estimated at \$20,362,000 (HST fully refundable), in the fall of 2016. The bid price is 14 percent over the estimated amount, with approximately 1% due to inflation. Possible sources of variance are local market forces, the nature of the work, and the aggressive work schedule.

Options to Reduce Costs

To lower the tender price to the budgeted amount, there are several reductions to the scope of work that could be applied. Options include: not replacing/repairing the metal roof, not proceeding with upgrades to the pool waterslides, reducing the number of security cameras, changing plastic lockers to metal lockers, as well as other minor changes to the scope of work. All options would have some impact on the revitalization of the facility. These reductions would require staff to negotiate with the lowest qualified bidder, and return to Halifax Regional Council for approval of this negotiated tender price.

Schedule

The work on this tender is expected to start immediately after the purchase order is issued. The last full day of operations of the DSP will be May 28, 2017, and the construction deadline is August 8, 2018. The closure of the facility in May has been communicated to staff, users and the public. DSP Staff will setup equipment and undergo training for the remainder of August, with a full opening targeted for September 4, 2018.

DSP Operations During The Project

During the construction work, the majority of the facility will be closed due to the scale of the project. The arena and walking track will remain open the public, although large concerts and gatherings will not be allowed due to a reduction in the entryways and washrooms. A temporary entrance will be used for the public. Occasional facility closures will be required to complete the work. The DSP website and staff will provide public information on the facility operations during the renovations.

FINANCIAL IMPLICATIONS

Based on the lowest tendered price of \$ 23,273,000 (HST fully refundable), funding is available in the Approved 2017/18 Project Budget from Project Account No. CB000006 – Dartmouth Sportsplex Revitalization. The budget availability has been confirmed by Finance.

Budget Summary:

Project Account CB000006 - Dartmouth Sportsplex Revitalization

Cumulative Unspent Budget	\$23,862,733
Less: Tender 16-171	<u>\$23,273,000</u>
Balance	\$ 589,733

The revised budget also contains approximately \$450,000 above the tender amount. The remaining funds will be for new fitness equipment, estimated at \$400,000.00, and miscellaneous project expenses such as material testing, and rentals.

RISK CONSIDERATION

There is a high risk of encountering unknown issues with the existing building. This is partly mitigated by investigation of infrastructure prior to tendering and contingency provided for unknown issues.

There is a medium risk that the project will not be completed on time. This is mitigated by the liquidated damages provision in the tender.

There is a medium risk that acid bearing rock will be encountered during the work. This is partly mitigated by previous investigation of existing geology prior to tendering and contingency provided for unknown issues.

There is a medium risk to the facility that the closure will negatively affect membership and building usage. This will be mitigated by timely communications to the public about the project and new programs based on community feedback gathered through the public consultation process.

COMMUNITY ENGAGEMENT

The community consultation was included as part of the project, specifically during the following components:

- Dartmouth Sportsplex Renewal and Revitalization Report, Asbell, 2010
- Schematic Design Report, Diamond Schmitt, 2012.

Project updates will be communicated to the public on an ongoing basis.

ENVIRONMENTAL IMPLICATIONS

Acidic bearing rock is common in this area. Any acidic bearing rock encountered during the project will be handled as per applicable regulations.

Construction debris will be treated as per applicable municipal regulations.

ALTERNATIVES

Regional Council may choose to not approve this tender award; however this work is required for mid-life recapitalization and DSCA business plan.

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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