

HALIFAX

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

Item No. 14.1.1
Halifax Regional Council
October 4, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: September 14, 2016

SUBJECT: **Award - Unit Price Tender No. 16-235, Burnside Business Park – Phase 12-6 Streets and Services - East Region**

ORIGIN

- Corporate Real Estate's program delivery plan for the continued supply of new industrial park lot inventory;
- Regional Council's September 17, 2013, Award of Unit Price Tender No. 13-251, Phase 12-5 and 12-6 Grading – Burnside Park.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for RFP's and tenders respectively.

RECOMMENDATIONS:

It is recommended that Council:

1. Approve a budget increase of \$68,564 (No net HST, 100% recoverable) to Project Account No. CQ000008, Burnside and City of Lakes Development, funded through cost sharing with Heritage Gas, as outlined in the Financial Implications section of this report.
2. Award Tender No. 16-235, Burnside Business Park – Phase 12-6, Streets and Services, to the lowest bidder meeting specifications, Dexter Construction Company for a Total Tender Price of

RECOMMENDATION CONTINUED ON PAGE 2

\$3,276,000 (No Net HST, 100 % Recoverable) from Project Account No. CQ000008, Burnside and City of Lakes Development as outlined in the Financial Implications section of this report.

3. Authorize, as per the Financial Implications section of this report, the appointment of CBCL Ltd. for construction inspection services, in the amount of \$310,710 (no HST included, 100% recoverable); payment to Nova Scotia Power Inc. for the extension of electrical transmission lines, in the amount of \$77,700 (no HST Included, 100% recoverable); and payment to Halifax Water (HW) for water system inspection, in the amount of \$28,567 (no HST Included, 100% recoverable).

BACKGROUND

The development of Phase 12 Burnside Park is being constructed in response to market demand. The Approved Project Budget includes funds for the construction of streets and services for Burnside Phase 12-6 in the Burnside Business Park. The development of Phases 12-5 and 12-6 was delivered in three components. The award for the completion of 12-6 is the third and final component which follows the 2013 award of Phase 12-5 and 12-6 mass grading and the 2015 award for the completion of Phase 12-5 streets and services.

Tender No. 16-235 will result in the development of approximately 60 net acres of industrial lot inventory inclusive of natural gas, sidewalks, bike lanes and streets. There are currently 124 acres of available lot inventory within Burnside of which approximately 42 acres represents the Atlantic Gateway – Halifax Logistics Park sub-section of Burnside in support of the Halifax Gateway initiative.

The municipal investment in developing the subject lands is fully funded by the reserve Q615 Business /Industrial Parks Expansion which in turn is funded through the market sale of industrial lots. The minimum lot unit pricing shall be subject to a separate approval report to Council. The complete Phase 12-6 lot inventory is expected to generate in excess of \$15 million in gross sales revenue. Upon sale and full development of the new lot inventory with the minimum 10% building coverage, Phase 12-6 is anticipated to generate in excess of \$1.4 million in annual commercial property tax.

DISCUSSION

Tender No. 16-235 was publicly advertised on the Province of Nova Scotia's Procurement website on July 13, 2016 and closed on August 10, 2016. Bids were received from the following companies:

<u>Name of Company</u>	<u>Bid Price (No net HST, 100% recoverable)</u>
Dexter Construction Company Limited	\$3,276,000*
Brycon Construction Limited	\$3,335,000
ARCP – Atlantic Road Construction and Paving Ltd.	\$4,350,000
J.R. Eisener Contracting Limited	\$5,160,993

***recommended bidder**

The scope of work for this tender generally consists of the installation of water, sanitary, storm and natural gas mains and street construction including gravels, asphalt, curb and gutter, sidewalk, trees and sod.

It is anticipated that work will commence within three weeks of the tender award and be completed by June 15, 2017.

This is a **UNIT PRICE** contract and the cost will be dependent upon the actual quantities measured and approved by the HRM Project Manager.

There are no Local Improvement Charges associated with this work.

