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Item No. 12.4.1
Audit & Finance Standing Committee
March 21, 2018

TO: Chair and Members of Audit & Finance Standing Committee

Original signed

SUBMITTED BY:

Jane Fraser, Director, Corporate and Customer Services

Original signed

Jacques Dubé, Chief Administrative Officer

DATE: February 19, 2018

SUBJECT: **Award – Tender 18-150 Ice Slab Replacements - Scotia 1 - Cole Harbour Place**

ORIGIN

The approved 2017/18 Capital Project Budget, Supplement Report Page R9 Cole Harbour Place – CB000045. This project account includes recapitalization of the Cole Harbour Place.

On December 14, 2016 Committee of the Whole, Regional Council passed the following motion:

MOVED by Councillor Walker, seconded by Councillor Whitman that Committee of the Whole recommend to Halifax Regional Council to:

1. Direct staff to prepare the ten-year capital plan, approve the capital budget for 2017/18, and schedule of reserve withdrawals, and approve in principal the 2018/19 capital budget as presented to Committee of the Whole as per Attachments 1a, 1b and 1c of the staff report dated December 5, 2016.
2. Approve the list of 2017/18 advanced capital funding as per Attachment 2 of the staff report dated December 5, 2016.
3. Approve the list of multi-year projects as per Attachment 3 of the staff report dated December 5, 2016.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize

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budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Administrative Order 2014-15 Respecting Reserve Funding Strategies (5) , The Audit and Finance Standing Committee shall review and recommend to the Council for its consideration all impacts to the Reserve, (6) The Chief Administrative Officer may recommend to the Council that Reserve funds be expended.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Council:

1. Approve an unbudgeted withdrawal in the amount of \$200,000 net HST included, from the Capital Fund Reserve, Q526;
2. Increase 2017/18 Capital Budget, Project Number CB000045 – Cole Harbour Place (CHP) by \$200,000, net HST Included, as outlined in the Financial section of this report; ;
3. Approve advanced capital, for the purpose of tendering and awarding, in the amount of \$150,000, from the 2018/19 proposed capital budget for Project Number CB000045 as part of the December 14, 2016 approved Multi-year project list;
4. Award Tender 18-150 Ice Slab Replacements- Scotia 1 - Cole Harbour Place to the lowest bidder meeting specification, Bird Construction Group, for a total price of \$1,437,228 (net HST included) with funding from CB000045 – Cole Harbour Place, as outlined in the Financial Implications section of this report.

BACKGROUND

Cole Harbour Place (CHP) is a Halifax Regional Municipality (HRM) owned multi-district facility (MDF) that was built in the mid-1970s and had many major renovations through the 1980s. The facility is 194,300 square feet and houses two arenas, two pools, a library, fitness centres and various leased spaces. It is managed and operated by Community Builders Inc. on behalf of the Municipality through a lease agreement. The facility is located adjacent to Cole Harbour High School and services members of the public of all ages.

HRM is undergoing a multi-year multi-phase recapitalization program for Cole Harbour Place. To date, upgrades have included roof structure, dance studio, 2nd floor washrooms, dehumidifiers, babysitting area, flooring, security system and the Multi-Purpose Room.

On July 18, 2017 Council directed staff to complete both the roof structural upgrades and the ice slab replacement project in one phase. This one phase approach enables both the roof and ice slab work to be completed during one extended closure of Scotia One arena rather than three seasonal closures.

This project will have an impact on the operating budget of Cole Harbour Place due to deferred and lost event activity during the project timeframe.

The structure repairs to the roof were completed on January 23, 2018. These repairs were required to be completed before tendering the slab replacement project.

The ice slab replacement project was estimated in 2016, but did not include the necessary renovations to the existing bleacher system to accommodate the new dasher boards and the replacement of the new low emissivity ceiling system that was removed during the emergency repairs in 2015.

The removal of the existing concrete slab has been awarded under a separate contract and is underway. This was a risk mitigation effort to allow for geotechnical testing under the current slab.

