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Item No. 12.2.3
Audit & Finance Standing Committee
September 15, 2021

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: - Original Signed -
John MacPherson, A/Executive Director, Corporate & Customer Services
- Original Signed -
Jacques Dubé, Chief Administrative Officer

DATE: August 23, 2021

SUBJECT: **Award – Tender 21-175 – Grahams Grove Facility**

ORIGIN

The approved 2021/22 Capital Budget, Supplemental Report page B59 (Regional Park Washrooms – CB200010).

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79 – The Municipality may spend money for municipal purposes in accordance with this section; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

RECOMMENDATIONS ON PAGE 2

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee recommend that Regional Council:

1. Approve an unbudgeted withdrawal in the amount of \$639,621 (net HST included), from the General Contingency Reserve, Q421; and
2. Increase 2021/22 Capital Project Number CB200010 – Regional Park Washrooms by \$639,621 (net HST Included); and
3. Approve an increase of \$18,361 (net HST included) to RHAD Architects (PO 2070833916), for additional consulting services with funding from Project Account No. CB200010 – Regional Park Washrooms; and
4. Award Tender No. 21-175 Grahams Grove Facility, to the lowest bidder meeting specifications, Avondale Construction Limited , at a cost of \$2,299,165 (net HST included) with funding from Project Account No. CB200010 – Regional Park Washrooms; Project Account No. CB190008 – Energy Efficiency Initiatives; Project Account No. CB190009 Environmental Remediation/Building Demolition and CB200012 – HalifACT 2050 – Climate Action Plan, as outlined in the Financial section of this report.

BACKGROUND

The Kiwanis Club of Dartmouth (KCD) is a registered charity and regional chapter of Kiwanis International, a global volunteer organization. Kiwanis clubs are established in more than 80 countries worldwide and are dedicated to supporting children, young adults and responding to individual community's needs. Since KCD was chartered in 1943, the organization has developed a variety of annual fundraising events for charitable reinvestment in the Dartmouth community. Historically, the organization has made major contributions to the construction of parks and playground, including the Dartmouth Ferry Terminal Park playground and Kiwanis Sullivan's Pond Fountain.

Following a presentation in 2016 by the KCD to Harbour East-Marine Drive Community Council (HEMDCC) and consultations with KCD and the Dartmouth Dragon Boat Association (DDBA) , another primary user of the facilities at Kiwanis Grahams Grove Park, staff returned to Regional Council in December 2017 recommending a new multi-use HRM owned building to replace all the existing structures at Kiwanis Grahams Grove Park with leased space to groups.

In March 2019 Regional Council approved the Kiwanis Grahams Grove Park building as a multi-year capital project for consideration in the 2022/2023 Capital Budget, with a preliminary cost estimate of \$1.3M. The Kiwanis will contribute \$300,000 toward the construction of the building.

In February 2020, RHAD Architecture was engaged to complete this design. During the design phase additional work was required for design services. Design was completed and the Construction Tender was issued.

DISCUSSION

Existing facilities will be removed and construction of the new facility will be fully accessible and will include two buildings. One will house the KCD ice cream shop, accessible meeting/event space, accessible washroom and storage. The second building will house the DDBA meeting/teaching space, change rooms, boat and supply storage, and gender neutral accessible public washrooms. Both buildings will be connected by accessible deck space and breezeway with multiple seating areas for eating, gatherings and events and will include an outdoor bottle filling station.

The new building is scheduled to open in the Summer of 2022.

The new building will be owned by HRM but each section will be operated by their respective tenants. Lease agreements are in progress for both the Dartmouth Dragon Boat Association and the Kiwanis. The public washrooms will be operated by HRM.

Tenders were called on July 5, 2021, with closing on August 6 2021. Bids were received from the following companies:

Name of Company	Bid Price (Net HST Included)
*Avondale Construction Ltd	\$2,299,165
Maxim Construction Inc.	\$2,363,642
Blunden Construction (1995) Ltd.	\$2,490,350
RCS Construction Inc.	\$2,881,361

***Recommended proponent**

Value Engineering

Prior to tender, a value engineering exercise with consultants reduced the footprint and amenities within the buildings to reduce the cost below the Class A estimates presented by our cost consultants. This reduction was more in line with the proposed budget, however due to the current market, the bids did not reflect these cost savings.

This value engineering exercise along with various other additional requirements increased the scope of work for the consultants resulting in an additional funding requirement beyond CAO approval limit. Details are outlined in the Financial Implications section of this report.

