



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

Information Item No. 1
Audit and Finance Standing Committee
September 20, 2023

TO: Chair and Members of the Audit and Finance Standing Committee

SUBMITTED BY: **-ORIGINAL SIGNED-**

Cathie O'Toole, Chief Administrative Officer

DATE: September 7, 2023

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.

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 amendments.

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 & 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 outline in Attachment 1 and available on file in the Procurement Department.

COMMUNITY ENGAGEMENT

No community engagement was required.

ATTACHMENTS

Attachment 1 – Approved CAO Contract Amendment Reports.

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

ATTACHMENT 1

Approved CAO Contract Amendment Reports

Name	Original PO Awarded Amount	Value of Amendment	Updated Value of PO	% of Increase	Reason for Increase
1. CAO Award Contract Amendment PO #2070897430 Removal and Installation of New Floor for Findlay Community Centre Pottery Room	\$64,762	\$64,692	\$129,454	100%	The contract amendment is a result of existing conditions discovered while completing the original scope or work. The change order covers equipment rental and soil tamping.
2. CAO Contract Amendment PO #2070895366 Design Services	\$52,164	\$19,577	\$71,741	38%	The contract amendment is a result of existing building conditions discovered while completing the original scope of work.
3. CAO Contract Amendment PO #2070894676 Solar Installation Project Management Services	\$85,515	\$18,605	\$104,120	22%	The contract amendment is a result structural analysis of Cole Harbour Place and Sackville Sports Stadium after BMO Centre and Scotiabank Centre were removed due to being removed from the scope of work.
4. CAO Award Contract Amendment PO #2070837342 Design Consultant Services for West Bedford Fire Station & Headquarters Campus	\$751,886	\$516,459	\$1,238,345	69%	The Consultant fees for this project were estimated in the approved 2019/2020 Project Budget at \$939,000, which included both Design and Construction Phases.

<p>5. CAO Contract Amendment PO #2070902453 Emergency fencing services in response to the Tantallon Wildfires. Purchase will be recouped through individual insurance companies and the Disaster Financial Assistance Program</p>	<p>\$169,500</p>	<p>\$10,830,500</p>	<p>\$11,000,000</p>	<p>6390%</p>	<p>An amendment for an emergency PO issued to First Fence for fencing around destroyed or severely damaged properties for safety reasons. The initial PO was to secure services and actual requirements were unknown at the time of PO creation.</p>
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CAO Contract Amendment Report

APPROVED BY: **Original Signed**

Cathie O’Toole, Chief Administrative Officer

APPROVAL DATE: June 21, 2023

SUBJECT: **Award – CA RFQ# 23-004, Increase to PO 2070897430 - Removal & Installation of New Floor for Findlay Community Centre Pottery Room**

ORIGIN

This report originates from a need to increase contract PO 2070897430.

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

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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

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase of \$60,000 (net HST included) to PO 2070897430 with Sheehy Construction Limited. with funding from CB200003 Findlay Community Centre Recap, as outlined in the Financial Implications section of this report.

BACKGROUND

The building was constructed in 1932 as a six-room elementary school, known as the Findlay School. The school was closed in 1971 and transferred to the City of Dartmouth to be converted into a community centre for the area.

The facility was approved by Regional Council as a municipal heritage property in 2019. State of Good Repair items for this site were listed in the 2022/23 Capital Budget, including the replacement of the pottery room floor.

DISCUSSION

Staff has recommended an increase to Sheehy Construction Limited's PO 2070897430 for changes to the contracted scope of work in the amount of \$60,000 (net HST included). The initial increase of \$42,549 is for additional site work due to unforeseen site conditions. Soils under the slab required further geotechnical review, which recommended additional compaction work. Staff has recommended an additional \$17,451 (26.95% increase) contingency allowance for potential future unforeseen site conditions as additional underground work still needs to be completed. The release of these contingency funds will be by approval of the PM, only if necessary.

A summary of the changes are as follows:

PO Award (net HST included)	\$ 64,762
Change Order (CO) increases approved to date	\$ 4,692*
Request for increase (net HST included)	<u>\$ 60,000</u>
New Contract Value (net HST included)	\$129,454

The total amount of changes (approved and pending) is \$64,692 (net HST included), which represents a cumulative increase of 99.89% to the original contract value of \$64,762 (net HST included). This contract amendment is a result of existing conditions discovered while completing the original scope of work. This change order covers equipment rental and soil tamping.

