



P.O. Box 1749
Halifax, Nova Scotia
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Information Item No. 2
Audit & Finance Standing Committee
May 21, 2025

TO: Chair and Members of Audit & Finance Standing Committee

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: May 7, 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.

Name	Original PO Awarded Amount	Value of Amendment	Updated Value of PO	% of Increase	Reason for Increase
CAO Award – Contract Amendment 21-302 Dutch Village Road Design Change Order #4	\$185,204	\$58,120	\$243,324	31%	The original award covered the complete scope of detailed design in the amount of \$177,592. Three prior change orders were approved for additional changes requested to the landscaping design after its initial submission in the amount of \$19,814, to landscaping and civil changes in the amount of \$15,090, and for a revision to the alignment and associated landscaping \$11,040. The cumulative change order value is thus \$58,120 including this change order. Change order #4 addresses the HRM requested changes outside of the original design scope.
CAO Contract Amendment - PO 2070894009 Consulting Services for East Dartmouth Community Centre Interior Renovation – Increase #2	\$99,248	\$56,605	\$155,853	57.1%	In December 2022, Arcadis Architects (Canada) Inc. (IBI Group) was engaged to design renovations to the existing East Dartmouth Community Centre. There was a desire to create a more open and welcoming main entrance leading to the reception desk to improve visitor control and awareness. In addition, there was a need to re-plan the balance of the existing lobby and to re-define the existing adjacent breakout spaces to optimize their use. Finally, there was desire to capture the exterior volume of the existing green roof space to redevelop into new interior space including new roof structure, floors, and windows. Changes in scope of work during the design period included the addition of a new folding wall and a small meeting space and landscape work.
CAO Contract Amendment Report - PO2070914345 Consulting Services at Halifax Lancers Facility	\$20,544	\$103,765	\$124,309	500%	RJ Bartlett was awarded PO 2070914345 in January 2024. The scope of work was to complete an analysis of the requirement to install a sprinkler system within the Lancers Arena facility or alternative approaches to address life safety concerns within the facility. The Consultant initially proposed to re-classify the building under the building code as a Farm Building and thus not require a sprinkler system. This was not accepted by the Building Official (authority having jurisdiction). Thus, a sprinkler system is the most expedient way to satisfy the life safety requirements for the facility and minimize the duration the facility is closed to complete modifications necessary to comply with the building code. There is an Order to Comply from Halifax Regional Fire and Emergency issued for this facility; thus, there is a need to proceed with the design of the new sprinkler system without delay.
CAO Contract Amendment Report – RFP 2024-0556, PO 2070933389 Design Services at Fire Station 50	\$122,536	\$136,447	\$258,983	111%	Acre Architects Inc. was awarded RFP 2024-0556 in November 2024. The scope of work is to provide design services to convert Fire Station #50 into a career station. Staff has recommended an increase to PO 2070933389 for additional design services in the amount of \$126,447 this increase is required to address the additional operational and health and safety items identified by Halifax Regional Fire & Emergency.



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: April 16, 2025

SUBJECT: **CAO Award – Contract Amendment 21-302 Dutch Village Road Design Change Order #4**

ORIGIN

This report originates from a need to increase contract 21-302 Dutch Village Road Detailed Design.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase of \$11,268 plus \$435 Net HST at 3.857% for a total of \$11,703 (including Net HST) to Dutch Village Road Detailed Design 21-302 with Design Point Engineering & Surveying Ltd. with funding from CT200003 Major Strategic Multi-Modal Corridors: Dutch Village Road, as outlined in the Financial Implications section of this report. The new total value of the contract is \$243,324 including Net HST which represents a total cumulative increase of 31%.

BACKGROUND

The original award covered the complete scope of detailed design in the amount of \$177,592 plus net HST of \$7,611.59 at 4.286% for a total of \$185,204 (Including Net HST). Three prior change orders were approved for additional changes requested to the landscaping design after its initial submission in the amount of \$19,814 (Including Net HST at 4.286%), to landscaping and civil changes in the amount of \$15,090 (Including Net HST at 4.286%), and for a revision to the alignment and associated landscaping \$11,040 plus net HST of \$473.17 at 4.286% for a total of \$11,513 (Including Net HST). The cumulative change order value is thus \$58,120 (Including Net HST) including this change order. This represents 31% of the original contract value.

