



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

Item No. 3
Audit & Finance Standing Committee
June 19, 2024

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: **-ORIGINAL SIGNED-**

Cathie O'Toole, Chief Administrative Officer

DATE: June 3, 2024

SUBJECT: **CAO Contract Amendment Report**

INFORMATION REPORT

ORIGIN

This report originates from the ratification of a new Procurement policy 2022-012-ADM in November 2022. The Policy states the CAO may approve and sign contract amendments that exceed the thresholds detailed below, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.

LEGISLATIVE AUTHORITY

Administrative Order Number 2022-012-ADM, the Procurement Policy

32(7) The approval and signing authority limits for cumulative contract amendments are as follows:

Position	Approval Authority
CAO	(a) \$20,000 or (b) a 20% increase to the originally approved contract amount, whichever is greater.
CAO (with reporting to Audit & Finance)	The CAO may approve and sign contract amendments that exceed the thresholds above, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.

BACKGROUND

The purpose of this report is to provide a listing of all CAO approved contract amendment reports.

2022-012-ADM allows for the CAO to approve and sign amendments that exceed the threshold of 20% or \$20,000, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit and Finance Standing Committee.

DISCUSSION

All CAO contract amendment reports recorded in Attachment 1 are available for viewing from the Procurement Department. This excludes reports that are marked Private & Confidential.

FINANCIAL IMPLICATIONS

The financial implications, including budget details and account details are outlined in the Financial Implications section of the individual reports which are on file in the Procurement Department.

COMMUNITY ENGAGEMENT

No community engagement was required.

ATTACHMENTS

Attachment 1 – List of approved CAO Contract Amendments

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: Jane Pryor, Director Procurement, Finance & Asset Management, 902.292.3128

Approved CAO Contract Amendment Reports

Name	Original PO Awarded Amount	Value of Amendment	Updated Value of PO	% of Increase	Reason for Increase
CAO Contract Amendment 2023-5016 Drainage Analysis, Road Design, and Storm Design: Munroe Subdivision – Increase to Contract	\$92,950	\$19,986	\$112,936	21.5%	Most of the existing underground storm system on Oliver Street and Hamilton Street is 150 mm diameter, sized as a clearwater system connected to footing drains only, and is not connected to any catch basins. Residents have complained about significant overland flooding on their properties. HRM procured WSP’s services to design the upgrades to the storm water system to help address these issues, and during the design of the system separation additional changes were required to the sanitary and water systems.
CAO Contract Amendment PO #2070915000 Bedford Hammonds Plains CC Lighting Upgrades	\$13,902	\$20,082	\$33,984	144%	The scope of work was to replace a section of lights in the gym while other work was being done in this area. This would have split the cost of a lift on site and replace some of the lighting earlier in the area where other work was being done; the rest of the lighting would be completed at a later date. Due to a delay in getting the original PO issued, the lighting work could not be completed in conjunction with the other work, so the project was re-quoted to include the lift and replacement of all the lights.



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CAO Contract Amendment Report

APPROVED BY: **Original Signed**

 Cathie O’Toole, Chief Administrative Officer

DATE: May 6, 2024

SUBJECT: **Award 2023-5016 Drainage Analysis, Road Design, and Storm Design:
 Munroe Subdivision – Increase to Contract**

ORIGIN

This report originates from a need to increase the contract beyond 15% or \$15,000 of its original value.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S 2008, c.39:

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

Administrative Order Number 2022-012-ADM, the Procurement Policy

32(7) The approval and signing authority limits for cumulative contract amendments are as follows:

Position	Approval Authority
DCAO or Executive Director (or their delegate)	(a) \$15,000; or (b) a 15% increase to the originally approved contract amount, whichever is greater.
CAO	(a) \$20,000 or (b) a 20% increase to the originally approved contract amount, whichever is greater.
CAO (with reporting to Audit & Finance)	The CAO may approve and sign contract amendments that exceed the thresholds above, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.
Council	Any amount

The following report conforms to the above guidelines.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase to the contract with WSP Canada Inc. (RFP 2023-5016, PO# 2070914507) for additional work added to the original scope in the amount of \$16,962.12 (net HST included) with funding from Project Account No. CR200006 – Street Recapitalization as outlined in the Financial Implications section of this report.

BACKGROUND

HRM's 2024 capital plan includes road recapitalization work in 2024 on Balsam Street, Hamilton Street and Oliver Street (known collectively as the Munroe subdivision). The scope of work includes road repaving, curb replacement, and addressing stormwater issues. In addition, new sidewalks are being added on Oliver Street (from St Margarets Bay Rd to Hamilton St) and on the south side of Saint Margaret's Bay Road (from Boylan Ln to Lakeside Park Dr) including new curb.

