



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

Information Item No. 2
Audit & Finance Standing Committee
March 24, 2025

TO: Chair and Members of Audit & Finance Standing Committee

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: March 11, 2025

SUBJECT: **CAO Contract Amendment Reporting**

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.

EXECUTIVE SUMMARY

As required by the Section 37(2) Procurement Policy 2022-012-ADM the CAO is to inform Audit & Finance of any approved contract amendments that exceed a 20% increase to the originally approved contract amount or \$20,000, whichever is greater.

- This is for information only and no action is required
- There is no risk involved as the award report(s) referenced have already been completed

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 a 20% increase to the originally approved contract amount or \$20,000, whichever is greater, 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.

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 as outlined in Attachment 1, and on file in the Procurement Department.

COMMUNITY ENGAGEMENT

No community engagement was required.

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.

ATTACHMENTS

Attachment 1 – List of approved CAO Contract Amendments.

Report Prepared by: Jane Pryor, Director Procurement, Finance and 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
<p>CAO Contract Amendment - Tender 2024-0342, Increase to PO# 2070929848 – Civil Works for Common Playground</p>	<p>\$511,002</p>	<p>\$271,100</p>	<p>\$782,102</p>	<p>53%</p>	<p>The original scope of work was supply and installation of water drainage infrastructure and reshaping the existing soils for the upcoming Halifax Common playground. The playground equipment and landscaping will be provided through a separate tender. The material to be used was the excess soil that resulted from the excavation for the Halifax Common Pool. After the PO was awarded the consultants and contractors identified that there was more soil present on the site than was required for the playground and the excess soil must be relocated. The excess soil is to be placed between the existing soccer field and tennis courts, and shaped into a small hill in this area, on the South Halifax Common.</p>



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CAO Contract Amendment Report

APPROVED BY: Original Signed
Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: February 20, 2025

SUBJECT: **CAO Contract Amendment – Tender 2024-0342, Increase to PO 2070929848
– Civil Works for Common Playground**

ORIGIN

This report originates from a need to increase contract PO 2070929848 – Civil Works for Common Playground beyond 15% of its original award.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$220,000 (net HST included) to PO 2070929848 with Brycon Construction Ltd. with funding from CB210020 – Halifax Common Pool Recon, as outlined in the Financial Implications section of this report.

BACKGROUND

Brycon Construction Ltd. was awarded Tender # 2024-0342 in August 2024 through a competitive bid process. The original scope of work was supply and installation of water drainage infrastructure and reshaping the existing soils for the upcoming Halifax Common playground. The playground equipment and landscaping will be provided through a separate tender. The material to be used was the excess soil that resulted from the excavation for the Halifax Common Pool.

After the PO was awarded the consultants and contractors identified that there was more soil present on the site than was required for the playground and the excess soil must be relocated. The excess soil is to be placed between the existing soccer field and tennis courts, and shaped into a small hill in this area, on the South Halifax Common. Removing the soil from the site was considered, but the cost was significantly higher. A previous increase to the contract was made to partly address this issue, however the balance cost of this work requires this CAO Contract Amendment.

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 PO 2070929848 for changes in the contracted scope of work in the amount of \$220,000 (net HST included).

Contract change summary:

Initial PO Award (net HST included)	\$ 511,001.40
PO increases to date (net HST included)	\$ 51,100.14
Request for Increase (net HST included)	\$ 220,000.00
New Contract Value (net HST included)	\$ 782,101.54

The total amount of changes (approved and pending) is \$271,100.14 (net HST included), which represents a total increase of 53% to the original contract value of \$511,001.40 (net HST included).

Funding is available in the project account.

FINANCIAL IMPLICATIONS

Funding in the amount of \$220,000 (net HST included) is available from Capital Account CB210020 – Halifax Common Pool Recon. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB210020 – Halifax Common Pool Recon</u>
	Cumulative Uncommitted Budget \$1,125,208
	Less: Contract Amendment #2 \$ 220,000
	Balance \$ 905,208

The balance of funds will be used for construction of the new playground.

RISK CONSIDERATION

There are safety risks associated with this projects that will be mitigated by the contractor's safety program and the inclusion of a spotter at the work site to protect pedestrian traffic from civil equipment.

ENVIRONMENTAL IMPLICATIONS

The soil for this work has been identified as contaminated and will be handled in accordance with applicable environmental regulations.

SOCIAL VALUE

Consideration was given to Social Value for inclusive employment, work experience programs, diverse supply chain, and energy and waste reduction measures during the original tender process.

ALTERNATIVES

The CAO may choose not to approve the recommendation.

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.

ATTACHMENTS

None

Report Prepared by: Greg MacKay, Project Manager, Facility Design & Construction, Property, Fleet and Environment 902.233.5171
