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Item No. 11.1.10
Halifax Regional Council
June 29, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Jerry Blackwood, Acting Chief Administrative Officer

DATE: June 20, 2021

SUBJECT: **Award – 21-1114, Alternative Procurement – Broad Street South Roundabout**

ORIGIN

At the May 12, 2009 Regional Council meeting, a motion was passed to implement a Capital Cost Contribution (CCC) program and Infrastructure Master Plan for the Bedford West Secondary Planning Strategy.

At the June 9, 2020 Regional Council Meeting, a motion was passed to amend the Infrastructure Master Plan for projects in the Bedford West Secondary Plan Area.

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 the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Administrative Order*.

Section 16 (2) of the *Procurement Administrative Order* states:

“For procurement opportunities that exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, provided that it is not done for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any jurisdiction covered by an applicable trade agreement, in the following circumstances: ...

(b) if the Goods, Services or Construction can be supplied only by a particular supplier and no reasonable alternative or substitute Goods, Services or Construction exist for any of the following reasons: ...

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(iii) due to an absence of competition for technical reasons”

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 award the design and construction of a single-lane roundabout at the intersection of Larry Uteck Boulevard and Broad Street (South) through an Alternative Procurement to West Bedford Holdings Limited at a maximum value of \$3,900,000 (net HST included) with funding from Account No. CTU01006 – Bedford West Road Oversizing, as outlined in the Financial Implications section of this report.

BACKGROUND

West Bedford Holdings Limited (WBHL) is currently developing significant parcels of residential and commercial lands in the area known as Bedford West, generally bounded by Highway 102, Hammonds Plains Road, and Kearney Lake. Larry Uteck Boulevard forms the main spine through the center of the area under development.

As development has progressed in the area, new roads have been constructed by WBHL and connected to Larry Uteck Boulevard, including Belle Street, Abbington Avenue, and Broad Street. Broad Street connects to Larry Uteck Boulevard in two locations due to its crescent shape. This has created two new intersections at Broad Street North and Broad Street South, which lie on either side of NS Transportation and Active Transit’s (NSTAT’s) proposed corridor for Highway 113.

The original transportation infrastructure plan for Bedford West was created in 2009 and proposed a number of roadway projects to increase vehicle capacity to and through the area. With the Municipality’s adoption of the Integrated Mobility Plan (IMP) in 2017, the focus of transportation infrastructure development has shifted to consider all transportation modes – walking, rolling, transit, and driving. This necessitated a review of the infrastructure projects in the original plan and resulted in the following revised list of projects along Larry Uteck Boulevard:

- Larry Uteck Boulevard multi-modal transportation upgrades – multi-use pathway and sidewalks
- Intersection modifications – Larry Uteck Boulevard at Hammonds Plains Road
- Larry Uteck Boulevard at Bluewater Road – Traffic Signals
- Broad Street North - Roundabout
- Broad Street South - Roundabout

The intersection of Larry Uteck Boulevard and Broad Street South (“the intersection”) is currently operated via temporary traffic signals. These were installed by WBHL in 2019 to improve the efficiency and safety of vehicular operations at the intersection prior to construction of the final intersection design. The development agreement between HRM and WBHL dated September 23, 2016 states that the WBHL is required to provide permanent traffic signals and turning lanes to accommodate development-related traffic at the intersection at their cost. The cost of constructing permanent traffic signal and turning lanes is estimated to be \$550,000. HRM and WBHL agreed that the installation of the temporary traffic signals would be valued at \$250,000, thereby reducing the developer’s share to the remaining \$300,000.

A review of future traffic operations in the area was performed for HRM by Griffin Transportation Group in April 2015. This review determined that a roundabout would be the preferred intersection design at both intersections of Broad Street with Larry Uteck Boulevard instead of traffic signals and turning lanes. Further discussions between HRM and NSTAT have confirmed the use of a roundabout for the intersection design.

NSTAT continues to investigate the potential for the proposed Highway 113 that would pass over Larry Uteck Boulevard between the two Broad Street intersections. If eventually built, the new highway would include an interchange with Larry Uteck Boulevard. NSTAT has indicated that the ramp terminals from this interchange would be roundabouts. Given the proximity to the two Broad Street intersections, consistency in intersection design will result in improved safety and efficiency for all road users along this corridor.

A detailed design and cost estimate for construction was completed in early 2019. After further review in early 2021 of the future of the intersection and the Larry Uteck Boulevard corridor, staff requested modifications to the design to better reflect the principles of the IMP and the draft Municipal Design Guidelines (Red Book). The final design will result in the construction of a single-lane roundabout. The revisions to the design also produced the required construction specifications and updated the estimated cost of construction. If expansion of the roundabout and/or road is required in the future, the design process confirmed that adequate right-of-way is available.

Capital budget for construction of the roundabout was made available through the 2021-2022 capital budgeting process using the 2019 estimate of \$3,900,000.

