


TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: July 29, 2016

SUBJECT: **Sole Source Award and Reimbursement to Halifax Water for Enhanced Reinstatement of Chain of Lakes AT Greenway and an associated State of Good Repair project as part of the Lakeside Diversion Project**

ORIGIN

July 30, 2013 motion, MOVED by Councillor Mosher, seconded by Deputy Mayor Rankin that Halifax Regional Council:

1. Endorse the use of the Chain of Lakes Trail as the preferred corridor for a wastewater conveyance system from Lakeside Park Drive to the Trail's termination on Joseph Howe Drive, with connection to the Bedford Highway Interceptor Sewer.
2. Authorize the Mayor and Municipal Clerk to enter into an Easement Agreement with the Halifax Regional Water Commission for the required portions of the Chain of Lakes Trail, based on easement unit values as set out in Table 1 of the June 28, 2013 report.
3. Request a staff report regarding the proceeds of the easement being retained in a reserve to be used in the trail area.

Agenda item 10.1.2

Approved Trails Capital budgets for the Chain of Lakes Trail in 2012/13, 2013/14, 2014/15. (Project No. CPX01196 – Regional Trails Active Transportation, funds have since been reallocated to Project No. CTU00420 – Active Transportation – Strategic Projects)

Approved budget for Project Municipal Operations - State of Good Repair in 2014/15. (Project No. CR990002)

RECOMMENDATION ON PAGE 2

LEGISLATIVE AUTHORITY

The Halifax Charter Section 79 (1) (ah) spending authority to build, maintain and manage a trail and active transportation system; Section 120 (3) (a) capital reserve fund includes proceeds from sale of property; Section 120 (4) (a) capital reserve funds may be spent on capital expenditures for which the Municipality may borrow.

Under the HRM Charter, Section 79, 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 Tenders and RFPs.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council, in accordance with Administrative Order 35, Section 8(11A) sub-section (k): *Sole Source/Single Source Purchases; (k) "For the procurement from a public body or a not-for-profit corporation"* (Attachment "A"):

1. Retroactively approve the sole source award and payment of \$461,486, net HST included, as per Halifax Water quotation, for the enhancement of Chain of Lakes Trail, with funding from Project No. CTU00420 – Active Transportation – Strategic Projects (Funding originally from Project No. CPX01196 - Regional Trails Active Transportation);
2. Retroactively approve the sole source award and payment of \$51,711, net HST included, for the installation of surface storm water infrastructure improvements, as per Halifax Water quotation, with funding from Project No. CR990002 - Municipal Operations - State of Good Repair.

BACKGROUND

The Chain of Lakes AT Greenway is a 7.2 km multi-use trail extending from approximately 3601 Joseph Howe Drive to Lakeside Park Drive. At that point it transitions into the Beechville, Lakeside, Timberlea Trail. The Chain of Lakes AT Greenway was built in 2010 by HRM following its acquisition from Canadian National and was initially developed as a 3m wide facility that was initially paved for 4km of its length. From the time it was opened, the Chain of Lakes Greenway was popular with the public and was used by about 500 users per day. It is designated as a core municipal active transportation greenway in the 2014-2019 Active Transportation Priorities Plan.

On July 30, 2013, Regional Council agreed to Halifax Water's request to use the Chain of Lakes Greenway alignment for the Lakeside Diversion project. As part of the agreement to permit Halifax Water to use this corridor, Halifax Water was required to reinstate the greenway.

At the time that HRM and Halifax Water agreed on the use of this corridor, there was interest in having the Chain of Lakes AT Greenway reinstated to a higher standard, in particular that it be widened to 3.5 metres and that the facility be paved for its entire length.

In response to the July 30, 2013 request from Regional Council, the December 10, 2013 Regional Council Information Report entitled "Chain of Lakes Easement Proceeds" discussed three (3) options for funding potential enhancement projects on the Chain of Lakes Trail. These were:

1. The net easement proceeds are directed specifically to Chain of Lakes Trail for service improvements;

2. An increase to Project No. CPX01196 – Regional Trails Active Transportation, as part of the regular budget process, for projects benefiting the entire regional trails system, to be determined in conjunction with Halifax Regional Trails Association (HRTA). In this option, the funds would remain in the Sale of Land Reserve Q101 for other strategic priorities; or
3. The net easement proceeds are returned proportional to the regional project account used for the original trail acquisition.

