

10.1.8




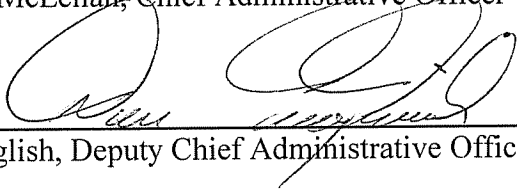
PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Halifax Regional Council  
February 3, 2004

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** January 27, 2004

**SUBJECT:** Eastern Passage WPCP Digester Cover Replacement

**ORIGIN**

November 12, 2002, Council award of Tender #02-110 : Eastern Passage WPCP Digester Cover Replacement

**RECOMMENDATION**

It is recommended that Regional Council:

1. authorize an increase to Capital Account No. CGU00512, Eastern Passage Digester Cover Replacement, in the amount of \$15,275.00. Funding is provided from the Wastewater Treatment Reserve (Q122) as indicated in the Budget implication section of the attached report.
2. approve the amount of \$ 14,352.00 plus net HST for a total of \$15,275.00 to Black and MacDonald as a result of additional costs incurred related to Tender #02-110 , funding is available from Capital Account No. CGU00512, Eastern Passage Digester Cover Replacement, as indicated in the budget implication section of the attached report

## BACKGROUND

On November 12, 2002, Council awarded the Eastern Passage WPCP Digester Cover Replacement to Black and MacDonald for the total price of \$350,942.

## DISCUSSION

Following fabrication and assembly of the floating steel digester cover it was realized that the concrete circular digester tank was “out of round” or did not have a consistent equal diameter as previously assumed by Black and MacDonald from the digester drawings. As a result, the fabricated cover had to be modified and changed in order to properly fit the digester tank configuration.

Following a review and numerous discussions between HRM’s consultant, Dillon Consulting and the general contractor Black and MacDonald, an amount of \$14,352 was negotiated. HRM staff concurred with Dillon Consulting that Black and MacDonald’s claim was valid and that the additional payment was reasonable. Council should be aware that the normal quality control or contingency allowance was not included with Tender 02-110 due to a staff oversight when preparing the report to Council.

## BUDGET IMPLICATIONS

Based on an increase in the amount of \$15,275.00 to Capital Account No. CGU00512, Eastern Passage Digester Cover Replacement, from the Wastewater Treatment Reserve (Q122) funding is available for the additional costs incurred in the amount \$14,352.00 plus net HST for a total of \$15,275.00. The budget availability has been confirmed by Financial Services.

<b>Budget Summary:</b>	<b><u>Capital Account No. CGU00512, Eastern Passage Digester Cover Replacement</u></b>	
	Cumulative unspent Budget	\$ 8.00
	Plus: increase from Q122	\$ 15,275.00
	Less: additional costs	<u>\$ 15,275.00</u>
		8.00

## FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, budget, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the capital budget as well as withdrawals from reserves.

**ALTERNATIVES**

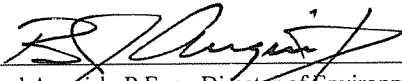
None

**ATTACHMENTS**

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Alan Brady, Manager of Wastewater Treatment (835-9566)

Report Approved by:

  
\_\_\_\_\_  
Brad Anguish, P.Eng., Director of Environmental Services (490-4825)

  
\_\_\_\_\_  
S. Dale MacLennan, CA, Director Financial Services (490-6308)