

# HALIFAX

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**Item No. 14.1.1**  
**Halifax Regional Council**  
**December 5, 2017**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by



**SUBMITTED BY:**

\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** November 3, 2017

**SUBJECT:** Increase to Contract, Tender 17-062 Concrete Accessibility Improvements

## **ORIGIN**

This report originates from a need to increase the contract beyond 20% of its original value.

## **LEGISLATIVE AUTHORITY**

Under the HRM Charter, Section 79(1) provides that the Council may expend money required by the Municipality for

(aa) streets, culverts, retaining walls, sidewalks, curbs and gutters;

Appendix B of 2016-005-ADM, the Procurement Administrative Order, provides that contract amendments that exceed the greater of 20% of the original award amount or \$20,000, must be approved by Council for funds to be issued.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council authorize an increase to contract for Tender No. 17-062, Concrete Accessibility Improvements, for changes to the contracted scope of work, in the amount of \$51,296 (net HST included), with funding from Project Account No. CR990002, State of Good Repair as outlined in the Financial Implications section of this report.

**BACKGROUND**

On May 26, 2017, the CAO awarded Tender 17-062, Concrete Accessibility Improvements, for concrete pedestrian ramps. The original award amount was \$187,564, plus net HST of \$8,039, for a net total price of \$ 195,603 with funding from Account No. CR990002, State of Good Repair and CTU01086 Intersection Improvement Program.

TPW Road Operations and Construction is responsible for the maintenance and stewardship of all HRM owned accessible ramps within the Municipality. This tender had 36 locations for accessible ramp repairs.

The scope of work for this tender generally consisted of the installation of accessible ramps and all reinstatement.

**DISCUSSION**

The increase in spending to this contract was the result of four main areas of consideration listed below:

- 1) With this unit price tender, the contractor, Provincial Pavement Markings Limited, was awarded the tender and inadvertently held back 10% of the value of invoices for work performed to a value of \$16,931. This type of tender does have a 10% holdback clause but this holdback is held by HRM and not the contractor. This error was detected by HRM but not until the amount reached \$16,931.
- 2) Invoices for work completed are routinely sent through to a HRM Contract Supervisor via email. One email contained two invoices, #3718 for \$14,520 and #3719 for \$8,799, for a total of \$23,319. This email was misplaced and the total amount wasn't accounted for until the reconciliation of work orders was completed by the HRM Contract Supervisor.
- 3) Extra work requests from a wheelchair advocate through to the Contract Supervisor throughout the Sackville area were completed to a value of \$7,199 as per invoice #3867.
- 4) Extra work was completed at several job locations whereby the scope of work orders was expanded to a value of \$3,847. This is also included in the increase to this contract.

Original Contract Award	Net HST included
<b>Requested Increase</b>	\$ 195,603
	<b><u>\$ 51,296</u></b>
<b>Total revised Contract</b>	\$ 246,899

This represents a total increase of 26.4% to the original award of \$ 195,603 (Net HST included).

**FINANCIAL IMPLICATIONS**

Funding is available in the approved 2017/18 Capital Budget from Project No. CR990002, State of Good Repair. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CR990002</u>	
	Cumulative Unspent Budget	\$937,374
	<b>Less requested increase to PO #2070770650:</b>	<b><u>\$ 51,296</u></b>
	Balance	\$886,078

The balance of funds remaining will be used for the construction of other ongoing and planned work.

**RISK CONSIDERATION**

The risk associated with this construction activity is low. Risks are mitigated by preparation of a site-specific safety plan.

**ENVIRONMENTAL IMPLICATIONS**

None

**ALTERNATIVES**

Halifax Regional Council could choose not to increase this contract. This is not recommended, as the work has largely been completed as of October 26, 2017, to approved standards.

**ATTACHMENTS**

N/A

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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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