Option 2 was the approach selected by HRM. Funds were identified in the 2014/15 Capital Budget in Project No. CPX01196 - Regional Trails Active Transportation, which was approved by Regional Council on April 1, 2014. There were additional funds that had been allocated to the Chain of Lakes Trails Association for trail improvements in 2012/13 and 2013/14 that were also directed to the budget for the enhancement project. The funds from 2012/13 and 2013/14 had not been spent due to the uncertainty regarding the corridor which would be used for the Lakeside Diversion project. Once the Chain of Lakes Greenway Trail alignment was selected and approved, various improvements were bundled into the enhanced reinstatement project.

Halifax Water issued the Lakeside Diversion Tender in January 2014 and it was awarded to Dexter Construction Ltd. The tender was administered and managed by Halifax Water, and was not subject to approval from Regional Council. The scope of work in the tender included the enhanced reinstatement of the Chain of Lakes Greenway.

As work was proceeding on the Lakeside Diversion Project, a project integration opportunity was identified to install surface storm water infrastructure improvements at a point where the Trail connected to the HRM right-of-way in the vicinity of Rosemount and Retreat Avenues.

The Lakeside Diversion Project was substantially completed in fall 2014 and the enhanced Chain of Lakes Greenway was reopened in December 2014. Halifax Water is now seeking reimbursement for the costs it incurred to rebuild the greenway to an enhanced standard and to make storm water infrastructure improvements.

DISCUSSION

The Chain of Lakes Greenway is one of four main spine multi-use active transportation facilities identified in the Active Transportation Priorities Plan which connect to the Regional Center. The Chain of Lakes Greenway is 7.2 km long and connects the Communities of Beechville, Lakeside and Timberlea to Joseph Howe Drive. Prior to reconstruction, infrared surveys indicated use on the COLT Greenway approaching 500 users a day with 70% of that being bicycle use. Paving the entire length is consistent with the AT Plan goal of doubling AT mode share. This level of use also requires a minimum 3.5 metre wide, asphalt standard.

Committing to expend funds for enhancements as part of the Lakeside Diversion Project tender process was viewed as a leveraging opportunity. Most importantly it provided a shorter time frame for overall trail reinstatement as the trail would be out of service for one construction season instead of two. There are cost efficiencies associated with unit prices as part of a much larger project, particularly for asphalt. Utilizing the same design consultant resulted in greater coordination, continuity and consistency of product.

Staff worked with the Halifax Regional Trails Association to balance the needs of Community Trails with requirements for the reinstatement of the Chain of Lakes Trail during the 2014/15 Capital budget review process. Based on this consultation, the tender for the Lakeside Diversion Project specified a significant scope of work for the reinstatement and enhancement of the Chain of Lakes AT Greenway Trail. The chart below itemizes the improvements to the facility.

Lakeside Diversion Project – Cost of HRM Trails Improvements

Item	Description	Total Cost (net HST included)
Greenway Trail System: including over 12,000 m ² of paved trail, 180m of concrete curb, 85m ² of concrete sidewalk, and 500m ³ of gravels	Gravels, Paved Trail (new), Concrete	\$319,991
Landscaping	Topsoil, Sod, Trees, Shrubs, Wooden Fence Benches (4) and Bark Mulch	\$72,215
Additional Items, including Percy St. Connector	Clearing, Grubbing and Asphalt Paint	\$50,314
Project Sub-Total		\$442,520
	4.286% HST (on All HRM Work)	\$18,966
	Total Price for HRM Work	\$461,486

Implementation of the Lakeside Diversion Tender is complete.

WSP Consultants project managed the Lakeside Diversion Project for Halifax Water. It was cost efficient to have them complete the necessary additional design work to plan and implement trail related items.

It is important to note that provincial legislation prevents Halifax Water from contributing financially to infrastructure enhancements over and above what existed at the time of construction, therefore, enhancements or deficiencies identified during the Lakeside Diversion Project are the responsibility of the Municipality.

