



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

**Item No. 15.2.1**  
**Halifax Regional Council**  
**October 18, 2022**

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

**- Original Signed -**

**SUBMITTED BY:**

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Councillor Paul Russell, Chair, Audit and Finance Standing Committee

**DATE:** October 6, 2022

**SUBJECT:** **Budget Increase to CP210013 - Park Development - New and Award RFT 22-401**

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### **ORIGIN**

September 21, 2022 meeting of Audit and Finance Standing Committee, Item 12.2.2.

### **LEGISLATIVE AUTHORITY**

Legislative Authority is outlined in the attached staff report dated September 15, 2022.

### **RECOMMENDATION**

The Audit and Finance Standing Committee recommends that Halifax Regional Council:

1. Approve an unbudgeted withdrawal in the amount of \$100,000 (net HST included) from Capital Fund Reserve Q526.
2. Increase 2022/23 Capital Project Number CP210013 - Park Development - New, by \$100,000 (net HST included); and
3. Award Tender No. 22-401, Unnamed Park 27 (Broad Street) Tennis Courts (Bedford) and Cole Harbour Common (Auburn Drive entrance) Parking Lot Upgrades (Cole Harbour) to the highest scoring bidder meeting the specifications, Ocean Contractors Limited, for a Total Tender Price of \$454,452.32 (net HST included) with funding from Project Account No. CP210013 – Park Development – New and Project Account No. CP200001 – Park Recapitalization, as outlined in the Financial Implications section of the staff recommendation report dated September 15, 2022.

## **BACKGROUND**

The Audit and Finance Standing Committee received a staff recommendation report dated September 15, 2022 to consider a budget increase to Capital Project Number CP210013 and award tender No. 22-401 to Ocean Contractors Limited.

For further information refer to the attached staff report dated September 15, 2022.

## **DISCUSSION**

Audit and Finance Standing Committee considered the staff report dated September 15, 2022 and approved the recommendation to Halifax Regional Council as outlined in this report.

## **FINANCIAL IMPLICATIONS**

Financial implications are outlined in the attached staff report dated September 15, 2022.

## **RISK CONSIDERATION**

Risk consideration is outlined in the attached staff report dated September 15, 2022.

## **COMMUNITY ENGAGEMENT**

Meetings of the Audit and Finance Standing Committee are open to public attendance and members of the public are invited to address the Standing Committee for up to five (5) minutes during the Public Participation portion of the meeting. Meetings are live webcast on Halifax.ca. The agenda, reports, video, and minutes of the Standing Committee are posted on Halifax.ca.

For further information on Community Engagement refer to the attached staff report dated September 15, 2022.

## **ENVIRONMENTAL IMPLICATIONS**

Environmental implications are outlined in the staff report dated September 15, 2022.

## **SOCIAL VALUE**

Social Value is outlined in the staff report dated September 15, 2022.

## **ALTERNATIVES**

Audit and Finance Standing Committee did not provide alternatives.

Alternatives are outlined in the attached staff report dated September 15, 2022.

## **ATTACHMENTS**

Attachment 1 – Staff recommendation report dated September 15, 2022

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.

Report Prepared by: Annie Sherry, Legislative Assistant, Municipal Clerk's Office 902.943.8741.

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## Attachment 1

### Item No. 12.2.2 Audit & Finance Standing Committee September 21, 2022

**TO:** Chair and Members of Audit & Finance Standing Committee

**-Original Signed-**

**SUBMITTED BY:**

\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** September 15, 2022

**SUBJECT:** Budget Increase to CP210013 - Park Development - New and Award RFT 22-401

#### **ORIGIN**

The Approved 2022/23 Capital Budget, Supplementary Sheets D6 and D8.

#### **LEGISLATIVE AUTHORITY**

Administrative Order One, Schedule 2, Audit & Finance Standing Committee Terms of Reference

8. The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

...

(c) proposed changes in any operating or project budget items;

...

g) the creation or modification of reserves and withdrawals not approved in the approved budget.

***Halifax Regional Municipality Charter***, S.N.S. 2008, c. 39, subsection 79A(1) provides:

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;
- (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
- (c) the expenditure is legally required to be paid.

Section 79A(4) - The Municipality may authorize capital expenditures that are not provided for in its capital budget if the total of such expenditures does not exceed the greater of:

- (a) the amount authorized to be transferred from the operating budget to the capital budget under subsection (3);
- (b) the borrowing limits established for the Municipality under Section 109; or
- (c) the amount withdrawn from a capital reserve fund under subsection 120(4).

***Administrative Order 2014-015-ADM, the Financial Reserves Administrative Order***

- 5. The Audit and Finance Standing Committee shall review and recommend to the Council for its consideration all impacts to the Reserves.

6. The Chief Administrative Officer may recommend to Council that Reserve funds be expended. Halifax Regional Municipality Policy on Changes to Cost Sharing for Capital Projects - Changes requiring

Council approval.

**Administrative Order 2020-004-ADM**, the *Procurement Policy*,

28 states that Council may award contracts for a competitive procurement in any amount.