As this change order exceeds the greater of \$20,000 or 20% of the original contract value, in accordance with section 32(7) of the Procurement Policy, notification of this change to the Audit & Finance Standing Committee is required.

DISCUSSION

HRM staff reviewed the Issued for Tender (IFT) drawing set from Design Point in fall 2024. This set was considered acceptable for tendering purposes although some minor items were noted to address for the Issued for Construction drawing set.

In addition to some corrections, HRM requested additional IFC changes outside the original scope:

- 1) Additional landscaping adjustments were requested at the intersection of Dutch Village Road and Rosedale Avenue.

- 2) Redesign of the block between Central Avenue and Rosedale Avenue to remove parking as a portion of the land had been incorrectly recorded with the land registry and did not belong to HRM.
- 3) These civil changes also triggered rework of the associated areas of the overall landscaping plan.

Change order #4 addresses the HRM requested changes outside of the original design scope.

FINANCIAL IMPLICATIONS

Budget Summary:	Project Account No. CT200003	
	Cumulative Uncommitted Budget	\$1,440,388
	Less: Contract Amendment #04	\$ 11,703 (Net HST in at 3.857% included)
	Balance	\$1,428,685

Planning and design for this project was budgeted at \$200,000. With approval of this change order, the total cost will be \$243,324 (Including Net HST at 3.857%), or \$43,324 more than originally budgeted.

The balance of funds will be used for construction period services.

RISK CONSIDERATION

This change order helps to reduce risks to project timelines.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

No social value considerations were included as this was a modification to a prior contract which has already considered social value.

ALTERNATIVES

The alternative to deny this contract increase is not recommended due to the perceived legitimacy of the claim, a drop in quality at certain locations if streetscaping is not updated to match the civil changes, and additional complications and challenges which would arise in construction if the drawings were not updated, which would have cost and schedule implications.

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

Attachment: CAO Award CA 21-302 Dutch Village Rd – Scope Change redacted

Report Prepared by: Jitesh Sharma, Project Manager, Design & Construction, PW 902-476-0126



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: April 25, 2025

SUBJECT: **CAO Contract Amendment - PO 2070894009 Consulting Services for East Dartmouth Community Centre Interior Renovation – Increase #2**

ORIGIN

This report originates from a need to increase contract PO 2070894009 - Consulting Services for East Dartmouth Community Centre Interior Renovation, beyond 20% of its original award.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$29,945 (net HST included) for Consulting Services for East Dartmouth Community Centre Interior Renovation, RFQ 21-1113, PO 2070894009, with Arcadis Architects (Canada) Inc. (IBI Group), with funding from CB220001 – Community Recreation Facilities Recapitalization as outlined in the Financial Implications section of this report.

BACKGROUND

In December 2022, Arcadis Architects (Canada) Inc. (IBI Group) was engaged to design renovations to the existing East Dartmouth Community Centre. There was a desire to create a more open and welcoming main entrance leading to the reception desk to improve visitor control and awareness. In addition, there was a need to re-plan the balance of the existing lobby and to re-define the existing adjacent breakout spaces to optimize their use. Finally, there was desire to capture the exterior volume of the existing green roof space to redevelop into new interior space including new roof structure, floors, and windows.

Changes in scope of work during the design period included the addition of a new folding wall and a small meeting space and landscape work. The total value of approved changes to date is \$26,660 (net HST included) which represents a cumulative increase of 26.86%.

This project has been delayed an additional 6 months due to supply issues and unforeseen site conditions when walls and ceilings were removed. This resulted in a redesign and re-ordering of folding walls and extra work to bring the facility up to building code. The consultant has incurred additional contract administration costs as well as additional electrical, mechanical and structural design fees.

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 have recommended an increase to Arcadis Architects (Canada) Inc. (IBI Group), PO 2070894009, for changes to the contracted scope of work in the amount of \$29,945 (net HST included).

