

HALIFAX

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

Item No. 11.1.1
Halifax Regional Council
May 4, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: April 23, 2021

SUBJECT: **Increase to Contract – RFP No. 18-314 – PO 2070810368 Englobe/Crandall Engineering Limited – Burnside Phase 13 Detailed Design**

ORIGIN

This report originates from a need to increase the contract beyond 20% or \$20,000 of its original value. The approved 2019/20 Capital Budget - Project CQ000008 – Burnside and City of Lakes Development.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter. The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Administrative Order*.

Section 28 of the *Procurement Administrative Order* provides that Halifax Regional Council may approve contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve an increase to the contract with Englobe / Crandall Engineering Limited (PO 2070810368) in the amount of \$38,780 (HST not included - HST 100% recoverable) with funding from Project CQ000008 – Burnside and City of Lakes Development, as outlined in the Financial Implications section of this report.
2. Approve a budget increase of \$53,195.71 (HST not included - HST 100% recoverable) to Project Account No. CQ000008, Burnside and City of Lakes Development, funded through cost sharing with Heritage Gas, as outlined in the Financial Implications section of this report.
3. Authorize, as per the Financial Implications section of this report, payment to Halifax Water (HW) for water and sewer infrastructure inspection, in the amount of \$10,549.86 (HST not included - HST 100% recoverable).

BACKGROUND

On February 14, 2019 the Chief Administrative Officer awarded the design component of Request for Proposal No. 18-314, Burnside Industrial Park - Phase 13 – Design and Construction Inspection Services, to the highest scoring proponent, Englobe / Crandall Engineering Limited, at a cost of \$250,937 (no HST included – HST 100% recoverable).

Significant changes were required to the original concept plan during the preliminary design and coordination with Nova Scotia Transportation and Infrastructural Renewal (NSTIR), Nova Scotia Power (NSP), Bell/Aliant, Heritage Gas and Halifax Water related to the Highway 107 Highway Project which provides access to the municipality's lands in Phase 13. This resulted in the preparation of new Concept Drawings for the purpose of subdivision approval, submitted to HRM in September 2019 along with a change order for \$23,500 (no HST included, 100% recoverable) to complete these drawings.

Following the approval of the new development concept, the original designed 30% submission was revised to reflect the new layout. The new street network layout eliminated a traffic signalized intersection, reduced the length of streets by 585-m, updated lot grading options for flexibility for future sales, updated sanitary sewer layout, provided a less expensive utility easement across Highway 107, updated wetland information and replaced a signalized intersection with a roundabout. This work resulted in an approximate saving of \$3,025,000 to HRM capital and long-term maintenance.

On September 22, 2020, HRM Council approved an increase to contract of \$191,376 (no HST, 100% recoverable) to Englobe / Crandall Engineering Limited to complete the work.

On October 6, 2020, HRM entered into Construction Agreement 2020-025 with Nova Scotia Transportation and Infrastructural Renewal (NSTIR) to construct the utility easement for water, sewer, gas, power and communication across the future Highway 107 as part of a larger tender that NSTIR was completing.

NSTIR tender closed on October 9, 2020 and was awarded to Dexter Construction Company Limited. HRM's consultant fees for construction inspection were evaluated but not included in the original RFP award report and were to be awarded with each construction phase. The inspection fees for Englobe / Crandall Engineering Limited are \$38,780 (no HST included - HST 100% recoverable). Halifax Water also requires inspection fees of 2% of the cost of their new infrastructure and this amounts to a total of \$10,549.86 (no HST included, HST 100% recoverable).

Heritage Gas construction fees are recoverable through a cost share agreement and this amounts to a total of \$53,195.71 (no HST included, 100% recoverable).

DISCUSSION

The construction inspection work provides documentation and certification that the infrastructure has been installed as designed.

Staff has recommended an increase to Englobe/Crandall Engineering Limited PO #2070810368 for changes to the contracted scope of work in the amount of \$38,780 (no HST included, HST 100% recoverable). Payment to Halifax Water for construction inspection fees in the amount of \$10,549.86 (no HST, 100% recoverable) and a recover of Heritage Gas cost share of \$53,195.71 (no HST included, HST 100% recoverable).

