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Item No. 7
Halifax Regional Council
February 7, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: February 1, 2023

SUBJECT: Cogswell District Project Update Report #2

INFORMATION REPORT

ORIGIN

September 14, 2021, Regional Council motion (Item 11.1.6):

MOVED by Councillor Mason, seconded by Councillor Smith

THAT Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 2, the Audit and Finance Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order, requiring the Standing Committee to review and make recommendations on proposals coming to the Council outside of the annual budget or tender process;
2. Award Tender No. 21- 003, Request for Tender - Cogswell District Project to the lowest bidder meeting specifications, Dexter Construction Ltd. for a Total Tender Price of \$95,663,633.52 (net HST included) with funding from Capital Account No. CT000007- Cogswell Interchange Redevelopment as outlined in the Financial Implications section of the staff report dated September 6, 2021;
3. Approve an increase to RFP 16-047 (PO# 2070765948) to WSP for design services required to cover additional work to support the extended tender bid period in the amount of \$26,665.93 (net HST included) from Capital Account CT000007- Cogswell Interchange Redevelopment as outlined in the Financial Implications Section of the staff report dated September 6, 2021;
4. Approve an increase to Project CT000007 – Cogswell Interchange Redevelopment in the amount of \$27,531,946 with funding to be provided by debt financing, as outlined in the Financial Implications Section of the staff report dated September 6, 2021;
5. Give First Reading to proposed By-law S-316, amending By-law S-300, Respecting Streets as set out in Attachment A of the staff report dated September 6, 2021, to mandate the undergrounding of utility infrastructure in the Cogswell District; and

6. Direct the Chief Administrative Officer to report back to Regional Council with project status updates on a semi-annual basis.

MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

Purposes of Municipality

7A The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- (c) develop and maintain safe and viable communities.

Council and Chief Administrative Officer relationship

34(1) The Chief Administrative Officer is the head of the administrative branch of the government of the Municipality and is responsible to the Council for the proper administration of the affairs of the Municipality in accordance with the by-laws of the Municipality and the policies adopted by the Council.

Responsibilities of Chief Administrative Officer

35(1) The Chief Administrative Officer shall ... (e) carry out such additional duties and exercise such additional responsibilities as the Council may, from time to time, direct

BACKGROUND

On September 14, 2021, Regional Council awarded Tender 21-003 to Dexter Construction Ltd. for construction of the Cogswell District Project and requested bi-annual updates on the progress of the four-year project. The purpose of this report is to provide the second project update since tender award. This report highlights construction progress to date, anticipated activities in the next six months, and updates on benefits realization, budget, schedule, and project risks.

DISCUSSION

A. CONSTRUCTION ACTIVITY

The following construction activities have been completed since submission of the first status report to Regional Council on June 14, 2022:

- Relocation of existing and installation of new storm, sanitary, water, electrical and telecommunication infrastructure underlying Detour Roads 1, 2, (Attachment A) and Proctor Street.
- Opening of Detour Road 2 on November 14, 2022, providing a connection between Upper Water Street and Hollis Street for southbound traffic.
- Opening of Detour Road 1 on December 15, 2022, providing a four-lane northbound/ southbound connection between Barrington Street and Upper Water Street.
- Closure of east and west bound movements at Upper Water Street and Barrington Street- Detour Road 4 (Attachment A).
- The detour roads allow for the establishment of large off right-of-way work (ROW) zones within the project area. Revised traffic patterns created by these roads will remain in place for 18+ months (Attachment B).

- Completion of the temporary Barrington multi-use path (MUP) providing safe northbound/southbound movements through the site for pedestrians and cyclists.
- Installation of a temporary pedestrian/cyclist crossing north of Baton Rouge restaurant.
- Installation of the first lengths of District Energy pipe on Upper Water Street.
- Alteration of grades on Upper Water Street in the vicinity of HMCS Scotian to mitigate current and future flooding.
- Removal of the entrance arch and amphitheater area in Granville Mall to enable installation of water and electrical services and commencement of construction of Granville Park.
- Relocation of material from the south end of the project area to the north end to build up grades for the future roundabout.
- Launch of the Cogswell District mobile application designed to help residents navigate through the Cogswell District using various modes of transportation. The app was developed by WeUsThem, a local business.

