

Sept 3, 2024

HALIFAX

Cogswell District Project Update #6

Project Timelines

- Contract Award: September 2021
- Detour Roads 1- 4: Dec 2022/ Feb 2023
- Detour 5 opening/Barrington Closure: June 2024
- Final retaining wall removed: August 2024
- Barrington Reopening: December 2024
- Full project completion: December 2025

Pre-Project



Mid-project



Current (south)



Current (center)



Current (north)



Project Budget Constraints



- Project contingency is 91% spent with 15 months until completion.
- Contingency drivers include:
 - Unsuitable Materials
 - Professional Services
 - 3rd Party Extra Works
 - Base Program Changes
 - Granville Park Fountain/Washrooms

Unsuitable Materials



Ragged Lake



- Rock, pyritic slate, and 80,000 cu. m of surplus soil.
- Unquantifiable at time of bidding.
- Partial mitigation of risk resulted in cost avoidance of **~\$8M.**
- Total cost \$9.1M
- Potential cost sharing with Halifax Water on trench rock removal.

Professional Services



- Increase for contract administration (WSP) due to base program changes, unknown site conditions, and soil testing/reporting.
- Increase in soft costs such as insurance and additional team members.
- Additional \$5.2M required

3rd Party Extra Works



- Reimbursement agreements for 100% of costs incurred for these works have been entered into with:
 - Halifax Water
 - Crombie REIT
 - Department of National Defence
 - Bell Aliant
- Estimated additional spend \$1M - recoverable

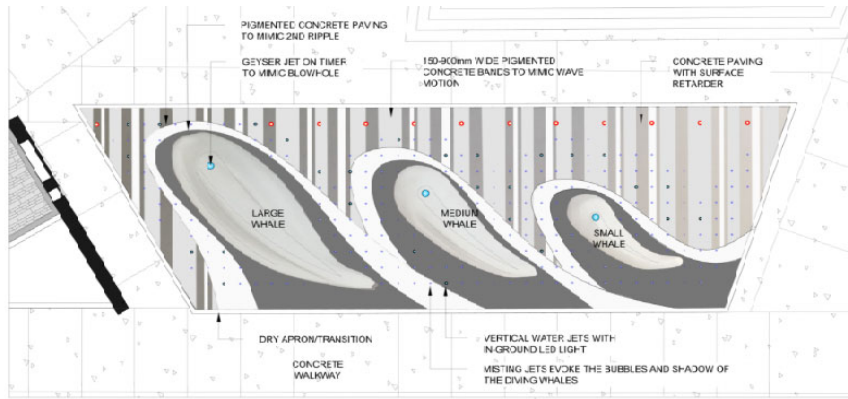
Base Program Changes



- 77 Base Program Change Orders issued.
- Mainly related to unknown field conditions.
- Total \$8.9M required
- Contingency was sufficient to cover base program changes, however, it has depleted by preceding items.

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Granville Park Interactive Fountain



- Interactive Fountain- destination facility intended to animate the park
- Fog/mist component provides cooling station for residents & visitors.
- Underground services installed. Ready to begin construction.
- Fountain/cooling station- \$2.1M

Granville Park Washrooms



- Staff recommend the installation of temporary washroom facilities in Granville Park until permanent facilities are constructed in the future (5-10yrs).
- Estimated cost \$625,000.

Budget Increase/Offsets

Project budget:		
	Base Construction Costs	\$ 95,663,635
	Non-Construction Costs	\$ 12,626,820
	Project Contingency (15%)	\$ 14,349,545
Total Original Project Budget		\$ 122,640,000
	Additional Base Construction Costs	\$ 6,407,500
	Non-Construction Costs	\$ 6,401,500
	Fountain/ Cooling Station/Washrooms	\$ 2,711,500
Total Increase to Gross Budget Needed		\$ 15,520,500
Total Estimated Project Cost		\$ 138,160,500
Estimated Cost Sharing/ Recoveries:		
Third Party Recoveries:	Halifax Water Rock-50%	\$ 2,618,600
	Halifax Water Field Requests-50%	\$ 450,000
	3rd Party Work-100%	\$ 2,670,000
Third Party Recoveries Total:		\$ 5,738,600
Utility Cost Share:	Halifax Water	\$ 18,900,100
	Bell Aliant	\$ 178,300
	Eastward Energy	\$ 388,700
Utility Cost Share total:		\$ 19,467,100
Total Recoveries Expected		\$ 25,205,700
Estimated-Overall Net Project Cost		\$ 112,954,800
Expected Net Decrease in HRM Debt Funding:		\$ (9,685,200)

- Original gross budget \$122.6M
- Total increase to project cost \$15.5M
- Offsets:
 - Third Party recoveries \$5.7M
 - Cost share agreements with utilities \$19.5M
 - Total recoveries \$25.2M
- Gross budget to be increased by \$15.5M with a net project budget decrease of \$9.7M
- Net budget \$113M

Recommendations

It is recommended 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. Approve an increase to the gross budget to Project CT000007 – Cogswell Interchange Redevelopment by \$15.5M, funded from expected \$25.2M in cost recoveries from third party work and utilities cost sharing, resulting in an expected net project budget decrease of \$9.7M as outlined in the Financial Implications Section of this report.