FINANCIAL IMPLICATIONS

Based on the lowest tendered price of \$3,276,000 (no HST included, 100% recoverable), funding is available in the Approved Capital Budget from Project Account No. CQ000008 – Burnside and City of Lakes Development. The budget availability has been confirmed by Finance.

Budget Summary:

Project Account No. CQ000008 – Burnside and City of Lakes Development

Cumulative Unspent Budget	\$12,695,770
Less: Tender No. 16-235	\$ 3,276,000 *
Less: HRWC – Inspection Fees	\$ 28,567
Less: NSPI – Fees	\$ 77,700
Less CBCL Inspection Fees	\$ 310,710
Plus: Heritage Gas Cost Sharing	\$ 68,564
Balance	\$ 9,071,357

* This project was estimated in the Approved 2015/16 Capital Budget at \$5,000,000.

The balance of funds will be used to implement the remaining 2016/17 Project Budget from Project Account No. CQ000008 – Burnside and City of Lakes Development, business park development projects approved by Council.

RISK CONSIDERATION

There are no substantial risks identified with the recommendations of this report.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

Council could choose not to approve the recommendations in this report, but this is not recommended by staff.

ATTACHMENTS

Attachment 1 - Location Map/Construction Limits
Attachment 2 - Heritage Gas Cost share letter

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 490-4210, or Fax 490-4208.

Report Prepared by: John Fawcett, P.Eng., Project Planning & Design, TPW at 490-6824
Michael Wile, Acting Manager, Corporate Real Estate, Operations Support at 490-5521

Report Approved by: _____
Dave Hubley, P. Eng., Manager, Project Planning & Design at 490-4845

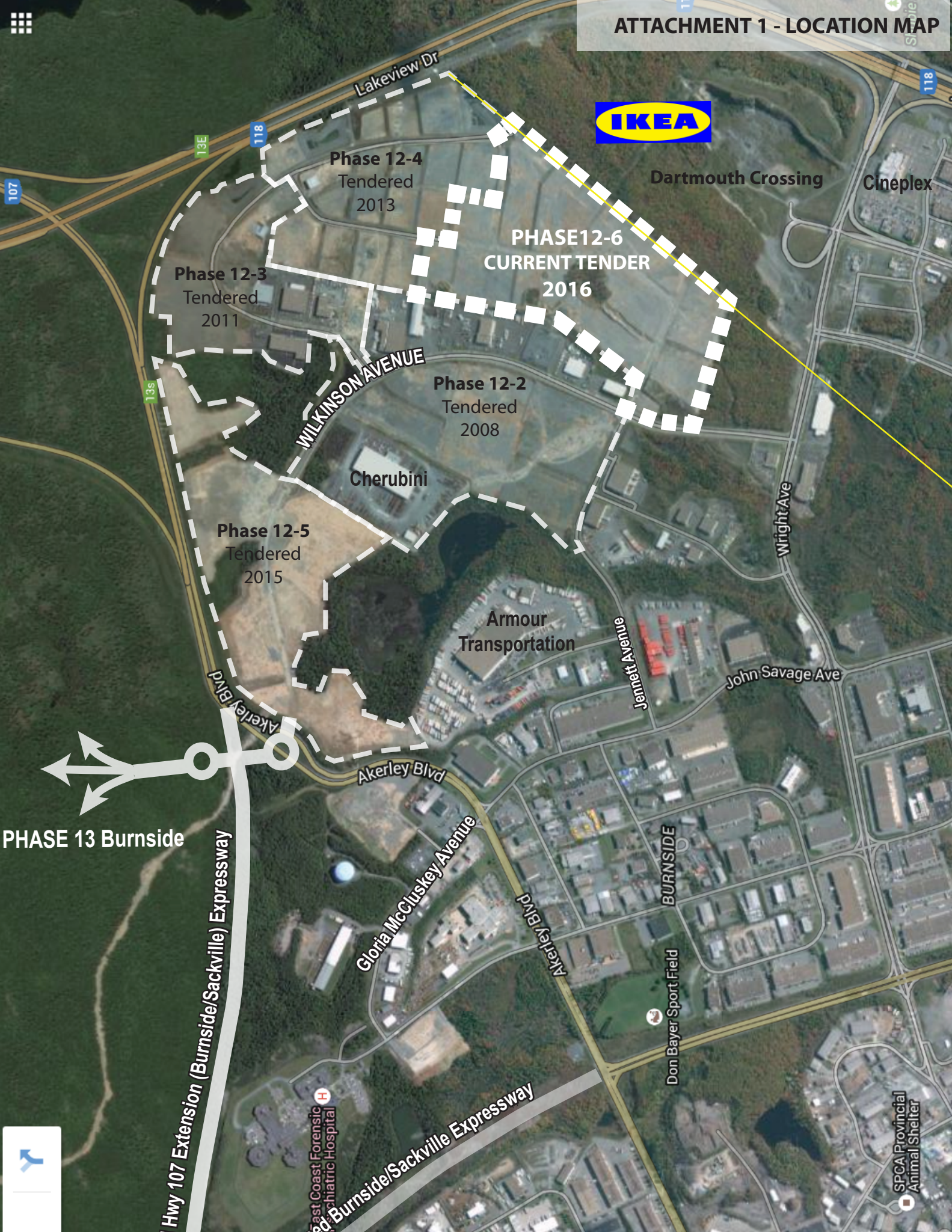
Business Unit Review: _____
Peter Stickings, Acting Director Operations Support 476-8237