RFP 2023-5016, Drainage Analysis, Road Design, and Storm Design: Oliver Street, Hamilton Street, Balsam Street, and St Margarets Bay Road, was awarded to WSP Canada Inc. on January 7th, 2024 in the amount of \$89,130 plus HST. Their scope of work included site investigation/data collection, project management, hydrologic/hydraulic stormwater analysis, preliminary and detailed design of the proposed roads, sidewalks, and storm water infrastructure, tendering support, and limited construction support services.

In addition, Halifax Water integrated with the project to replace or remove several manhole structures to separate the storm and sanitary systems throughout the Munroe Park neighbourhood. During preliminary design the decision was made to simplify coordination and increase efficiency by adding Halifax Water's design work to WSP's scope.

This change order has three components:

1. Work at Civic 31 Hamilton Street

Over 30 years ago a 375 mm diameter drainage pipe was installed with an incorrect alignment across the lot of civic 31 Hamilton St, preventing the homeowner from using a substantial portion of their land. The homeowner claims that he has made multiple unsuccessful efforts over the years to correct this issue with Halifax Water. His pipe was assessed during the design phase and was found to be adequate, but at full capacity.

The history between Halifax Water and the property owner at civic 31 Hamilton St was not well understood earlier in the design process. Addressing this issue gives HRM the opportunity to correct the drainage pipe alignment, and to increase the size of the pipe to 450 mm diameter which will reduce the risk of potential surcharging during major storm events.

This change order will expand WSP's scope of work to include:

- (a) Perform a topographic survey along the northeast property boundary of civic 31 Hamilton.
- (b) Provide a design for the proposed 450 mm diameter storm water discharge pipe, including connection to the existing manhole, headwall, and rip rap placement.
- (c) Provide a design drawing to be used as either in an addendum to the tender or as a change order after award.

2. Work at the HRM Parks pathway adjacent to Civic 21 Oliver Street

The proposed walkway adjacent to civic 21 Oliver St was not originally surveyed as it is outside of the roadway. Generally, upgrades to these paths can be field-fit without issue. At a recent site visit we noted a new gazebo built directly on the property line and this, combined with the way the ground slopes, warrants a more detailed design than original anticipated.

This change order will expand WSP's scope of work to include:

- (a) Perform a topographic survey along the proposed park pathway adjacent to civic 21 Oliver St.
- (b) Provide a design for the proposed pathway, addressing the right-of-way constraints, the proposed fence, the existing boulders, and the grade changes.

3. Additional work from design changes to underground services

Most of the existing underground storm system on Oliver Street and Hamilton Street is 150 mm diameter, sized as a clearwater system connected to footing drains only, and is not connected to any catch basins. Residents have complained about significant overland flooding on their properties. HRM procured WSP's services to design the upgrades to the storm water system to help address these issues, and during the design of the system separation additional changes were required to the sanitary and water systems.

This change order will expand WSP's scope of work to address the following:

- (a) It was anticipated that the clearwater system on Oliver St would remain in place and be twinned with the new, dedicated storm sewer. Halifax Water requested that this system be filled and abandoned, which required redesign of this stormwater main to accept stormwater laterals from each property that were previously entering the clearwater system on Oliver St.
- (b) Additional record drawings were located during the design phase, showing that the water main sits directly on top of the existing clearwater system. WSP had to include some changes to the existing watermain when designing the separated sanitary systems.
- (c) The record drawings also showed that the water main was using the existing manholes as thrust blocks. WSP's sanitary design included the modification and removal of several MH structures, which required thrust block design and watermain revisions to bring it up to specification.

DISCUSSION

Staff is recommending an increase to WSP Canada Inc., PO# 2070914507, for changes to the contracted scope of work in the amount of \$16,265 (plus HST) for additional design work. This is the second change order associated with this project. A summary of the changes are as follows:

PO Award (net HST included):	\$ 92,950.11
Change Order No. 1 (net HST included):	\$ 3,024.29
Request for Increase (net HST included):	\$ 16,962.12
New Contract Value (net HST included):	\$ 112,936.52

The total amount of increase is \$ 19,986.41 (net HST included), which represents a cumulative increase of 21.5 % to the original contract value of \$ 92,950.11 (net HST included).

FINANCIAL IMPLICATIONS

Funding in the amount of \$16,962.12 (\$16,265.00 plus HST) is available from Project Account No. CR200006 – Street Recapitalization. The budget availability has been confirmed by Finance.

Budget Summary: Project Account CR200006 – Street Recapitalization

Cumulative Uncommitted Budget	\$ 54,438,455.42
Less: Increase to Tender 2023-5016 (PO# 2070914507)	\$ 16,962.12
Balance	\$ 54,421,493.30

The balance of funds from Project Account No. CR200006 – Street Recapitalization will be used to implement the remaining construction of budgeted projects.

