



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

Item No. 15.1.1
Halifax Regional Council
June 18, 2019

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: May 28, 2019

SUBJECT: **Increase to Contract – Tender 18-156R Burnside Transit Centre Roofing Replacement - Phase 1**

ORIGIN

This report originates from a need to increase the contract for Tender 18-156R Burnside Transit Centre Roofing Replacement (Phase 1) beyond 20% and \$20,000 of its original award.

The approved 2018/19 Capital Budget Supplemental Report, Page U4 Burnside Transit Centre Roof Repairs – CB000082.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Administrative Order*.

Appendix B of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract amendments of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council approve an increase to Tender No. 18-156R, Burnside Transit Centre Roofing Replacement - Phase 1 (Purchase Order No. 2070800366) to Evolution Roofing Ltd., for changes to the contracted scope of work, in the amount of \$266,598 (net HST included) from Project No. CB000082 Burnside Transit Centre Roof Repair, as outlined in the Financial Implications section of this report.

BACKGROUND

The Burnside Transit Centre (BTC) was constructed in 1981 and is the main storage and maintenance facility for Halifax Transit and their fleet of buses. The roofing is believed to be original to the building. It has exceeded its useful life expectancy of 25 years and has had extensive ongoing leaks resulting in roof repair costs and disruptions to the maintenance facility. The project has allowed for the necessary recapitalization to ensure a dry and safe working environment.

The total roof area to be replaced through a two-phased project is approximately 163,800 square feet. This tender covered the first phase with the roof replacement of approximately 80,000 square feet. The first phase allowed for the replacement of approximately two thirds of the roof area above the maintenance space. The new roofing is a 2-ply adhered modified bitumen roofing system with a 20-year warranty. The second phase of the roofing replacement project was issued May 9, 2019 and is anticipated to be completed by December 2019. In addition, separate tenders will be issued for replacement of the rooftop air handling units associated with each section of roofing.

DISCUSSION

The scope of work for Evolution Roofing included the removal and disposal of the existing roof system down to the metal roof deck and installation of the new roofing system.

The increase in contract was necessary due to deteriorated metal roof deck found on site that was uncovered during demolition of the existing roof material and required removal and replacement. During demolition of the roof, it became evident that large areas of the roof deck were significantly corroded as the result of many years of winter maintenance using "salt" to assist with the melting of snow/ice on the roof through the winter months. To ensure the structural integrity of the roof system, a structural engineer was engaged to review the deck and site conditions and provide direction to HRM and the roofing contractor specific to a procedure to replace the corroded metal roof deck with new deck.

This change was the result of unknown conditions not discovered during project investigation because most of the corroded deck was not evident when viewed from below. Due to the unknown nature and extent of the required deck replacement, a Change Directive to the Contractor was the preferred choice to have the work proceed and keep overall costs to a minimum. Given the nature of the labour and materials, the actual value of the change directive could not be reported accurately until the actual quantity of work was verified and the value of the change directive received. The submitted value of the change directive has been reviewed and verified by HRM's roofing consultant as accurate and reflective of the actual work completed.

The work of this contract is complete and additional change orders are not anticipated. An increase of \$266,598 (net HST included) is requested. The requested increase results in a cumulative increase of 24.5 percent of the original contract value of \$1,336,947 (PO# 2070800366). 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. CB000082 – Burnside Transit Centre Roof

Contract Award (net HST included)	\$1,336,947
Previous Increase (net HST included)	\$ 61,729
Current Request for Increase (net HST included)	<u>\$ 266,598</u>
New Contract Value (net HST included)	\$1,665,274

FINANCIAL IMPLICATIONS

Funding in the amount of \$255,641, plus net HST of \$10,957, for a total of \$266,598, is available in Project No. CB000082 – Burnside Transit Centre Roof Repair. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB000082 – Burnside Transit Centre Roof Repair</u>	
	Cumulative Unspent Budget	\$2,048,962
	Less: Increase to PO No. 2070800366	\$266,598
	Balance	\$1,782,364

* The request results in a cumulative 24.5 percent increase to the original contract price.

The balance of funds will be used for the Phase 2 roof replacement work project.

RISK CONSIDERATION

None

ENVIRONMENTAL IMPLICATIONS

No implications identified.

ALTERNATIVES

Regional Council could choose not to approve the increase to the contract. This is not recommended as the work was required to provide a safe working environment.

ATTACHMENTS

None

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: Michael MacDonald, Project Manager, CFD&C, 902.490.1744

Report Approved by: Original Signed
John MacPherson, Manager, CFD&C, 902.209.0763

Report Approved by: Original Signed
Dave Reage, Director, Halifax Transit, 902.490.5138

Procurement Review: Original Signed
Stephen Terry, Acting Manager, Procurement, 902.490-4200

Report Approved by: Original Signed
Jerry Blackwood, Director, Corporate & Customer Services, 902.490.6308