A summary of the changes are as follows:

| | |
|-----------------------------|-------------------------|
| PO Award for Englobe | \$ 250,937 |
| CO increases approved | \$ 23,500 |
| Council increase approved | <u>\$ 191,376</u> |
| Request for Increase | <u>\$ 38,780</u> |
| | |
| New Contract Value | \$ 504,593 |

The total amount of changes (approved and pending) is \$253,656 (no HST included, 100% recoverable), which represents a cumulative increase of 101.08 % to the original contract value of \$250,937.

FINANCIAL IMPLICATIONS

Based on the quoted price of \$38,780 (no HST included, 100% recoverable), funding is available in Account No CQ000008 – Burnside and City of Lakes Development. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CQ00008 – Burnside and City of Lakes Development**

| | |
|--|-------------------------|
| Cumulative Uncommitted Budget | \$7,180,580 |
| Increase: Heritage Gas Cost Share | \$ 53,196 |
| Less: Increase to RFP No. 18-314 | \$ 38,780 |
| Less: Halifax Water inspection fees | <u>\$ 10,550</u> |
| Balance | \$7,184,446 |

The balance of funds will be used to implement the further development in the business parks.

RISK CONSIDERATION

No risk considerations were identified.

COMMUNITY ENGAGEMENT

No community engagement was required. The development of HRM Industrial parks is a Council priority outcome under Economic Development.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified

ALTERNATIVES

Council could choose not to approve the recommendations in this report, but this is not recommended by staff due to the importance of documentation and certification of critical infrastructure.

ATTACHMENTS

Attachment 1 – Heritage Gas cost share letter

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 Wile, Manager, Acquisitions, Disposals and Industrial Lands Finance,
Asset Management and ICT / Corporate Real Estate 902-476-9162

John Fawcett, P.Eng., Design Engineering, Project Planning and Design
902-943-2603

Report Approved By: Original Signed
Dave Hubley, P. Eng., Director, Project Planning & Design at 490-4845

Report Approved By: Original Signed
Peter Stickings, Director, Corporate Real Estate, Finance, Asset Management &
ICT, 902-490-7129

Report Approved by: Original Signed
Brad Anguish, Executive Director, Transportation & Public Works, 902-490-4855

Procurement Review: Original Signed
Jane Pryor, Manager, Procurement, 902-490-4200



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

MEMORANDUM

DATE: January 5, 2021

TO: John Hawkins, P.Eng., President, Heritage Gas

CC: Allison Coffin, P.Eng., Manager Engineering and Construction, Heritage Gas
David Hubley, P.Eng, Manager, Project Planning & Design, HRM
Anne Sherwood, P.Eng, Senior Design Engineer, Project Planning & Design, HRM

FROM: John Fawcett, P.Eng., Design Engineer, Project Planning & Design, HRM

SUBJECT: Cost Sharing Agreement: NSTIR Tender No. 2020-205, Highway 107 Sackville, Bedford Burnside Connector - Utility Crossing

Tender No. 2020-205, RFC Drainage, Gravelling, Bridge Overhead Sign, And Asphalt Concrete Paving, Eight Projects in Halifax County closed on October 9, 2020. Prior to tender award, a cost-sharing agreement must be finalized between Halifax Regional Municipality (HRM) and Heritage Gas (HG).

Please find enclosed a summary and break-down of items associated with Utility Easement across Highway 107.

Based on the unit prices of the lowest bidder meeting specifications, Dexter Construction Company Limited, and the above cost-sharing, the estimated HG's costs for Tender No. 2020-205 can be summarized as follows:

Natural Gas

| | |
|---|----------------------------|
| Cost for gas main and sleeve (refer to evaluation sheet) | \$ 36,960.00 |
| HG share for mobilization, excavation, gravel, compaction and dust control (refer to evaluation sheet) | <u>\$ 16,235.71</u> |
| Total Estimated Cost for HG | <u>\$ 53,195.71</u> |

Actual cost sharing for this project will be based on final quantities determined during construction. If these terms meet with your approval, please sign in the appropriate location below and return this document to my attention. If you have any questions or concerns, please call me at 902-943-2603.

Regards,

Original Signed

John Fawcett, P.Eng.
Design Engineer, HRM

Original Signed

John Hawkins, P.Eng.
President Heritage Gas

January 23, 2021

Date