A summary of the changes are as follows:

Budget Summary: PO Award (net HST included)	\$ 99,248
Cumulative increases approved to date (net HST included)	\$ 26,660
Request for Increase (net HST included)	<u>\$ 29,945</u>
New Contract Value (net HST included)	\$155,853

The total amount of changes (approved and pending) is \$56,605 (Net HST included), which represents a cumulative increase of 57.03%.

FINANCIAL IMPLICATIONS

Funding in the amount of \$29,945 (net HST included) is available from Project Account No. CB220001 Community Recreation Facilities Recapitalization. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB220001 – Community Recreation Facilities</u>
	<u>Recapitalization</u>
	Cumulative Uncommitted Budget \$1,314,688
	Less: Contract Amendment #4 <u>\$ 29,945</u>
	Balance \$1,284,743

The balance of funds will be used for recapitalization and state of good repair work at community recreation facilities.

RISK CONSIDERATION

No risk considerations were identified.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

No social value was identified in the original tender as it predates the change in procurement policy.

ALTERNATIVES

The CAO could choose to not approve the recommendation.

LEGISLATIVE AUTHORITY

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

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- (c) the expenditure is legally required to be paid.

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

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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: Shauna Blundon, Project Manager 902.292.4080, Facility, Design & Construction;
Property, Fleet & Environment.



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: April 25, 2025

SUBJECT: **CAO Contract Amendment Report - PO2070914345 Consulting Services at
Halifax Lancers Facility**

ORIGIN

This report originates from a need to increase contract PO 2070914345.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$103,765 including Net HST to PO 2070914345 with RJ Bartlett Engineering Ltd (RJ Bartlett) with funding from CB230031 – PR – WG Bengal Lancers Arena, as outlined in the Financial Implications section of this report.

BACKGROUND

RJ Bartlett was awarded PO 2070914345 in January 2024. The scope of work was to complete an analysis of the requirement to install a sprinkler system within the Lancers Arena facility or alternative approaches to address life safety concerns within the facility.

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

This increase is required for the design of the new sprinkler system as per the findings of the initial review process. The scope for this increase will include data collection, preparation of bid documents, and construction administration services through the construction period.

The Consultant initially proposed to re-classify the building under the building code as a Farm Building and thus not require a sprinkler system. This was not accepted by the Building Official (authority having jurisdiction). Thus, a sprinkler system is the most expedient way to satisfy the life safety requirements for the facility and minimize the duration the facility is closed to complete modifications necessary to comply with the building code. There is an Order to Comply from Halifax Regional Fire and Emergency issued for this facility; thus, there is a need to proceed with the design of the new sprinkler system without delay.

The total amount of the change (approved and pending) is \$103,765 including Net HST, which represents a cumulative increase of 500% to the original contract value of \$20,544 including Net HST.

FINANCIAL IMPLICATIONS

Funding for the \$103,765 including Net HST increase to PO 2070914345 is available from Capital Account No. CB230031 – PR – WG Bengal Lancers Arena.

Budget Summary:	<u>Project Account No. CB230031 – PR - WG Bengal Lancers Arena</u>	
	Cumulative Uncommitted Budget	\$393,315
	Less: Contract Amendment #1	<u>\$103,765*</u>
	Balance	\$289,550

* This project was estimated in the Approved 2023/2024 Project Budget at \$400,000.

The balance of funds will be used for the installation of the new sprinkler system and other related life safety improvements to the Lancers Arena facility.

RISK CONSIDERATION

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

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

There are no social value considerations as this was a standing offer established prior to social value requirements.

ALTERNATIVES

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

LEGISLATIVE AUTHORITY

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

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Council	Any amount

ATTACHMENTS

None

Report Prepared by: Ted Pecarski, Manager, Facility Renewals, Facility Design & Construction, Property, Fleet and Environment 902.717.7816



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: April 25, 2025

SUBJECT: **CAO Contract Amendment Report – RFP 2024-0556, PO 2070933389 Design Services at Fire Station 50**

ORIGIN

This report originates from a need to increase contract PO 2070933389.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$136,447 (net HST included), to RFP 2024-0556, PO 2070933389 with Acre Architects Inc. with funding from CB000088 – HRFE Facility Improvements & CZ230100 – HalifACT – Municipal Building Retrofits, as outlined in the Financial Implications section of this report.