The following construction activities are expected to be completed in the next six months (July 2023):

- Landscaping and finalization of pedestrian crossing north of Baton Rouge restaurant.
- Partial completion of Granville Park.
- Closure of Valour Way at Upper Water Street to facilitate construction of the roundabout.
- Construction of a new truck access for Department of National Defence (DND) Dockyard north of HMCS Scotian.
- Continuation of ramp and retaining wall removals
- Commencement of installation of new underground services in off right-of-way work areas created by the detour roads.
- Commencement of construction of a new DND Water Fuel and Environment (WFE) compound at Willow Park as per land sale agreement.
- Completion of land acquisition from Metropolitan Entertainment Group (MEG) Holdings and easement agreement with Great West Life Realty Advisors (GWLRA).

B. BENEFITS REALIZATION UPDATES

There are numerous initiatives directly or indirectly tied to the construction project that will provide broader benefits beyond those associated with the removal and replacement of the Cogswell interchange infrastructure. The following is an update on those benefits:

- i) **Social Benefits**
 - Monthly meetings have been established with the Social Benefits Advisory Committee (SBAC).
 - The Committee has approved the Workforce Diversity and Supplier Diversity Plans prepared by the constructor. The plans lay out the actions the contractor will take to achieve the social benefit objectives and targets outlined in the construction contract.
 - A second job fair was held in July, 2022. Planning has commenced for job fairs to be held in Spring 2023
 - Baseline data for workforce diversity and supplier diversity has been collected. Cogswell staff, the constructor and the SBAC are working together to develop a standard report format to use to record actions taken and progress made towards the social benefits objectives and targets.
- ii) **Bikeway Integration Projects**
 - A multi-use path has been completed with Detour Road 1 to provide improved access through the project site for pedestrians and cyclists.

- Opportunities to extend the Cogswell Greenway from Brunswick Street to the Commons continue to be investigated by Planning & Development staff. A separate report on this issue will be presented to Regional Council in Q4 2022/23.
- iii) MPS/ LUB Amendments for Building Design
 - As reported in the June 14th report, a report to reinstate the MPS/LUB amendment process for building design and zoning requirements within the project area is being prepared by Planning & Development staff. The report will be presented to Regional Council in Q4 2022/23. The report will outline a proposed public engagement process and seek direction from Regional Council on the scope and breadth of the amendment process.
 - Recommendations regarding the provision of affordable housing within the Cogswell District will be considered as part of the planning process and presented in the proposed amendment package.
- iv) Rick Hansen Gold Certification
 - Work continues towards the designation of Rick Hansen Gold Certification for the Cogswell District. Changes to the design because of construction are monitored considering Rick Hansen accessibility criteria.

C. SCHEDULE/ SCHEDULE IMPACTS

- A draft schedule was provided by Dexter in September 2021 prior to construction commencing. The schedule showed a construction duration of 42 months, with completion in Winter 2025.
- As reported to Regional Council on June 14, 2022, delays in commencing construction were encountered in the late fall/ early winter 2021 because of a) utility infrastructure not being located where expected, b) unanticipated time frames to have existing utility (telecommunication) infrastructure relocated, and c) new opportunities to repair existing infrastructure but causing delays due to re-design requirements.
- A delay claim has been received from Dexter citing 5.5 months of schedule impacts and associated costs (which it has not yet quantified). The delay claim has not been accepted by the Cogswell project team, however discussions with Dexter are ongoing. Further details will be provided to Regional Council once known.
- A cumulative project extension to contract time of 60 workdays has been agreed to through approved change orders issued to date.

D. BUDGET STATUS

- Spend to date from the approved \$122.6M budget is \$20M, representing 16% of the budget.
- Spend to date represents expenditures for the design phase, pre-construction activities, and 6 months of construction.
- Project cost details are outlined in the table and bullets below. Costs described therein have the ability to be covered within the \$122.6M budget and associated recoveries will be represented in the financials when the various agreements described below are finalized.

Cogswell Interchange Project Q1 and Q2 2022/23 (in thousands of dollars)						
		Q1 and Q2 2022/23	Up to and including March 31, 2022	Total Project Actuals	Budget	Remaining Contingency
Construction Costs						
	Dexter Contract	5,848	2,421	8,269	95,664	
Support Costs						
	Professional Services	882	3,241	4,123	4,776	
	Fees & Permits	-	621	621	621	
	Land Acquisition	1,053	562	1,615	2,607	
	Internal PMO Charges	278	2,424	2,702	4,622	
Project Contingency		2,047	699	2,746	14,350	11,604
Total Cost Construction		10,107	9,968	20,075	122,640	

Note: The project will be initially funded by utility cost sharing and debt. The debt will be repaid via the Q666 – Strategic Initiatives Reserve and any land sale revenues resulting from the Project will go into the reserve over several years to minimize tax rate increases required to repay debt.