28(1) The approval authority limits for the awarding of contracts are as follows:

Method	Manager	Director	CAO	Council
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000
Competitive Procurement	Per delegation of authority from Director [not to exceed \$100,000]	\$100,000	\$1,250,000	Any amount
Competitive Procurement – Street, sidewalk, & active transportation Construction projects	Per delegation of authority from Director	\$100,000	Any amount	Any amount
Competitive Procurement – Establishment of Standing Offer	\$5,000,000 (Manager of Procurement only)	\$5,000,000 (Director of Finance only)	\$5,000,000	Any Amount
Alternative Procurement	Per delegation of authority from Director	\$100,000	\$1,250,000	Any amount
Alternative Procurement – Urgent Circumstances per 16(1)(d)	Per delegation of authority from Director	\$100,000	Any amount	Any amount

## **RECOMMENDATION**

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

1. Approve an unbudgeted withdrawal in the amount of \$100,000 (net HST included) from Capital Fund Reserve Q526.
2. Increase 2022/23 Capital Project Number CP210013 - Park Development - New, by \$100,000 (net HST included); and,
3. Award Tender No. 22-401, Unnamed Park 27 (Broad Street) Tennis Courts (Bedford) and Cole Harbour Common (Auburn Drive entrance) Parking Lot Upgrades (Cole Harbour) to the highest scoring bidder meeting the specifications, Ocean Contractors Limited, for a Total Tender Price of \$454,452.32 (net HST included) with funding from Project Account No. CP210013 – Park Development – New and Project Account No. CP200001 – Park Recapitalization, as outlined in the Financial Implications section of this report.

## **BACKGROUND**

The Approved 2022/23 Capital Budget includes funds for two new tennis courts at Unnamed Park 27 (Broad Street), Bedford and upgrades to the gravel parking lot at the Cole Harbour Common (Auburn Drive entrance), Cole Harbour.

**DISCUSSION**

Tender No. 22-401, Unnamed Park 27 (Broad Street) Tennis Courts and Cole Harbour Common (Auburn Drive entrance) Parking Lot Upgrades, was publicly advertised on the Province of Nova Scotia's Procurement website on July 18, 2022 and closed on August 2, 2022. Three bids were received and evaluated based on price and social procurement:

Name of Company	Bid Price (net HST included)	Bid Score	Social Procurement	Total
Ocean Contractors Limited	\$454,452.32	90.00	10	100.00*
Dexter Construction Company Limited	\$474,125.87	86.10	10	96.10
Basin Contracting Limited	\$483,834.90	84.18	10	94.18

Social Value: Bids were evaluated using a scorecard process including evaluation of Social Value (10%) and Cost (90%).

\* Recommended bidder is the highest scoring bidder.

To date, \$380,000 has been approved through the capital budget process. The bid price for the new tennis courts at Unnamed Park 27 (Broad Street) was higher than estimated due to increased unit rates (gravels, asphalt, fencing, sodding) as a result of labour shortages and rising fuel and material costs. The high volume of public and private work available to contractors is also contributing to the inflated unit rates.

The scope of work for Unnamed Park 27 (Broad Street), Bedford consists of the construction of two new tennis courts with an acrylic surface and associated reinstatement. The scope of work at the Cole Harbour Common Parking Lot (Auburn Drive entrance), Cole Harbour includes the supply and installation of new gravels and associated reinstatement.

Contingent on the approval of award, it is anticipated work will commence in October 2022 and be completed by June 2023.

Notwithstanding that the CAO has the authority to award the tender, this report includes a recommendation to have Regional Council award the tender at concurrently with the increase of funding to expedite the award process to permit construction to commence as soon as possible.

**FINANCIAL IMPLICATIONS**

<b>Budget Summary:</b>	<b><u>Capital Fund Reserve – Q526</u></b>	
	Projected Net Balance in reserve as of June 30,2022	\$11,025,248.48
	<b>Less: Unbudgeted withdrawal per recommendation</b>	<b>\$ 100,000.00*</b>
	Revised Projected Net Balance	\$10,925,258.44

	<b><u>Project Account No. CP210013- Park Development - New</u></b>	
	Cumulative Uncommitted Budget	\$406,809.96
	<b>Less: Tender No. 22-401</b>	<b>\$370,105.79**</b>
	<b>Plus: Unbudgeted withdrawal from Capital Reserve Q526</b>	<b>\$100,000.00</b>
	Balance	\$136,704.17

**Project Account No. CP200001- Park Recapitalization**

Cumulative Uncommitted Budget	\$1,777,090.28
<b>Less: Tender No. 22-401</b>	<b>\$ 84,346.53**</b>
Balance	\$1,692,743.75

\* The required funds to award Tender No. 22-401 is \$70,105.70 (net HST included), however, a \$100,000.00 unbudgeted withdrawal from Capital Reserve Q526 is being recommended to cover contingency costs associated with unforeseen construction activities. Any unused funds will be returned to Capital Reserve Q526.

\*\* This project was estimated in the Approved 2022/23 Project Budget at \$300,000 and \$80,000 respectively.

The balance of funds will be used for implementing the remaining Park Development – New and Park Recapitalization projects as approved by Council.

### **RISK CONSIDERATION**

Risks considered in association with the recommendation in the report rate low.

### **ENVIRONMENTAL IMPLICATIONS**

Environmental implications not identified.

### **SOCIAL VALUE**

Bids were evaluated using a scored process including evaluation of Social Value (10%) and Cost (90%). The recommended bidder is the highest scoring bidder.

The Social Value considerations include workforce development, diverse supply chains and climate change initiatives. Expected outcomes include a more inclusive, diverse workforce and industry, as well as reductions in energy use, carbon emissions and the environmental impact of the work.

### **ALTERNATIVES**

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

1. Not approve the increase to the 2022/23 Capital Project Number CP210013 - Park Development – New. This will result in Tender No. 22-401 being cancelled and a capital budget increase would be requested as part of the 2023/24 Capital Budget.
2. Construct one tennis court versus two at Unnamed Park 27 (Broad Street), Bedford and re-tender the project.

### **ATTACHMENTS**

None.

Report Prepared by: Alex Quinn, Construction Project Manager, Strategic Planning & Design, Parks & Recreation, 902.476.5447