DISCUSSION

WBHL is currently performing roadwork and other development activities along a significant portion of Larry Uteck Boulevard, including upcoming work this summer at the intersection with Belle Street and Abbingtion Avenue – 350m to the south of this location – and temporary modifications to intersection controls at the intersection of Larry Uteck Boulevard and Broad Street North – 650m to the north. In addition, to allow for construction activities to occur at the Broad Street South roundabout, WBHL would need to be involved in the removal of their temporary traffic control signals at this location.

The September 23, 2016 Development Agreement for the area contemplated that HRM might pursue widening of Larry Uteck Boulevard around the same time that WBHL would be completing its construction of Broad Street. The Infrastructure Master Plan was updated in 2020, and HRM is no longer considering widening Larry Uteck Boulevard at this time, however a roundabout at the intersection is still the preferred option.

Having WBHL perform the construction will simplify coordination and completion of the removal of the temporary traffic controls currently in place at the intersection, which will need to be modified throughout the phases of construction to maintain safe control of the intersection until the roundabout is operational. Safe coordination of the construction activities at the three adjacent intersections (Broad Street North, Broad Street South, and Belle Street/Abbingtion Avenue) will also be simplified. The Municipality will provide WBHL with the funds to construct the intersection from the current capital budget minus \$300,000 to reflect the value of a signalized intersection with turning lanes, accounting for the value of the temporary traffic signals that have already been installed. This same approach was used in the past for the construction of the Kearney Lake Connector.

The value of tenders for construction have tended to be higher throughout the COVID-19 pandemic than original estimates due to scarcity of materials and related fluctuations in prices. Cost estimates have been reviewed and updated in the creation of this report with the latest available estimated unit prices to reflect this reality and were found to still be within the available capital budget. There is some risk that the actual cost of construction may exceed the approved capital budget requiring supplementary approvals, but this is considered to be low.

WBHL will perform the design revisions and tender the construction of the roundabout pursuant to a construction agreement to be negotiated with HRM. WBHL will also be performing various construction management and inspection activities throughout construction. The costs will be determined through WBHL obtaining competitive bids in a fair and open tendering process to ensure fair market value for the work.

Staff will coordinate inspection and takeover of the infrastructure. The construction agreement will include mechanisms to ensure that WBHL’s construction costs reflect value for money, and incorporate HRM’s standard road construction terms & conditions. The Municipality will be the owner of all construction warranties on the infrastructure.

FINANCIAL IMPLICATIONS

The estimated cost of construction for the intersection is \$3,900,000, net HST included. The actual cost of construction will be refined as a result of WBHL’s tendering activity. The remaining value of constructing a signalized intersection with turning lanes estimated at \$300,000 and will be deducted from the funds transferred to WBHL.

WBHL will be paid as a single lump sum upon completion of the construction and acceptance of the work by staff.

Funds are available in capital account CTU01006 – Bedford West Road Oversizing, as approved by Regional Council in the capital budget. Finance has confirmed the availability in this account.

Budget Summary:	<u>Capital Account No. CTU01006 – Bedford West Road Oversizing</u>		
	Available account balance		\$4,287,366
	Less: Maximum tender value		\$3,900,000 *
	<u>Plus: Value of traffic signals and turning lanes</u>	<u>\$ 300,000</u>	
	Balance		\$ 687,366

* This project was estimated in the Approved 2021/22 Project Budget at \$3,900,000. \$2,100,000 will be recoverable from the Bedford West master plan area Capital Cost Contribution (CCC) revenues. HRM’s net cost of the project is \$1,500,000. The actual contribution will be refined as a result of WBHL’s tendering activity.

The balance of funds will be used for future transportation infrastructure projects in Bedford West.

RISK CONSIDERATION

Fair Market Value

There is a risk that the Municipality will not receive fair market value for the services provided. This risk will be mitigated through requirements that the developer receive multiple bids for the completion of the work. This risk is considered to be low.

Budget Exceedance

There is a risk that the bids received through the tendering process will exceed the amount available in the capital budget. The risk is considered to be high. This risk would be identical if the Municipality were to execute the tender for construction. The recommended approach mitigates this risk through efficiencies in coordinating work via the developer who will be performing other roadworks in the area.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
Fair Market Value	2	2	L	This risk will be mitigated through requirements that the developer receive multiple bids for the completion of the work.
Budget Exceedance	3	4	H	The recommended approach mitigates this risk through efficiencies in coordinating work via the developer who will be performing other roadworks in the area.

There are no significant risks associated with the recommendation in this report. To reach this conclusion, consideration was given to financial, legal and compliance, and service delivery risks.

ENVIRONMENTAL IMPLICATIONS

This project supports the Regional Plan settlement pattern of transit friendly, multi-modal communities, and is consistent with the assumptions for GHG reduction in HalifACT.

ALTERNATIVES

Regional Council could choose not to approve the recommendation in this report and instead execute the design and construction tender through HRM's internal processes. This is not recommended given that Regional Council approved the 2021/22 Capital Budget to accommodate this work during the 2021 construction season and it would not take advantage of the efficiencies WBHL has by virtue of already being on-site for other related works.

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.

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