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Item No. 12.4.1
Audit & Finance Standing Committee
January 9, 2019

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY:

Brad Anguish, Director of Transportation and Public Works

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: November 9, 2018

SUBJECT: **Award-Tender No. 18-376, Supply & Install Two Truck Scales at Halifax
Materials Recover Facility**

ORIGIN

The approved 2018/19 Project Budget.

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 Regional Municipality Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Regional Municipality Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Regional Municipality Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Regional Municipality Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality Administrative Order 2014-015 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; Reserve Business Case, Q526 Capital Fund Reserve.

Recommendation is on page 2

RECOMMENDATION

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

1. Approve a budget increase to Project Account No. CW000007 Materials Recovery Facility Repair, in the amount of \$46,000 to be funded as an unbudgeted withdrawal from the Solid Waste Facility Reserve, Q556 in 2018/19; and
2. Award Tender No. 18-376, Supply & Install Two Truck Scales at Halifax Materials Recovery Facility to the lowest bidder meeting specifications, Cumberland Paving and Contracting for a Total Tender Price of \$308,166 (net HST included).

BACKGROUND

The two existing truck scales used at the HRM owned Materials Recovery Facility (MRF) are the original scales installed in 1991 and having been in service for twenty-seven years are at the end of their useful service life. Approximately 80 trucks per day (on average) are required to scale in and out of the MRF facility, delivering or shipping recyclable materials. Therefore, a staged installation is required so that at least one of the two scales remain operational throughout the replacement project.

In order to facilitate cleaning and maintenance, the scale decks for the new scales will be lifted 6" as part of this tender. This means that the scope of work for the contractor includes design and replacement of the concrete approach slabs and bulkheads, and upgrade with possible reuse of the scale piers (increasing their height, as appropriate).

DISCUSSION

Tender No. 18-376 was posted on the Provincial Procurement website on October 12, 2018 and closed on November 1, 2018. The following bids (net HST included) were received:

Name of Company	Supply of Two Scales	Installation	Total(Supply & Install)
Cumberland Paving and Contracting	\$135,572	\$172,594	\$308,166*
Dexter Construction Company	\$193,972	\$167,901	\$361,873

* Recommended bidder

The tender response of the recommended bidder meets the specifications and requirements of HRM.

FINANCIAL IMPLICATIONS

Based on the lowest tendered price of \$295,500 plus net HST of \$12,666 for a total price of \$308,166 (net HST included) for the supply and installation of two truck scales, insufficient funding is available from the approved 2018/19 budget in Project Account No. CW000007, Materials Recovery Facility Repairs. The Obligation Reserve – Solid Waste Facility Reserve, Q556 funds Project Account No. CW000007, and contains sufficient funds (i.e. \$46,000) to make up the difference. The 2019/20 proposed capital project budget has \$280,000 in Project Account No. CW000007. If Council approves the recommendations in this report the 2019/20 proposed budgeted amount for Project Account No. CW000007 will be reduced by the \$46,000.

Budget Summary:	<u>Project Account No. CW000007 Materials Recovery Facility Repairs</u>
	Cumulative Unspent Budget \$ 262,704
	Increase in project, per recommendation \$ 46,000

Less: Tender No. 18-376	<u>\$ 308,166</u>
Balance	\$ 538
Budget Summary – Solid Waste Facilities Reserve Q556	
Balance in reserve, October 31, 2018	\$15,755,058
Projected revenue to March 31, 2019	\$ 35,004
Approved commitments to March 31, 2019	<u>\$ (6,681,070)</u>
Projected net available balance to March 31, 2019	\$ 9,108,992
Withdrawal per recommendation of this report	<u>\$ (46,000)</u>
Revised projected net available balance, March 31, 2019	\$ 9,062,992

Obligation Reserve - Solid Waste Facilities Reserve, Q556

To provide funding for solid waste capital expenditures, including but not limited to, the purchase of land, construction, upgrades, studies or engagements and equipment for landfill, recycling, compost, or transfer station facilities or other solid waste facilities. This is an unbudgeted withdrawal from the reserve, but does not have a negative impact on the capability of the reserve to fund the planned withdrawals for next five years.

This project for replacement of two truck scales was originally estimated at \$200,000. The raising of the scales 6 inches (to allow for improved maintenance and cleaning) and the additional concrete work for the approach slabs and bulkheads, etc., along with the staged installation of the two scales (while maintaining one of the existing scales operational) are factors in the increased price beyond the estimated budget price.

RISK CONSIDERATION

There are minimal risks associated with this recommendation. If the scales replacement is not complete there is a risk to service delivery and the operation of the recycling facility.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

The tendered services contribute to the processing of recyclables to achieve diversion from landfill.

ALTERNATIVES

There are no recommended alternatives as the two truck scales have reached the end of their useful service life.

ATTACHMENTS

N/A

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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