Procurement Review: _____
Jane Pryor, Manager, Procurement, 902.490-4200

Report Approved by: _____
Taso Koutroulakis, P.Eng., PTOE, Acting Director, Transportation & Public Works at 490-4816

Original Signed

ATTACHMENT 1 - LOCATION MAP



Phase 12-4
Tendered
2013

PHASE 12-6
CURRENT TENDER
2016

Phase 12-3
Tendered
2011

Phase 12-2
Tendered
2008

Phase 12-5
Tendered
2015

Cherubini

Armour
Transportation

PHASE 13 Burnside

Proposed Hwy 107 Extension (Burnside/Sackville) Expressway

Gloria McCluskey Avenue

West Coast Forensic
Psychiatric Hospital

BURNSIDE

Don Bayer Sport Field

SPCA Provincial
Animal Shelter

HALIFAX

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

MEMORANDUM

TO: Chris Smith, President, Heritage Gas

CC: David Hubley, P.Eng., Manager, Project Planning & Design
Anne Sherwood, P.Eng., Sr. Design Engineer, Project Planning & Design

FROM: John Fawcett, P.Eng., Project Planning & Design

DATE: August 15, 2016

SUBJECT: Tender No. 16-235, Streets and Services, Burnside Business Park Phase 12-6, – East Region

Tender No. 16-235, Streets and Services, Burnside Business Park Phase 12-6 - East Region, closed August 10, 2016. Prior to tender award, a cost sharing agreement must be finalized between HRM (Halifax Regional Municipality) and Heritage Gas. Enclosed is a bid comparison summary for the items associated with the gas main installation for this project. They are from the lowest bidder, Dexter Construcion Company Limited.

In the most recent discussions on this subject, Heritage Gas has agreed to pay 50% of the cost of the reinstatement. This includes the cost of the asphalt, sidewalk and sod over the length of the gas main and across the reinstatement width.

Based on the low bidder's tender prices and the above cost sharing, Heritage Gas's costs for Tender No. 16-235, Streets and Services, Burnside Business Park Phase 12-6– East Region, can be summarized as follows:

Gas Main	=	\$ 57,960.00
Reinstatement Cost Sharing	=	\$ 10,604.00
Project Total	=	<u>\$ 68,564.00</u>

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

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ctk

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 call me at 490-6824.

Thank you,

Original Signed

John Fawcett, P.Eng.
Design Engineer
Project Planning & Design

Original Signed

Chris Smith, President
Heritage Gas

August 16/2016

Date

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Transportation and Public Works, Project Planning & Design

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