



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

Item No. 15.2.2
Halifax Regional Council
April 16, 2019

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Russell Walker, Chair, Audit & Finance Standing Committee

DATE: March 29, 2019

SUBJECT: Increase to Contract award 16-047 WSP Canada Inc Prime Design Services for
Cogswell Redevelopment Program

ORIGIN

March 27, 2019 meeting of the Audit and Finance Standing Committee, Item No. 12.4.4

LEGISLATIVE AUTHORITY

Section 8(c) of the Standing Committee's Terms of Reference:

'The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including proposed changes in any operating or project budget items.'

RECOMMENDATION

That the Audit and Finance Standing committee recommends that Halifax Regional Council authorize a reallocation of funds from the WSP contract to purchase order #2070765948. The balance of the funds in the contract will be used for contract management services as per the original contract award.

BACKGROUND

The Audit and Finance Standing Committee received a staff report dated March 12, 2019 pertaining to a reallocation of funds from the WSP contract to purchase order #2070765948 for consideration at their meeting held on March 27, 2019.

Further information can be found in the attached staff report dated March 12, 2019.

DISCUSSION

The Audit and Finance Standing Committee considered the March 12, 2019 staff report and forwarded the recommendation to Halifax Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

Financial implications are addressed in the attached staff report dated March 12, 2019.

RISK CONSIDERATION

No risks were identified in the attached staff report dated March 12, 2019.

COMMUNITY ENGAGEMENT

The Audit and Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, minutes, and meeting video of the Audit & Finance Standing Committee are posted on Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

The Audit and Standing Committee did not discuss alternative recommendations. An alternative is outlined in the attached staff report dated March 12, 2019.

ATTACHMENTS

Staff report dated March 12, 2019

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.

Report Prepared by: Krista Vining, Legislative Assistant, Office of the Municipal Clerk, 902.490.6520

P.O. Box 1749
Halifax, Nova Scotia
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Item No. 12.4.4
Audit and Finance Standing Committee
March 27, 2019

TO: Chair and Members of Audit and Finance Standing Committee

Original Signed

SUBMITTED BY:

Jane Fraser, CFO/Director Finance, Asset Management & ICT

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: March 12, 2019

SUBJECT: Increase to Contract award 16-047 WSP Canada Inc Prime Design Services for Cogswell Redevelopment Program.

ORIGIN

At the September 20, 2016 Regional Council meeting, Halifax Regional Council passed a motion to:

Award RFP 16-047 Prime Design Consulting Services to Support the Cogswell Redevelopment Program, to the highest scoring proponent, **WSP Canada Limited** for **\$2,557,041** (net HST included). The award consists of two components which were tendered as Table 1 and Table 2 costs in the RFP;

1. Fixed Design Services for Phases I to V of **\$1,483,312** (net HST included), with funding from Project Account No. CT000007 – Cogswell Interchange Redevelopment as outlined in the Financial Implications section of this report.
2. Time Based Fees of RFP 16-047 Prime Design Consulting Services for the Cogswell Interchange Redevelopment up to an amount of **\$1,073,729** (net HST included), with funding from Project Account No. CT000007 – Cogswell Interchange Redevelopment, as outlined in the Financial Implications section of this report.

LEGISLATIVE AUTHORITY

The HRM Charter, Section 35(2) (d) (i), The Chief Administrative Officer may, subject to policies adopted by the Council, make or authorize expenditures, and enter into contracts on behalf of the Municipality, for anything required for the Municipality where the amount of the expenditure is budgeted or within the amount determined by the Council by policy, and may delegate this authority to employees of the Municipality.

In accordance with Administrative Order 2016-005-ADM, The Procurement Administrative Order, Appendix B, Contract Amendment Guidelines, contract amendments of any amount; Director is limited to 15% or \$15,000, CAO is limited to (a) \$20,000 or (b) a 20% increase to the originally approved, contract amount, whichever is greater. Council may approve any increase.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

Recommend Audit and Finance Standing Committee recommend Regional Council authorize a reallocation of funds from the WSP contract to purchase order #2070765948. The balance of the funds in the contract will be used for contract management services as per the original contract award.