DISCUSSION

Tenders were called on January 26, 2018, with closing on February 15, 2018. Bids were received from the following companies:

Name of Company	Bid Price (net HST Included)
* Bird Construction Group	\$1,437,228
EllisDon Corporation	\$1,587,231
Blunden Construction (1995) Limited	\$1,660,233
Dora Construction Management Ltd.	\$1,766,356

***Recommended Bidder**

Scope and Schedule:

The scope of this tender includes the following scope of work:

- Removal of exist header pipes
- Demolition of the header trench
- Demolition of lower portion of bleachers
- New bedding materials, underslab insulation, heating piping
- New concrete slab with embedded cooling piping
- New piping headers
- New dasher boards
- Renovations to bleachers
- Addition of an accessible viewing platform
- Low emissivity ceiling system

The required date to complete the slab and commence ice making is August 25, 2018.

FINANCIAL IMPLICATIONS

To award Tender 18-150 Ice Slab Replacements - Scotia 1 - Cole Harbour Place, staff is requesting an unbudgeted withdrawal of funds from the Capital Fund Reserve, Q526 to fund a 2017/18 budget increase to Project CB000045.

Funding to the project, in the amount of \$1,375,000, will be available pending the approval of the 2018/19 capital budget for this purpose from Capital Order CB000045 Cole Harbour Place. This project was approved as a multi-year project and as such, the 2018/19 budget amount cannot be spent until the 2018/19 capital budget is approved. Work on the slab replacement is to commence within two weeks of Council's approval of this report, to a maximum of the 2017/18 budget increase of \$200,000. The balance of the project funds will become available when Council approves the 2018/19 capital budget.

Budget Summary: Capital Fund Reserve, Q526

Balance in reserve at January 31, 20108	\$14,840,628
Projected revenue to March 31, 2018	\$ 693,770
Commitments to March 31, 2018	<u>\$(9,958,346)</u>
Projected net available balance, March 31, 2018	\$ 5,576,052
Withdrawal per recommendation	<u>\$ (200,000)</u>
Revised projected net available balance March 31, 2018	\$ 5,376,052

Obligation Reserve - Capital Fund Reserve, Q526

The reserve is funded by the sale of land in HRM, other than Business/Industrial Parks or sale of land conveyed to HRM for parks, playgrounds or similar public purposes. Several other large properties are now excluded from deposit to this reserve and are being redirected to the Strategic Capital Reserve, Q606. The Capital Reserve Fund Reserve is governed by the Halifax Regional Municipality Charter Section 120 (1), (3), and (4). Withdrawals from the reserve are for capital expenses for which the Municipality may borrow.

The recommendation has a negative effect on the projected balance as this is an unbudgeted withdrawal. In reviewing a five-year capital budget plan in relation to withdrawals from this reserve, there are sufficient funds to accommodate this unbudgeted withdrawal, without impacting the current five year planned withdrawals for this reserve.

Based on lowest tendered price of \$1,378,160 plus net HST of \$59,068, for a net total of \$1,437,228, funding is available, subject to approval of the 2018/19 capital budget, from Project No. CB000045 – Cole Harbour Place. The pending budget availability has been confirmed by Finance.

Budget Summary:	<u>Project No. CB000045 – Cole Harbour Place</u>	
	Cumulative Unspent Budget	\$ 1,159,968
	Plus: Budget increase	\$ 200,000
	Plus: 2018/19 Advanced capital	\$ 150,000
	Less: Tender No. 18-150	<u>\$(1,437,228)</u>
	Balance	\$ 72,740

This project was estimated prior to tender at \$1,300,000.

RISK CONSIDERATION

- Construction delays: Mitigated through an integrated design with HRM and the consultant team.
- Unforeseen underslab conditions: Mitigated through a planned geotechnical test after the slab has been removed.
- Safety issue: Mitigated through a site-specific hazard assessment and contractor’s safety plan.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

ALTERNATIVES

The Audit and Finance Standing Committee may choose not to approve the recommendations in this report, however, this is not recommended by staff as the restoration is part of planned recapitalization of the facility. Without reserve funding, there will be insufficient project funds to award this tender, this will impact service delivery. The demolition of the slab was awarded under a separate contract and has begun.

ATTACHMENTS

There are no attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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