Expenditure of \$461,486 in Capital Funding for Enhanced Greenway Reinstatement:

Public consultations identified the need to pave the entire Chain of Lakes Greenway Trail for active transportation purposes. The original 4km would be reinstated by Halifax Water as part of the Lakeside Diversion Tender and the additional three (3) km to completely asphalt the 7.2 km were identified in the approved Capital budget.

Additional enhancements included redesign and development of refuge islands to improve the crossing of Horseshoe Lake Drive and Chain of Lakes Drive, a destination parking lot adjacent to Chain Lake Drive, and upgrading of community trail street connections at Retreat, Keating and Rosemount. Landscape reinstatement of the additional items completed the enhancements.

Expenditure of \$51,711, for Priority Storm Drainage Improvements:

During public information meetings, residents in the vicinity of Retreat and Rosemount Avenues filled out comments cards that indicated drainage was making the trail very difficult to use. They also indicated that it was causing drainage problems on their property. Design drawings and a Contemplated Change Order were prepared for the contractor to price drainage improvements. Since this is located on municipal land, Municipal Operations Staff reviewed the design drawings, signed off on the work and committed to funding the improvements from the account indicated.

FINANCIAL IMPLICATIONS

1) Payment for Enhanced Greenway Reinstatement

Based on Halifax Water invoice of \$442,520 plus net HST of \$18,966, for a net total price of \$461,486, funding is available in the Approved 2014/15 Capital Budget from Project No. CPX01196 – Regional Trails Active Transportation, funds have since been reallocated to CTU00420 – Active Transportation – Strategic Projects.

Budget Summary: : Project No. CTU00420 – Active Transportation – Strategic Projects

Cumulative Unspent Budget	\$6,106,389
Less: Contribution to Halifax Water	<u>461,486*</u>
Balance	\$5,644,903

2) Payment for Priority Storm Drainage Improvements

Based on Halifax Water tender change order quotes of \$49,585 plus net HST of \$2,126 for a net total price of \$51,711.00, funding is available in the Approved 2014/15 Capital Budget from Project No. CR990002 – Municipal Operations – State of Good Repair.

Budget Summary: Project No. CR990002 – Municipal Operations – State of Good Repair

Cumulative Unspent Budget	\$	1,296,371
Less: Contribution to Halifax Water	\$	<u>51,711</u>
Balance	\$	1,244,660

*This project was estimated in Halifax Water's Capital Budget at \$492,632.

The balance of funds will be used for the reinstatement of additional wood rail safety fencing in partnership with the Chain of Lakes Trail Association.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate "Low". To reach this conclusion, consideration was given to financial, and legal and compliance risks.

COMMUNITY ENGAGEMENT

Stakeholder meetings with Chain of Lakes Trail Association and Beechville/Lakeside/Timberlea Trail Association, adjacent landowners, trail user groups and the public were held as part of the public review process for Halifax Water's Lakeside Diversion Project and served to highlight and identify enhancements and deficiencies with the Chain of Lakes AT Greenway.

The Lakeside Diversion Project, including the reinstatement of the Chain of Lakes AT Greenway, involved the community during the planning and design phases, and continued to involve the community during the construction and implementation phases. Substantial efforts have been made to accommodate and respond to all questions and concerns from adjacent landowners over the entire 7.2 km of the construction route.

ENVIRONMENTAL IMPLICATIONS

Completion of this regional integrated utility corridor, including sewer and active transportation trail infrastructure, will have beneficial environmental implications for the west mainland portion of HRM. The greenway will provide a high quality main spine AT corridor connection to Peninsula Halifax. This active transportation corridor will help reduce automobile trips, reduce Greenhouse gas emissions and increase overall mobility and quality of life.

ALTERNATIVES

Regional Council may choose not to authorize the retroactive sole source award and reimbursement to Halifax Water. This is not recommended for the following reasons:

1. The enhancements to the reinstatement were planned as part of the 2014 / 2015 budget process and are fully implemented; and,
2. The stormwater improvements have reduced local flooding problems and are fully implemented.

ATTACHMENTS

Attachment A: Sole Source/ Single Source Purchase Procurement Policy Section 8(11) A

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.

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Attachment "A": Procurement Policy Section 8(11) A

8(11)A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.**

(1) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.