Scope of work and Schedule:

- Demolition of existing buildings.
- Two new facilities with event space, accessible public washrooms, ice cream shop, boat and supplies storage, change rooms, electric vehicle charging stations, solar panels and decking.
- Landscaping.
- Commissioning of new buildings.

Paving of the parking lot is a separate Parks project and will be completed in conjunction with this project.

It is anticipated that work will commence within three weeks of the Tender award and take approximately 8 months to complete.

Staff has also recommended an increase to PO # 2070833916 for changes to the contracted scope of work for consulting services in the amount of \$18,361 (net HST included). A summary of the changes are as follows:

PO Award (net HST included)	\$ 71,123
CO increases approved to date (net HST included)	\$ 14,079
Request for Increase (net HST included)	<u>\$ 18,361</u>
New Contract Value (net HST included)	\$103,563

The total amount of changes (approved and pending) is \$32,440 (net HST included), which represents a cumulative increase of 45.6%.

FINANCIAL IMPLICATIONS

Budget Summary: General Contingency Reserve, Q421

Projected net available reserve balance, as of Q1	\$ 19,590,406
Unbudgeted withdrawal per recommendation #1	<u>\$ 639,621</u>
Projected net available balance	\$ 18,950,785

Based on the lowest bid price of \$2,204,673 plus net HST of \$94,492 for a net total cost of \$2,299,165, funding is available in the Approved 2021/22 Capital Budget from Project Account No. CB200010 – Regional Park Washrooms, Project Account No. CB190008 – Energy Efficiency Initiatives; Project Account No. CB190009 Environmental Remediation/Building Demolition and CB200012 – HalifACT 2050 – Climate Action Plan. The budget availability has been confirmed by Finance.

Budget Summary: Project Account No. CB200010 – Regional Park Washrooms

Cumulative Unspent Budget	\$1,576,160
Plus: Approved Increase	<u>\$ 639,621*</u>
Total funds	\$2,215,781
Less: Increase to PO 2070833916	\$ 18,361
Less: Tender No. 21-175	<u>\$2,082,451</u>
Balance	\$ 114,969

Budget Summary: Project No. CB190008 – Energy Efficiency Initiatives

Cumulative Unspent Budget	\$1,495,354
Less: Tender No. 21-175	<u>\$ 125,000</u>
Balance	\$1,370,354

Budget Summary: Project No. CB200012 – HalifACT 2050 – Climate Action Plan

Cumulative Unspent Budget	\$1,972,631
Less: Tender No. 21-175	<u>\$ 41,714</u>
Balance	\$1,930,917

Budget Summary: Project No. CB190009 – Environmental Remediation/Building Demo

Cumulative Unspent Budget	\$ 147,808
Less: Tender No. 21-175	<u>\$ 50,000</u>
Balance	\$ 97,808

*The approved increase includes the additional funds required to award the contract, increase in the consultant fees and a 5% construction contingency.

The project was estimated in the Approved 2021/22 Capital Budget at \$1,690,000 (net HST included). Remaining funds in CB200010- Regional Park Washrooms will be allocated for other planned projects.

RISK CONSIDERATION

Risks associated with construction safety will be mitigated by ensuring safe work practices and standards are met during the construction process through a construction safety plan.

Local resident disruption: Will be mitigated through adherence to noise bylaws and pedestrian controls.

Destructive testing was performed to reveal structural components and concealed areas have been completed to allow in depth exposure of entire structure.

COMMUNITY ENGAGEMENT

The KCD and the DDBA Board of Directors are made up of members of the community.

ENVIRONMENTAL IMPLICATIONS

An Environmental Site Assessment and Hazardous Materials Assessments have been completed. Minimal hazardous materials are currently on site and will be remediated prior to demolition. All activities will follow a strict remediation protocol to ensure proper removal and disposal of all hazardous material.

ALTERNATIVES

The Audit & Finance Standing Committee may choose to recommend that Regional Council:

- (1) Not approve the increase to 2021/22 Capital Project Number CB200010 – Regional Park Washrooms project. This would result in the tender being cancelled and re-scoped.
- (2) Not award the tender. This is not recommended by staff as the new building is required for Parks & Recreation to meet the needs of this community.

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.

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Procurement Review: **- Original Signed -**
Jane Pryor, Director, Procurement, Finance & Asset Management, 902.292.3128
