

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 14.1.4**  
**Halifax Regional Council**  
**March 6, 2018**

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

Original Signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** February 12, 2018

**SUBJECT:** **Increase to Cost Sharing Agreement– Layton Road Paving (Herring Cove – Penny), West Region**

---

## **ORIGIN**

This report originates from a need to increase the cost sharing agreement with Halifax Water for Layton Road Paving (Herring Cove to Penny) West Region beyond 20% and \$20,000 of its original award based on final construction costs.

## **LEGISLATIVE AUTHORITY**

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

(a) 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:

1. Approve a cost sharing payment increase of \$24,132 (net HST included) from Project Account No. CR000005 – Street Recapitalization to Halifax Water.

## **BACKGROUND**

On July 4, 2017, HRM Council approved - Cost Sharing Agreement – Layton Road Paving (Herring Cove – Penny), West Region with Halifax Water in the amount of \$71,682 (including net HST). The work included repaving of Layton Road from Herring Cove to Penny in association with water main renewal completed by Halifax Water. As per the cost sharing agreement with Halifax Water, actual costs would be based on final quantities determined during construction. Copies of the original and final cost sharing agreements are attached to this report.

## **DISCUSSION**

During the excavation phase of construction, it was determined additional quantities of Type B (base layer) and Type D (top layer) asphalt were required to address deficiencies in the existing pavement structure at the intersections of Herring Cove and Layton and Layton and Mayor. As a result, final quantities exceeded the original estimates which resulted in the increase to cost sharing.

Contract Award (net HST included)	\$ 71,682
<b>Request for Increase (33.7%) (net HST included)</b>	<b><u>\$ 24,132</u></b>
New Contract Value (net HST included)	\$ 95,814

This request for additional funding represents a cumulative increase of 33.7% to the original contract of \$71,682 (net HST included). The amount of additional asphalt used was not significant; however, relative to the size of the original contract (\$71,682) it amounted to the cumulative increase as noted above.

## **FINANCIAL IMPLICATIONS**

Funding in the amount of \$24,132 (Net HST Included), is available in the Capital Account CR000005, Street Recapitalization. The budget availability has been confirmed by Finance.

### **Budget Summary: Capital Account No. CR000005 Street Recapitalization**

Cumulative Unspent Budget	\$7,077,461
<b>Less: Increase to Layton Road Cost Sharing</b>	<b><u>\$ 24,132</u></b>
Balance	\$7,053,329

The balance of funds will be used to implement the remaining 2017/18 Street Recapitalization projects approved by Council.

## **RISK CONSIDERATION**

There are no significant risks associated with the recommendation in this report. The risks considered rate low. To reach this conclusion, consideration was given to financial, legal and compliance, and service delivery risks.

### **ENVIRONMENTAL IMPLICATIONS**

Implications not identified.

### **ALTERNATIVES**

Council could choose not to approve the recommendations in this report, but this is not recommended by Staff as the work had to be completed.

### **ATTACHMENTS**

Attachment A - Layton Road - Original Cost Sharing Agreement  
Attachment B – Layton Road - Final Cost Sharing Agreement

---

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 490-4208.

Report Prepared by: Jeff MacEwen, P.Eng., Construction Supervisor, ROC 717-4065

Report Approved by: Original Signed  
David Hubley, Manager, Project Planning & Design at 902.490.7169

Procurement Review: Original Signed  
Jane Pryor, Manager, Procurement at 902.490.4200

Report Approved by: Original Signed  
Matthew Keliher, Acting Director, Transportation & Public Works at 902.490.6606

---



## MEMORANDUM

**To:** Peter Lynds, Design Engineer, HRM  
**From:** Jeff McAulay, P.Eng., Project Engineer, Halifax Water  
**cc:** Tom Gorman, P.Eng., Senior Engineer, Halifax Water  
Anne Sherwood, Senior Design Engineer, Project Planning & Design, HRM  
**Date:** June 15, 2017  
**Subject:** T21.2017 Layton Road Water Main Renewal - Cost Sharing Agreement

The Tender for **Layton Road Water Main Renewal** closed May 25, 2017. Prior to awarding the project, a signed cost share agreement between HRWC and HRM for HRM's portion is required. Enclosed is a bid comparison summary for the items associated with street construction and the cost sharing breakout based on the lowest bidder, Sackville Trenching Ltd.

Based on the low bidder's tender prices, and the above cost sharing, HRM's costs for tender T21.2017 Layton Road Water Main Renewal can be summarized as follows:

### Layton Road

Street Construction	\$68,055.00
Net HST (4.286%)	\$2,916.84
<b>Subtotal</b>	<b>\$70,971.84</b>
Overhead (1%)	\$709.72
<b>Total</b>	<b>\$71,681.56</b>

Actual cost sharing for this project will be based on final quantities determined during construction.

If you agree to this arrangement, please indicate by signing the enclosed copy and return it to my attention. If you have any questions, please contact me at [REDACTED]

Thank you,



Jeff McAulay, P.Eng.  
Project Engineer  
Halifax Water

Original signed

---

Tom Gorman, P.Eng., Senior Engineer, Halifax Water

---

Bruce Zvaniga, Director of Transportation & Public Works

---

Witness



## MEMORANDUM

**To:** Bruce Gates

**From:** Jeff McAulay, P.Eng., Project Engineer, Halifax Water

**cc:** Tom Gorman, P.Eng., Senior Engineer, Halifax Water  
 Jeff MacEwen, Construction Supervisor, Road Operations and Construction, HRM  
 Anne Sherwood, Senior Design Engineer, Project Planning and Design Services, HRM

**Date:** January 9, 2018

**Subject:** T21.2017 Layton Road Water Main Renewal - Cost Sharing Agreement

Sackville Trenching Ltd completed the Layton Road Water Main Renewal project on October 30, 2017. Enclosed is a summary of the items related to Street Construction and a copy of the original cost sharing agreement. These numbers have been revised based on the actual quantities submitted by the Contractor.

Based on the actual cost of the project, and the above cost sharing, HRM's costs for tender T21.2017 Layton Road Water Main Renewal can be summarized as follows:

### Layton Road

Street Construction	\$ 83,823.29
Change Order 1 - Supply/Install CB and CB Lead	\$ 3,140.00
Asphalt Bonuses	\$ 4,038.98
Subtotal	\$ 91,002.27
<hr/>	
Net HST (4.286%)	\$ 3,900.36
Overhead (1%)	\$ 910.02
<hr/>	
<b>Total</b>	<b>\$ 95,812.65</b>

If you agree to this arrangement, please indicate by signing the enclosed copy and return it to my attention. If you have any questions, please contact me at [REDACTED]

Thank you,

Original signed

Jeff McAulay, P.Eng.  
Project Engineer  
Halifax Water

Original signed

 \_\_\_\_\_  
Tom Gorman, P.Eng., Manager, Halifax Water

\_\_\_\_\_  
Dave Hubley, Manger, HRM

\_\_\_\_\_  
Witness