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**Item No.12.2.3**  
**Audit & Finance Standing Committee**  
**June 21, 2023**

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

**-ORIGINAL SIGNED-**

**SUBMITTED BY:** \_\_\_\_\_  
Cathie O'Toole, Chief Administrative Officer

**DATE:** June 15, 2023

**SUBJECT:** **Increase to Project No. CB210020 – Halifax Common Pool Reconstruction, and CA 21-164 for NRFP – Halifax Common Aquatic Project.**

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**ORIGIN**

The approved 2021/22 Capital Budget, Supplemental Report page B32 (Halifax Common Pool Reconstruction – CB210020).

**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.

**Administrative Order 2022-012-ADM, The Procurement Policy**

Section 32 of the Procurement Policy provides that Regional Council may approve a contract amendment of any amount.

**...RECOMMENDATION ON PAGE 2**

**RECOMMENDATION**

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

1. Approve a transfer of \$2,000,000 (net HST included) from CI200002 Finance & HR Business Foundations; and
2. Increase Capital Project Number CB210020 – Halifax Common Pool Reconstruction by \$2,000,000 (net HST included).

**BACKGROUND**

The aquatic facilities at the Halifax Common are currently under construction. This project will replace the former pool, splashpad, and Pavilion building. The new facilities will be modern, accessible, net zero ready and align with the Halifax Common Masterplan. NRFP 21-164 Halifax Common Aquatic Project was approved by Halifax Regional Council on November 9, 2021, to Marco Construction Limited for \$18,134,293 (net HST included) to design and build this facility. The November 9<sup>th</sup> award included an account increase of \$1,538,135 (net HST included) to account for tender results and a planned contingency.

**DISCUSSION**

As part of this project, the existing playground was to be relocated to the area north of the existing skate park. However, the condition of the playground equipment was determined to be unsuitable for reuse or salvage. As an interim solution, when the nearby George Dixon Playground was being replaced, several existing playground pieces were able to be repurposed and reinstated at the Central Common, south of the skate park. The repurposed playground pieces, although welcome, are inadequate to meet the long-term needs of the public and requirements of the Halifax Common Masterplan.

This report is to provide additional funding for a replacement playground on the Central Common, between the skate park, ball field and reconstructed aquatic facility. The replacement playground would integrate with the surrounding landscape to provide a variety of nature play opportunities. It would also be designed for inclusive play for children of all abilities and include accessible pathways. It would be constructed for high volume use with robust play structures and resilient surfacing.

Contaminated soil was found during the excavation for the new aquatic pool and building. Previous sampling did identify the general area of contamination, but the full extent and cost of the remediation could not be determined at that time. Much of the excavated soils can be safely used on site by shaping the contaminated soil and capping as per Provincial Regulations. The contaminated soil work will be overseen by the contractor, Marco Construction, as part of the existing Halifax Common Aquatic Project.

The estimated cost for the playground and associated civil works is \$1,700,000 (net HST included). The remaining \$300,000 (net HST included) is for the additional contaminated soil remediation costs and contingency for any other unforeseen construction costs.

### **FINANCIAL IMPLICATIONS**

The budget availability has been confirmed by Finance.

#### **Budget Summary: Project No. CI20002 Finance & HR Business Foundations**

Cumulative Unspent Budget	\$11,549,403
Less: Unbudgeted withdrawals	<u>\$ 2,000,000</u>
Balance	\$ 9,549,403

#### **Budget Summary: Project No. CB210020 – Halifax Common Pool Reconstruction**

Cumulative Unspent Budget	\$ 195,857
Plus: Approved Increase	<u>\$ 2,000,000</u>
Balance	\$ 2,195,857

Unused funds will be used for unexpected and unbudgeted issues that may occur during the project. Any unused funds at the end of the project will be returned to HRM Reserves.

### **RISK CONSIDERATION**

The risks associated with the recommendations rate low. To determine this, consideration was given to financial, reputational, and operational matters. The recommendation mitigates risks the project would otherwise incur due to insufficient funding to fully complete the work.

### **COMMUNITY ENGAGEMENT**

Community engagement related the Halifax Common Aquatic Project has been completed through the 2019 Long-Term Aquatic Strategy and identified capital budgets. This project was a significant aspect in that consultation and has received support through these public processes.

### **ENVIRONMENTAL IMPLICATIONS**

An Environmental Site Assessment and multiple Hazardous Materials Assessments have been completed. Hazardous materials have been identified on site and will remain onsite as a managed hazardous site as per Provincial regulations.

### **ALTERNATIVES**

The Audit & Finance Standing Committee may choose:

1. To not approve the recommendation in the report. However, this work is required to meet Provincial Environmental Regulations, and to meet the needs of this community as part of the Halifax Common Masterplan.
2. To fund the contaminated soil remediation and contingency cost (\$300,000 (net HST included)) and proceed in 2023, with the playground funding (\$1,700,000 (net HST included)) deferred to 2024/25 capital budget and constructed in 2025/26.

3. To recommend a lower level of funding for the playground that would result in a smaller scale playground to be built.

### **ATTACHMENTS**

No attachments.

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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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