- Twenty-four change orders for the project, with a total value of \$2.1M have been issued to the end of Q2 2022/23. The change orders relate to the following categories: a) DND land agreement, b) communication/ power infrastructure, c) Halifax Water infrastructure, d) material disposal, e) design clarifications, and f) project documentation. The number of change orders issued to date is not inordinate for a project of this scope and complexity.
- Cost sharing agreements have been finalized for new and relocated gas and telecommunications infrastructure and total \$591,253.00.
- Cost sharing agreements with Halifax Water for district energy (DES), sanitary, storm and water infrastructure are before the Utility and Review Board (UARB) for approval. The proposed cost sharing totals \$19.05M.
- The cost sharing agreement with NSPI received approval from the UARB on October 27, 2022. The agreement approves the expenditure of monies by NSPI to cover the electrical costs (\$6.6M) of relocation and new power installations while the project budget covers the civil costs (\$6.6M) associated with these works.
- Three asset renewal projects valued at \$ 278,568 have been completed on behalf of Halifax Water. Replacement of these end-of-life assets during the project is effective since overall costs are reduced. Costs for the asset renewal projects will be reimbursed by Halifax Water, therefore not adding to the net cost of the project.

E. RISKS

A risk register was developed for the project during the design phase and is now being maintained for the construction phase. Key risks identified and being managed over the past six months include:

- Supply chain issues continue to be a risk for the project, particularly underground pipe and service fixtures, street light cabling, controllers and fixtures, bus shelters, and general construction materials. Managing this risk is the responsibility of the contractor and has been managed to date by placing early orders for materials and reusing existing equipment, on a temporary basis, where possible. To date, supply chain issues have not specifically contributed to the purported delays to the schedule referenced above

- The quality and completeness of existing underground infrastructure information continues to be a challenge. While this issue was identified as a risk, the extent to which errors and omissions in existing underground infrastructure data has exceeded previous expectations. This risk is being managed by the constructor completing advance exploratory work to the maximum extent possible.
- Delays in obtaining approvals to construct the new DND WFE compound have impacted the ability to fully use the property purchased from DND and have created a risk around soil management and time delays to the project. To mitigate this risk, temporary accommodations have been found for the existing WFE facility and the facility has been relocated.
- The management of contaminated soil within the project is a risk. Soil contamination profiles were unquantifiable prior to construction excavation and therefore not included in the contract. To date, significant amounts of tier 2 and to a lesser extent, tier 3 level contaminated soils have been discovered which have required offsite specialized disposal. Additional testing of remaining construction areas and selected street right away areas currently are being performed to assess residual risk to project budget.

F. COMMUNICATION

Communication continues to be a very important component of the project. The following communication approaches / mechanisms have been implemented within this reporting period:

- Weekly construction meetings with partner utilities and the constructor to ensure close coordination and responsiveness.
- Monthly meetings (virtual) with stakeholders (abutting property owners and those who have specific interest in the project) to provide project updates and discuss issues and concerns specific to each property. Currently, these meetings are open to 90+ people.
- Weekly meetings are held, often on site, with property owners when construction directly impacts their property.
- Public Service Announcements (PSAs) are issued for all modifications to travel routes through the project and for project milestones. PSAs are accompanied with visual assets (i.e., maps, photos) where possible and are posted on halifax.ca and social media.
- Regular social media posts are issued to update the public on construction activity, highlight interesting archaeological finds, and announce project milestones.
- Drone aerial coverage has been arranged for the project. As well, three-time lapse cameras have been installed to record the progress of the project.
- The Cogswell District mobile application launched in November. In addition to the navigation function, the app hosts information about the project, social media updates, progress photos, and provides access to the three time-lapse cameras that capture different views of the project site.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report as this is an information report and does not contain any recommendations. An update on the project budget is provided in the Discussion section.

COMMUNITY ENGAGEMENT

See “Communication updates” in Discussion section.

ATTACHMENTS

Attachment A: Detour Roads

Attachment B: Road Closures- December 15, 2022

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.

Report Prepared by: Donna Davis, Project Manager- Cogswell District Project, 902.476.8486

ATTACHMENT A- DETOUR ROADS





ATTACHMENT B



Road Closures as of December 15, 2022