

HALIFAX

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Item No. 15.1.4
Halifax Regional Council
October 26, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: October 19, 2021

SUBJECT: Increase to Contract – PO 2070848048, RFT No. 20-246 Portland Hills Traffic Calming- Portland Hills Drive-East Region

ORIGIN

This report originates from a need to increase PO 2070848048, RFT No. 20-246 Portland Hills Traffic Calming-Portland Hills Drive-East Region, beyond 20% of its original award.

LEGISLATIVE AUTHORITY

The *Halifax Regional Municipality Charter*, S.N.S. 2008, subsection 79A(1) provides:

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if:

(a) The expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

Section 32 of 2020-004-ADM, the Procurement Administrative Order, provides that contract amendments that exceed the greater of 20% of the original award amount, or \$20,000, must be approved by Council for funds to be issued.

RECOMMENDATION

It is recommended that Halifax Regional Council approve an increase to the contract with Sackville Trenching Co. Ltd. (RFT No. 20-246 – Purchase Order 2070848048) for additional work added to the original scope in the amount of \$79,860.07 (net HST included) with funding from Project Account CT190006 as outlined in the Financial Implications section of this report.

BACKGROUND

RFT No. 20-246 Portland Hills Traffic Calming-Portland Hills Drive-East Region was awarded to Sackville Trenching Co. Ltd. by the CAO on October 20, 2020 in the amount of \$284,470 (Net HST Included) for the installation of concrete curb bump outs, concrete sidewalk and speed tables.

This project was tendered late in the 2020 construction season as there was pressure to get Traffic Calming in place for the community. This rush did allow for the installation of two speed tables in 2020. The remainder of the work was carried over and completed in 2021.

The following increases were required during Construction:

1. Change Order #1 was issued for net HST in the amount of \$12,192.39 to permit award of the project.
2. Change Order #2 was issued during construction to adjust for conflicts between three designed catch basins and existing underground infrastructure in the amount of \$13,291.26.
3. Change Order #3 was issued to provide for reinstatement tape required to prevent water from entering new joints in the asphalt in the amount of \$5,386.38.
4. Quantities in the original tender were underestimated which, when combined with the additional reinstatement associated with Change Order #2, is resulting in a final additional contract increase in the amount of \$79,860.07.

DISCUSSION

Staff is recommending an increase to Sackville Trenching Co. Ltd. – PO 2070848048, for additional work and quantities in the amount of \$79,860.11 (net HST included). A summary of the changes are as follows:

PO Award	\$ 284,470.00
Increase CO#1	\$ 12,192.39
Revised Award:	\$ 296,662.39
Increase CO #2 and CO #3	\$ 18,750.79
Request for Increase (net HST included):	\$ 79,860.07
New Contract Value (net HST included):	\$ 395,273.25

The total amount of change is \$110,803.25 (net HST included), which represents a cumulative increase of 37.6% to the original contract award of \$284,470 (Net HST Included).

FINANCIAL IMPLICATIONS

Funding in the amount of \$79,860.07 (Net HST Included) is available from Project Account CT190006 – Road Safety Improvement Program. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account CT190006 – Road Safety Improvement Program**

Cumulative Uncommitted Budget	\$ 307,091.90
Less: Increase to RFT No. 21-229 (PO#2070858857)	\$ 79,860.07
Balance	\$ 227,231.83

This project was estimated in the Approved 2021/22 Capital Budget at \$266,000.
The balance of funds from account CT190006 will be used to implement the remaining program.

RISK CONSIDERATION

There is no risk considerations were identified.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Halifax Regional Council could choose not to approve the change order.

ATTACHMENTS

No attachments.

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