* Prior changes within authority of the manager

FINANCIAL IMPLICATIONS

Budget Summary:	<u>Project Account No. CB200003 Findlay Community Centre Recap</u>
	Cumulative Uncommitted Budget \$103,068
	Less: Contract Amendment #02 <u>\$ 60,000**</u>
	Balance \$ 43,068

** This project was estimated in the Approved 2022/2023 Project Budget at \$20,000.

The balance of funds will be used for the remain upgrades planned for the Findlay Centre.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this report. The risks considered are low. To reach this conclusion, consideration was given to financial, legal, compliance, and service delivery risks.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

Bids for the original tender were evaluated using a scored process including evaluation of Social Value (10%) and Cost (90%). The recommended bidder is the highest scoring bidder.

The Social Value considerations include workforce development, diverse supply chains and climate change initiatives. Expected outcomes include a more inclusive, diverse workforce and industry, as well as reductions in energy use, carbon emissions and the environmental impact of the work.

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: Darren Young, Manager, Major Projects, Facility Design & Construction, Property, Fleet & Environment, 902.476.9295



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: July 18, 2023

SUBJECT: Contract Amendment - 21-459 – RFP Increase to PO 2070895366 - Design Services

ORIGIN

This report originates from a need to increase contract PO 2070895366.

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:

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- (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

RECOMMENDATION

It is recommended that the Chief Administrative Officer approves an increase of \$19,577.61, including net HST, to Purchase Order 2070895366 with Fowler Bauld & Mitchell Ltd. with funding from CB190011 Corporate Accommodations, 5th Floor of Alderney Gate as outlined in the Financial Implications section of this report.

BACKGROUND

Corporate Accommodations sought prime consultant services in 2021 for the renovation of the 5th Floor of Alderney Gate, at 40 Alderney Drive, Dartmouth which houses HRM's Finance and Asset Management Business Unit.

As per HRM standard practice, contract administration fees were included in the bidder's proposals, however awarded separately from the 21-459 Design Services contract award. Purchase Order 2070895366 was issued to Fowler Bauld & Mitchell Ltd. for contract administration services based on the anticipated project schedule, given the known scope of work, to ensure that the general contractor performs in accordance with their design specifications. The construction schedule has been extended due to site conditions that were unknown at the time of tender, including but not limited to absent fire separation between floors, and required repairs and levelling of the slab. The increase to the construction schedule has resulted in a requirement for an extension to the contract administration activities provided by Fowler Bauld & Mitchell Ltd.

RJ Bartlett Engineering Ltd. were engaged as a consultant to investigate the floor-to-floor fire separations on the 5th floor and recommend a proposed approach to provide the required fire resistance ratings (2022 NS Building Code). In collaboration with Facility Design & Construction, staff have determined that these site conditions are likely to exist throughout the building and have initiated steps to ensure that these fire separations are addressed. Most work will be completed over the next 24 months.

DISCUSSION

The change order cost for continued contract administration services provided by Fowler Bauld & Mitchell, due to the unforeseen site conditions and an increase to the construction schedule, is \$20,299.27, including net HST. The sum of the previously approved change orders has resulted in a credit of \$721.66, net HST, which will be applied against the new change order. Staff recommends an increase to Fowler Bauld & Mitchell's PO 2070895366 for changes to the contracted scope of work in the amount of \$19,577.61, including net HST, which represents a 37.53% increase in the contract value.

A summary of changes are as follows:

Initial PO Award (net HST)	\$52,163.86
Credited Change Orders approved to date	(\$ 721.66) *
Request for increase (net HST)	<u>\$20,229.27</u>
New Contract Value (net HST)	<u>\$71,741.47</u>

The net change to the PO after all charges and credits are applied (approved and pending) is \$19,577.61, net HST, which represents a cumulative increase of 37.53% to the original contact value of \$52,163.86, net HST. This contract amendment is a result of existing building conditions discovered while completing the original scope of work.

*Prior changes within delegated authority of the manager.

