

# HALIFAX

P.O. Box 1749  
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**Item No. 11.1.3**  
**Halifax Regional Council**  
**August 17, 2021**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:**

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Jacques Dubé, Chief Administrative Officer

**DATE:** August 4, 2021

**SUBJECT:** Contract Extension - Winter Sidewalk Maintenance - Tender No. 17-051  
Contracts SWZ1 & SWZ4 - Provincial Pavement Markings

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## **ORIGIN**

This report originates from a need to increase the overall value of contracts SWZ1 & SWZ4 contained within Tender No: 17-051 beyond 20% of their original value. Regional Council awarded this tender on July 18, 2017.

## **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 a contract extension to 17-051 SWZ1 – Winter Maintenance of Sidewalks – Cole Harbour, Eastern Passage, Waverley Areas, contained within Scheduling Agreement Number: 2100001160 – increase of \$1,527,449.93 (net HST included)
2. Approve a contract extension to 17-051 SWZ4 – Winter Maintenance of Sidewalks – Herring Cove, Timberlea, Cowie Hill Areas, contained within Scheduling Agreement Number: 2100001162 – increase of \$754,840.84 (net HST included)

## **BACKGROUND**

SWZ1 of Tender 17-051, encompasses the geographical areas of Cole Harbour, Eastern Passage and Waverley for the purposes of Winter Sidewalk Maintenance. The current contract area includes 173km of sidewalk with varying priority levels.

SWZ4 of Tender 17-051, encompasses the geographical areas of Herring Cove, Timberlea and Herring Cove for the purposes of Winter Sidewalk Maintenance. The current contract area includes 92km of sidewalk with varying priority levels.

Both SWZ1 & SWZ4 were posted and awarded in 2017, for a duration of two years, with two optional one-year extensions (19/20 & 20/21), to Provincial Pavement Markings (PPM). The contractor's performance has been satisfactory with minor issues throughout the current contract period.

## **DISCUSSION**

Transportation and Public Works previously planned to re-tender both areas in the spring of 2021, to include any additional inventory from the NSTAT Road Transfer.

As the current contract terms for SWZ1 & SWZ4 expire this year (July 2021), and the transference of maintenance responsibilities from NSTAT has been delayed for one year, HRM will need to confirm a service provider to bridge the gap for the upcoming (21/22) winter maintenance season.

Through consultation with Procurement, staff have negotiated contract extensions with Provincial Pavement Markings, to continue to provide Winter Maintenance to SWZ1 & SWZ4 for the 2021/22 season. The below price adjustments reflect current market pricing; including the Contractors commitment to fulfill HRM's Living Wage requirements.

### **SWZ1 – Cole Harbour, Eastern Passage, Waverley Areas**

#### **Tender No. 17-051**

Scheduling Agreement # 2100001160

Contract Award - 2 years (net HST included)	\$2,384,185.00
Exercised Option Year 1 (net HST included)	\$ 1,204,043.15
Exercised Option Year 2 (net HST included)	\$ 1,199,553.45
Contract Value 4 years including net HST	\$ 4,787,781.60
<b>Current Request for 1 year extension (net HST included)</b>	<b>\$ 1,527,449.93</b>
New Overall Contract Value including net HST	\$ 6,315,231.53

**SWZ4 – Herring Cove, Timberlea, Cowie Hill Areas**

**Tender No. 17-051**

Scheduling Agreement # 2100001162

Contract Award - 2 years (net HST included)	\$ 1,076,232.00
Exercised Option Year 1 (net HST included)	\$ 543,517.78
Exercised Option Year 2 (net HST included)	\$ 540,117.25
Contract Value 4 years including net HST	\$ 2,159,867.03
<b>Current Request for 1 year extension (net HST included)</b>	<b>\$ 754,840.84</b>

New Overall Contract Value including net HST \$ 2,914,707.87

**RISK CONSIDERATION**

If the proposed contract extensions are not approved, staff will be required to retender both areas for a duration of one year. This is not best practice, due to the extensive overhead costs associated with short term specialized equipment requirements, operator recruitment and training. It is expected that pricing would return significantly higher than identified above.

**FINANCIAL IMPLICATIONS**

Due to current market pricing, the proposed contract extension amounts of \$1,527,450 and \$754,841 exceed the budgeted amounts of \$1,213,416 and \$546,359 respectively, resulting in a potential shortfall of \$522,516. This shortfall is projected to be offset by higher than expected vacancy savings, due to a continuation of vacancies resulting from the recast 20/21 COVID-19 budget in Road Operations and Construction and a longer than anticipated time to fill them.

Funding for the award of the contracts is available in operating Account R881 6399. The budget availability has been confirmed by Finance.

**ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

**ALTERNATIVES**

Regional Council may choose not to approve the above recommendations; however, this is not recommended by staff, as the alternative would be tendering the identified areas for a duration of one year.

**ATTACHMENTS**

None.

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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