BACKGROUND

The Cogswell Lands Plan report appeared before Regional Council on May 13, 2014, at which time the following recommendations were approved:

1. Approve the Cogswell Lands Plan as the guiding document for the next stage of work for the removal and re-design of the Cogswell Interchange.
2. Approve the functional road network as proposed in the Cogswell Lands Plan.
3. Direct staff to initiate the following work and return to Council as required:
 - a) Communicate the Cogswell Lands Plan, as approved, to the public, adjacent landowners and future developers through the municipal website, individual meetings and a public open house held in conjunction with the Strategic Urban Partnership.
 - b) **Proceed with the Detailed Design for the demolition and redevelopment of the Cogswell Interchange including issuing Requests for Proposals to retain necessary expertise.**
 - c) Enter into negotiations for land acquisitions required to advance the Cogswell redevelopment.
 - d) Prepare a financial plan for the demolition and redevelopment of the Cogswell Interchange.
 - e) Commence preparations for Municipal Planning Strategy/Land Use By-law amendments and necessary street closures as per the HRM Charter.

DISCUSSION

The award for Prime Design Consulting Services was awarded to WSP Canada Inc. September 12, 2016 to provide design services for the Cogswell Redevelopment Project. The award was in two phases with the first phase being the design component valued at \$1,483,312 (net HST included), and the second phase for contract administration services valued at \$1,073,729 (net HST included) for a total contract award of \$2,557,041 (net HST included). The increase to the purchase order is necessary due to several re-design requirements as the project progressed through 30-60-90% design development. The increases are still within the overall award amount.

As a result of the June 5, 2018 Regional Council requested public outreach, WSP was engaged for additional services to assist in this effort as well as the extensive design charrettes held over three days. HRM's was additionally requested to partially fund a review with Gehl Architects as part of the Art of City-Building initiative. A major recommendation from this process was the deletion of the southernmost roundabout in favour of a conventional intersection. The increased funding request is for WSP Canada Inc. to provide the addition redesign of both the roads and above ground public realm elements as well as the underground utilities and grading requirements to accommodate this program change. Additionally, the decision of Regional council to return for a 90% design review has necessitated the creation and rendering of new design boards and presentation not in the original design brief. Finally, in the June 5th session, Regional Council approved the alignment of the Cogswell design with any and all requirements of the Rick Hansen Foundation Gold Seal certification for accessibility for disabled citizens. The general breakdown of these additional services is:

• Public Engagement & Design Charrettes	\$46,564
• 60% Design Development Changes	\$39,433
• Purdy's Wharf Parkade Entrances Design	\$18,975

• Additional Design for RAB to Intersection	\$81,024
• Design for Pedway and CSO Structures	\$34,182
• Redrafting/Printing Design Story Boards for Council	\$26,072
• <u>Re-Design for Compliance to Rick Hansen Certification</u>	<u>\$31,286</u>
	Total \$277,536

The work of this contract is nearing completion and additional change orders are not anticipated, a total increase of \$277,536 (net HST included) is requested. This requested increase results in a cumulative increase of 33.2% of the original purchase order value of \$1,483,312 (net HST included for PO# 2070765948). The increased costs can be accommodated in the projects construction contingency and an increase will not result in an increase to the project budget.

Project Account No. CT000007 – Cogswell Redevelopment Project

Contract Award (net HST included)	\$1,483,312
Previous Increase (net HST Included)	\$ 215,392 \$215,409
Current Request for Increase (net HST included)	<u>\$ 277,536</u>
New Contract Value (net HST included)	\$1,976,244 \$ 1,976,257

* The request results in a 33.2% cumulative increase to the original contract price.

FINANCIAL IMPLICATIONS

Change Order WSP-CO-1 has a cost quote of \$277,536 (Net HST included). Funding is available in Project Account No. CT000007–Cogswell Redevelopment Program. Budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CT000007</u>	
	Cumulative Unspent Budget	\$57,218,156*
	Less: WSP-CO-1	<u>277,536</u>
	Balance	\$56,940,620

*This project was estimated in the Approved Capital Budget at \$61,750,000. The balance of the funds in the contract will be used for contract management services as per the original contract award.

RISK CONSIDERATION

No risks identified

COMMUNITY ENGAGEMENT

Not applicable

ENVIRONMENTAL IMPLICATIONS

No implications identified

ALTERNATIVES

Regional Council may choose not to approve the increase to the contract. This is not recommended by staff as the additional work is required to complete the Cogswell Redevelopment 90% design development and proceed to procurement of construction services.

ATTACHMENTS

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.

Report Prepared by: John Spinelli, Director, Cogswell Redevelopment Program, 902.293.8567

Original Signed

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