FINANCIAL IMPLICATIONS

Budget Summary:	<u>Project Account No. CB190011 Corporate Accommodations res. 2541.9</u>	
	Cumulative Uncommitted Budget	\$176,448.38
	Less: Contract Amendment #05	\$ 19,577.61*
	Balance	\$156,870.77

*The Design Services and Contract Administration activities for this project were estimated in the Approved 2022/23 Project Budget at \$300,000. The awarded amount for both services was \$212,572.41; the new total including the contract amendment above and any previous amendments is \$255,445.43. The Corporate Accommodations capital account is an Ongoing Program/Bundled account. The balance of funds will be used for remaining work planned within the Corporate Accommodations Program.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in the Report. To reach this conclusion, consideration was given to financial, legal and compliance, and service delivery risks.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

Bids for the original tender were evaluated using a scored process including the evaluation of Technical and Financial components. The Technical submission included an employment, skills/training and/or social value supply chain development section. Fowler Bauld & Mitchell Ltd. received the highest score among the three proponents based on the criteria.

ALTERNATIVES

The CAO may choose not to approve the current contract amendment; however, a CA is required for completion of the project.

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: Britney Taylor, Team Lead, Accommodations and Tenant Service, Property Fleet & Environment, 902.229.8938



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CAO Contract Amendment Report

APPROVED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: August 3, 2023

SUBJECT: Contract Increase – PO 2070894676

ORIGIN

This report originates from a need to increase contract PO 2070894676: Solar Installation Project Management Services.

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:

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

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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

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase of \$18,604.62 (net HST included) to PO 2070894676: Solar Installation Project Management Services with MCW Maricor Consultants with funding from CZ230100, as outlined in the Financial Implications section of this report.

BACKGROUND

In June 2020, Halifax Regional Council passed HalifACT: Acting on Climate Together, which sets emission reduction targets of net-zero municipal operations by 2030. To achieve this, out building stock must be decarbonized through fuel switching and supplying energy through renewable generation.

Through a Request for Quote process using our standing offer contract 21-1113, MCW Maricor Consultants was hired to perform a structural analysis, complete solar design, tender document development and installation project management services for the install of solar at four corporate facilities. These facilities and estimated solar capacity are summarized in table 1.

Table 1 – Location of solar installs

Property Name	Address	Community	PID	Est. DC Capacity Rounded (kW)
BMO Centre	61 Gary Martin Drive	Bedford	41287418	600
Keshen Goodman Library	330 Lacewood Drive	Halifax	41334723	300
Ragged Lake Transit Centre	80 Grassy Lake Drive	Halifax	41314436	900
Scotiabank Centre	5284 Duke Street	Halifax	00002915	400

The original contract value, including net HST was \$85,514.52. There have been no previous contract amendments to this work.

The total amount of changes (approved and pending) is \$18,604.62 (net HST included), which represents a cumulative increase of 21.76% to the original contract value of \$85,514.52 (net HST included).

DISCUSSION

Through the structural analysis, it was found that both the BMO Centre and Scotiabank Centre could not support the proposed solar panels and reinforcements would be too expensive. Therefore, it was proposed that these buildings be removed from the scope of work and the Cole Harbour Place and Sackville Sports Stadium be added. The full scope of work will be transferred and the recommended increase to the contract would be to perform the structural analysis of these two buildings.

FINANCIAL IMPLICATIONS

Budget Summary:	<u>Project Account No. CZ230100 – HalifACT – Municipal Building Retrofits</u>	
	Cumulative Uncommitted Budget	\$8,868,079.58
	Less: Contract Amendment #1	\$ 18,604.62
	Balance	\$8,849,474.96

* Net HST included. This project was approved in the 2022/2023 Project Budget under CP200012, which was moved to project CZ230100 in 2023/24.

The balance of funds will be used for future projects.

RISK CONSIDERATION

There are no risks associated with this recommendation.

ENVIRONMENTAL IMPLICATIONS

There will be significant environmental benefit with adding solar to our municipal facilities. These systems will generate clean electricity.

SOCIAL VALUE

The successful proponent was selected from our standing offer contract, 21-1113 via a request for quotation. Due to this and our procurement process, there was no social value considerations specific to this project.

ALTERNATIVES

The CAO can choose not to approve this recommendation however this is not recommended for the reasons above.