RISK CONSIDERATION

The proposed work at civic 31 Hamilton St gives HRM the opportunity to rectify the issue with the drainage pipe alignment and will also reduce the risk of the system surcharging during major storm events.

The proposed design work at civic 21 Oliver St will reduce the risk of encountering issues or delays during construction of the path.

The additional design work on the storm, sanitary, and watermain is required to construct a product that meets Halifax Water specifications and guidelines.

SOCIAL VALUE

This work will benefit the community by improving their roads and storm drainage systems.

ENVIRONMENTAL IMPLICATIONS

There are no known environmental implications associated with the recommendations in this report.

ALTERNATIVES

The Chief Administrative Officer could choose not to approve the change order, or could choose to only approve part of the change order. This is not recommended for the reasons described below.

HRM could complete the work without upgrading/relocating the storm pipe and outfall at civic 41 Hamilton St. This is not recommended because the existing pipe is at capacity, and because we have an opportunity to correct a known issue with the storm pipe alignment.

HRM could field fit the pathway without additional investigation and design. This is not recommended because it would likely extend the construction duration by not addressing the issue during design, which this might put the schedule at risk.

HRM could neglect the effects of the storm and sanitary sewer separation on the watermain, but that is not recommended because it would leave the watermain vulnerable to leaks and breakages.

ATTACHMENTS

N/A

A copy of this report and information on its status can be obtained by contacting the Procurement Office at 902.490.4170, or Fax 902.490.6425.

Report Prepared by: Jennifer Jeans, Design Engineer, Design Services, Public Works, 902-490-1457



P.O. Box 1749
Halifax, Nova Scotia
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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: May 30, 2024

SUBJECT: **CAO Contract Amendment Report – PO 2070915000 Bedford Hammonds Plains CC Lighting Upgrades**

ORIGIN

This report originates from a need to increase contract PO 2070915000.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S 2008, c.39:

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

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Council	Any amount

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$20,082 (net HST included) to PO 2070915000 with Brightside Electrical Services, with funding from Capital Account No. CZ230100 – HalifACT - Municipal Building Retrofits, as outlined in the Financial Implications section of this report.

BACKGROUND

In 2020 HRM Council approved the HalifACT Climate Plan, requiring all HRM Corporate Buildings to be Net-Zero by 2030. In alignment with this target, all lighting in HRM facilities is being replaced with high efficiency LED bulbs.

Brightside Electrical Services were awarded PO 2070915000 on January 14th, 2024. The scope of work was to replace a section of lights in the gym while other work was being done in this area. This would have split the cost of a lift on site and replace some of the lighting earlier in the area where other work was being done; the rest of the lighting would be completed at a later date. Due to a delay in getting the original PO issued, the lighting work could not be completed in conjunction with the other work, so the project was re-quoted to include the lift and replacement of all the lights.

The additional work was deemed acceptable as a change order since Brightside were already familiar with the project and maintained their pricing for parts and labour. The lights chosen for the project will also apply for rebates of over \$8,000 that will be returned to the account. A change order was recommended to complete the work as retendering would require three companies to visit the site to provide quotes, adding further scheduling complexities and delays to the project. It would also result in complexities due to construction activities by two contractors for generally the same scope of work.

In accordance with section 32(7) of the Procurement Policy, notice of this contract amendment will be reported to the next scheduled meeting of the Audit & Finance Standing Committee.

DISCUSSION

Staff has recommended an increase to Brightside Electrical Services PO 2070915000 for changes to the contracted scope of work in the amount of \$20,082 (net HST included).

The total amount of changes (approved and pending) is \$20,082 (net HST included), which represents a cumulative increase of 144% to the original contract value of \$13,902 (net HST included).

FINANCIAL IMPLICATIONS

Budget Summary:	<u>Capital Account No. CZ230100 – HalifACT - Municipal Building Retrofits</u>
	Cumulative Uncommitted Budget \$69,975,730
	Less: Contract Amendment #01 \$ 20,082
	Balance \$69,955,648

The balance of funds will be used for other retrofit projects as identified in the approved Capital Project budget.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this report.

ENVIRONMENTAL IMPLICATIONS

Replacing lights with high efficiency LED bulbs aligns with the HalifACT target of net-zero municipal operations by 2030.

SOCIAL VALUE

There are no social value considerations as this was a Standing Offer Contract.

ALTERNATIVES

The CAO may choose not to approve the current contract amendment.

ATTACHMENTS

None

A copy of this report and information on its status can be obtained by contacting the Procurement Office at 902.490.4170, or Fax 902.490.6425.

Report Prepared by: Nick Allen, Project Manager, Facility Design & Construction, Property, Fleet and Environment
902.293.3527