BACKGROUND

Acre Architects Inc. was awarded RFP 2024-0556 in November 2024. The scope of work is to provide design services to convert Fire Station #50 into a career station.

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 2070933389 for additional design services in the amount of \$126,447 (net HST included), plus a contingency allowance of \$10,000 (net HST included) to cover design unknowns. The release of the contingency allowance will be by approval of the project manager, only if necessary.

The original scope of work included:

1. Conversion of 1st floor office space to 4 sleeping quarters with secondary egress,
2. Conversion of 2 washrooms to include showers,
3. Add HVAC to 2nd storey administrative area,
4. Convert a room on 2nd floor to 2 offices,
5. Review system capacity to add commercial washer & dryer,
6. Review door location and light in lounge area,
7. Update back door to be main entrance vestibule for volunteer firefighters' entrance, and
8. Enclose existing fitness area.

This increase is required to address the additional operational and health and safety items identified by Halifax Regional Fire & Emergency (HRFE) following the award of RFP 2024-0556. These items were deemed necessary to address operational requirements.

1. Two additional dorm rooms to accommodate two additional career members in the future. Including this in the current project will prevent additional operational disruptions when the new career members are assigned to this station.
2. Relocate existing laundry with new connections to remove the existing laundry from the “hot zone” (contaminated/dirty zone) and into a “cold zone” (clean/uncontaminated zone).
3. Supply and installation of Commercial Washer and Dryer units
4. Adding decontamination sink
5. Access control
6. Repaint the interior spaces (offices, lounge, kitchen, training room, storage room, and hallways).
7. Layout of bunker gear locker room
8. Adding 2nd floor kitchenette to serve volunteers.

Additionally, in response to the recommendations from the Deep Energy Retrofit Audit Report completed by Stantec, the following items will be included in the revised design scope:

1. Replacement of exterior windows
2. Insulated exterior door replacement
3. Four-Fold Bay Door Replacement
4. Entire facility HVAC replacement
5. Roof insulation investigation

Lessons Learned

1. Early integration of energy efficiency considerations
 - 1.1 Future projects should ensure that deep energy retrofit audits, and similar assessments are conducted before engaging design consultants. This will allow for seamless incorporation of energy efficiency upgrades into the initial design phase, reducing rework and cost escalations.

The total amount of changes (approved and pending) is \$136,447 (net HST included), which represents a cumulative increase of 111% to the original contract value of \$122,536 (net HST included)

FINANCIAL IMPLICATIONS

Funding in the amount of \$136,447 (net HST included) is available from Project Account No. CB000088 – HRFE Facility Improvements & CZ230100 – HalifACT – Municipal Building Retrofits. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB000088 – HRFE – Facility Improvements</u>	
	Cumulative Uncommitted Budget	\$ 6,482,864
	Less: Contract Amendment #1	\$ 79,716
	Balance	\$ 6,403,148
	<u>Project Account No. CZ230100 – HalifACT – Municipal Building Retrofits</u>	
	Cumulative Uncommitted Budget	\$ 67,595,624
	Less: Contract Amendment #1	\$ 56,731
	Balance	\$ 67,538,893

The balance of funds in CB000088 will be used for projects at various HRFE facilities as identified in the approved Capital Budget.

The balance of funds in CZ230100 will be used for deep energy retrofit projects as identified in the approved Capital Budget.

RISK CONSIDERATION

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

ENVIRONMENTAL IMPLICATIONS

Integrating the selected deep retrofit recommendations outlined in the report is expected to achieve a 44% reduction in Energy Use Intensity (EUI).

SOCIAL VALUE

Social value requirements were considered at time of original posting and included in RFP 2024-0556.

ALTERNATIVES

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

LEGISLATIVE AUTHORITY

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

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Council	Any amount

ATTACHMENTS

None

Report Prepared by: Mohamed Hassan, Project Manager, Facility Renewals, Facility Design & Construction,
Property, Fleet and Environment 902.717.9548