ATTACHMENTS

Attachment A - Fee Proposal Form

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: Kevin Boutilier, Manager Community Energy, Environment & Climate Change 902.719.8567

Desired Vendor:	MCW Maricor (Consultants)	Date:	January 13, 2023
Vendor Contact Name:	Ted Loucks, P.Eng., MBA, PMP, CEM	Vendor Email:	tloucks@mcw.com
Standing Offer #:	HRM Consulting Roster from RFSQ #21-1113 MCW Purchase Order / Quantity Contract #2110000087		
HRM Purchase Order:	#2070894676		
Scope of Work:	Design and Project Management Services Four (4) Solar Electric Arrays on Municipally-Owned Buildings		
Change Order:	#1 – Remove Two Sites and Add Two Sites (SSS + CHP)		
HRM Project Contact:	Chris Bernard, P.Eng., CEM Clean Energy Specialist Environment & Climate Change Property Fleet & Environment C: 902-237-4765 E: Bernard, Chris <bernarc@halifax.ca>		

Base Contract

Item: #00190
 Material: #201086955
 Description: Professional Services

00190	201086955		PROFESSIONAL SERVS.- PROJECT DESCRIPTION	
	0.0000	each	1.00	0.00

Total – Base Contract: \$82,000.00 + HST

Changes to Contract: #1 – Remove Two Sites and Add Two Sites (SSS + CHP)

1. **Four Pad Arena (formerly BMO Centre): Credit** – The addition of solar PV has significant structural issues to overcome and not financially viable. The work concluded with the structural and electrical assessment. The credit is for the detailed design and construction phase services.
 - a. Revise fee for this site from \$23,400 to \$8,100 for a credit of \$15,300.
2. **Scotiabank Centre: Credit** – The addition of solar PV has significant structural issues to overcome and not financially viable. The work concluded with the structural and electrical assessment. The credit is for the detailed design and construction phase services.
 - a. Revise fee for this site from \$16,200 to \$6,000 for a credit of \$10,200.

The submission of a response to this request indicates that the Consultant has read, understands and agrees to comply with HRM's standard terms and conditions as stated in Request for Qualifications 21-1113.

3. **Sackville Sports Stadium (SSS): Add Scope** – Add the scope to provide services for assessment, design, tender phase and construction phase for the site.
 - a. Add fee for this site for \$21,670. (consistent with fee proposed in original tender for project)

4. **Cole Harbour Place (CHP): Add Scope** – Add the scope to provide services for assessment, design, tender phase and construction phase for the site.
 - a. Add fee for this site for \$21,670. (similar in scope to Sackville Sports Stadium)

5. **Summary of Costs of this Change Order:**

a. Credit Four Pad Arena (formerly Scotiabank):	-\$15,300.
b. Credit Scotiabank Centre:	-\$10,200.
c. Add Sackville Sports Stadium	\$21,670.
d. Add Cole Harbour Place	<u>\$21,670.</u>
e. Total – This Change Order:	\$17,840.

Contract Summary

Base Contract	\$82,000.00	
<u>Changes:</u>		
Change Orders, this Notice: [#1]	\$17,840.00	(17.9% of base contract)
Change Orders, previous Notices: [-]	<u>\$ 0.00</u>	
Change Orders, Total:	\$17,840.00	
 Revised Contract:	 \$99,840.00	
 HST 15%:	 <u>\$14,976.00</u>	
 Total:	 \$114,816.00	

The submission of a response to this request indicates that the Consultant has read, understands and agrees to comply with HRM's standard terms and conditions as stated in Request for Qualifications 21-1113.

Revised Fee Breakdown, This Change Order

Location	Total	Step #1: Assessment (S+E)	Step #2: Concept 33%	Step #3: Design 66%	Step #4: Design 99%	Step #5: IFT Docs.	Step #6: Construction
Four Pad (BMO Centre)	\$8,100	\$8,100	\$0	\$0	\$0	\$0	\$0
Keshen Goodman Library	\$13,800	\$6,200	\$1,900	\$1,400	\$1,400	\$1,000	\$1,900
Ragged Lake Transit Centre	\$28,600	\$5,700	\$5,700	\$4,300	\$4,300	\$2,900	\$5,700
Scotiabank Centre	\$6,000	\$6,000	\$0	\$0	\$0	\$0	\$0
Total (4)	\$56,500	\$26,000	\$7,600	\$5,700	\$5,700	\$3,900	\$7,600
Change to Scope: Additional							
Sackville Sports Stadium	\$21,670	\$9,736	\$2,984	\$2,198	\$2,198	\$1,570	\$2,984
Cole Harbour Place	\$21,670	\$9,736	\$2,984	\$2,198	\$2,198	\$1,570	\$2,984
Total	\$43,340	\$19,472	\$5,967	\$4,397	\$4,397	\$3,141	\$5,967
Total	\$99,840	\$45,472	\$13,567	\$10,097	\$10,097	\$7,041	\$13,567

The consultant agrees that in the deliverables will be executed via Change Order to the purchase order and the parties will be bound by the terms and conditions of Halifax Regional Municipality's Terms and Conditions for Services (Framework Agreement) as executed by the parties.

X _____
 Signature of Proponent Representative

Ted Loucks, P.Eng., MBA, PMP, CEM

 Name of Proponent Representative

Partner

 Title of Proponent Representative

July 13, 2023

 Date

I have the authority to bind the proponent

The submission of a response to this request indicates that the Consultant has read, understands and agrees to comply with HRM's standard terms and conditions as stated in Request for Qualifications 21-1113.



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Halifax, Nova Scotia
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CAO Contract Amendment Report

APPROVED BY: **Original Signed**

Cathie O'Toole, Chief Administrative Officer

APPROVAL DATE: August 14, 2023

SUBJECT: **CAO Contract Amendment Report – RFP 20-151 Increase PO 2070837342**

ORIGIN

This report originates from a need to increase Purchase Order 2070837342.

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;
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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

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase of \$327,519 (net HST included) to PO 2070837342, Design Consultant Services for West Bedford Fire Station & Headquarters Campus, with Architecture49 Inc, with funding from Project No. CB200014 – West Bedford Fire Station and Headquarters Campus as outlined in the Financial Implications section of this report.

BACKGROUND

Halifax Regional Fire & Emergency (HRFE) identified a requirement to supplement Fire Station No. 8 to more effectively serve the growing area of West Bedford with improved response times. Through an extensive investigation, the property at 10 Science Park Drive was identified as a viable location for the new Fire Station No. 8 which would also allow the HRFE HQ to be located on the same property.

The renovation of the new HRFE HQ directly ties into the Corporate Accommodations strategy of delivering a multi-year plan to reduce the footprint of HRM's administrative offices, while gaining operational efficiencies for departments through co-location and creating more collaborative spaces.

Relocating the Administration, Fire Prevention and Logistics divisions to 10 Science Park Drive will reduce HRM's current leased footprint by 8,000 sf and result in a base rent savings of \$111,312/year. Co-location of the three divisions will best serve the operation requirements of HRFE.

On March 4, 2020, RFP 20-151 Design Consultant Services for Halifax Regional Fire Headquarters and New West Bedford Fire Station (now called West Bedford Fire Station & Headquarters Campus) was awarded to the highest scoring proponent, Architecture49 Inc., in the amount of \$751,886 (net HST included) under Purchase Order No. 2070837342 for both the Design Phase and Construction Services Phase.

A previous increase in the amount of \$4,615 (net HST included) to PO 2070837342 was approved in May 2020 to cover a feasibility study to review the option of the HRFE HQ and Fire Station #8 being constructed as a single connected facility as requested by HRFE.

On September 27, 2022, Regional Council approved an increase in the amount of \$184,295 (net HST included) to PO 2070837342 to cover changes in the design criteria related to creating a single connected facility. This increase also included approval to use the fees for the Construction Phase services towards the Design Phase services. The planned construction of the facility was then delayed as part of capital budget prioritization 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

Based on Council's approval of the 2023/24 Capital Budget, which moved funding forward for this project, staff directed the design team to remobilize. Due to the pause of the project, a full review of the drawings and specifications will be required with various internal groups such as Security and ICT. The proposed additional fees include scope for completion of the Construction Documents and Tender Phase outlined as follows:

- 1) A thorough revisitation of specifications included in the project, including an update to all equipment and products as needed;

- 2) Update to documents with requested changes including more electric vehicle charging stations, addition of decontamination station and other various additions)
- 3) Final reviews with project stakeholders prior to tender;
- 4) Tender phase costs, which were not previously approved;
- 5) Rick Hansen Foundation Accessibility Certification (design costs); and
- 6) Updated Class A Cost Estimate.

Staff has recommended an increase to Architecture49 Inc. PO #2070837342 for changes to the contracted scope of work in the amount of \$327,519 (net HST included), to complete the Design Phase & Tender Phase only.

Consultant fees for the Construction Phase will be included as part of the award report for the construction tender and are estimated to be \$730,000.

A summary of the changes are as follows:

PO Award (net HST included)	\$ 751,886
CO increases approved to date	\$ 188,940
Request for Increase (net HST included)	\$ 327,519
New Contract Value (net HST included)	\$ 1,268,345

The total amount of changes (approved and pending) is \$516,459 (net HST included), which represents a cumulative increase of 68.69% to the original contract value of \$751,886 (net HST included). The Consultant fees for this project were estimated in the Approved 2019/20 Project Budget at \$939,000, which included both Design and Construction Phases.

FINANCIAL IMPLICATIONS

Budget Summary:	<u>Project Account No. CB200014 – West Bedford Fire Station and Headquarters</u> <u>Campus</u>
	Cumulative Uncommitted Budget \$40,160,585
	Less: Contract Amendment #04 \$ 327,519
	Balance \$39,833,066

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

RISK CONSIDERATION

No risk considerations were identified.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

No social value score was included in this RFP, as it was awarded prior to that policy.

ALTERNATIVES

The CAO could choose not to approve the recommendation.

ATTACHMENTS

No attachments.

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: Sheena Moore, Project Manager, Property, Fleet & Environment 902.497 4843



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CAO Contract Amendment Report

APPROVED BY: Original Signed

 Cathie O’Toole, Chief Administrative Officer

APPROVAL DATE: September 8, 2023

SUBJECT: **CAO Contract Amendment – Increase to First Fence, PO 2070902453**

ORIGIN

This report originates from a need to increase the Emergency Purchase Order for First Fence in support of the Tantallon area Wildfire.

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

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.

RECOMMENDATION

It is recommended that the Chief Administrative Officer approve an increase of \$7,930,734 (net HST) to PO# 2070902453, funded initially through C801 – 6940, before being recouped through individual insurance companies and through the Disaster Financial Assistance Program.

This request represents a total cumulative increase of 6,390% (both approved and pending) to the original contract value of \$169,500.

DISCUSSION

A CAO Contract Amendment report is being produced to increase the Purchase Order for First Fence as they provided emergency fencing services in response to the Tantallon Wildfire. It is anticipated that 100% of all fencing costs incurred will be recouped through individual insurance companies and through the Disaster Financial Assistance Program.

An Emergency PO was issued to First Fence for fencing, with the original estimate of \$169,500 at destroyed or severely damaged properties for safety reasons. When it was realized that this wouldn't cover the total costing of the fence, there was a change order processed to increase the PO amount to \$3,069,266.

HRM contracted four fencing companies to provide fencing around damaged or destroyed structures. Of the four contractors, First Fence was the largest supplier and supplied most of the fencing. The PO to First Fence in the amount of \$169,500 was to secure services and the actual requirements were unknown at time of PO creation. Subsequent to the PO being provided to First Fence, the full fencing requirements for HRM were identified and a change order was processed to increase PO# 207092453 to \$3,069,266 (net HST). The requirements far exceeded the initial PO and the time requirements were unknown. The estimated amount for install, dismantling and rental is not to exceed \$11,000,000 (net HST). This is an estimated amount, as daily rental rates apply, and the final value cannot be verified until the fencing has been completely removed.

FINANCIAL IMPLICATIONS

An amendment for an increase of \$7,930,734 is required to PO# 2070902453 to cover the overall fencing costs needed. Based on the original estimate of \$169,500 and the change order amount of \$3,069,266, the PO will now be for \$11,000,000 overall (net HST), for which these fencing costs will not exceed.

PO# 2070902453 Amount

Original PO issued	\$169,500
<u>Change Order #1 (Aug 2023)</u>	<u>\$2,899,766</u>
Current Request for increase	\$7,930,734
New Contract Value	\$11,000,000

The process for recovering these costs will be that HRM will pay these fencing costs upfront through cost centre C801 – 6940 and then they will be billed back to the individual insurance companies involved.

RISK CONSIDERATION

There is considerable risk involved at this stage as invoices have not been sent to residents and insurance companies for the cost due for each residence. As a large majority of residents received direct payout from their insurance companies, individuals will now be responsible to pay a large bill that they may not have been expecting. To mitigate some of this risk, HRM has ceased being responsible for all fencing as of 28 August 2023, which has been communicated to residents and fencing companies. There is also one

confirmed property and possibly a few more that did not have insurance coverage, which will pose a risk to collection.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

Social Value was incorporated into the original contract award. The proposed contract amendment does not alter these requirements.

ALTERNATIVES

The Chief Administrative Officer could choose not to approve the change order. This is not recommended as the additional scope of work was already completed to complete the project.

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: Erica Fleck, Director of Emergency Management
