



Item No. 11.1.1
Halifax Regional Council
May 13, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: April 10, 2014

SUBJECT: Award - Unit Price Tender No. 14-012, Larry Uteck Blvd Extension,
Phase 3 – Central Region

ORIGIN

On July 10, 2012, Regional Council authorized the Mayor and Municipal Clerk to execute a construction agreement with West Bedford Holdings Limited and Cresco Holdings Limited for the construction of Phases 1 and 2 of the Kearney lake Connector.

The Approved 2013/14 Project Budget. Administrative Order 35, Procurement Policy requires Council to approve the award of all tenders that exceed \$500,000 in value.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

RECOMMENDATIONS:

It is recommended that Council:

1. Approve a budget increase of \$57,297.02 (net HST included) to Project Account No. CTU01006 – Roadway Oversizing Bedford West, funded through cost sharing with Heritage Gas.
2. Award Tender No. 14-012, Larry Uteck Blvd Extension, Phase 3 – Central Region, to the lowest bidder meeting specifications, Brycon Construction Limited for a Total Tender Price of \$1,261,860.60 (net HST included) with funding from Project Account No. CTU01006 – Bedford West Road Oversizing, as outlined in the Financial Implications section of this report.

3. Authorize, as per the Financial Implications section of this report, payment to Bell Aliant Inc., for the extension of utility transmission lines, for a total cost of \$7,831.87 (net HST included).

BACKGROUND

Bedford West was identified in the Regional Plan as a priority growth area, based primarily on the low cost of providing municipal services. Subsequently in 2009 Regional Council adopted a Capital Cost Contribution and transportation master infrastructure plan for Bedford West.

The extension of Larry Uteck Boulevard from Highway 102 to Kearney Lake Road, also known as the Kearney lake Connector, is included in the Bedford West transportation master plan and Capital Cost Contribution (CCC) program. The extension is a minor collector roadway and access will be limited to signalized intersections. On July 12, 2012 Regional Council approved a construction agreement with West Bedford Holdings and Cresco Holdings for Phases 1 and 2 of the Larry Uteck Boulevard Extension across private lands within Bedford West. This portion of the Larry Uteck Blvd. Extension has been completed.

The tender award which is the subject of this report is not subject to the 2012 construction agreement, but is needed to complete the connection of the Larry Uteck Blvd/Highway 102 interchange with the Kearney Lake Road. The work generally includes the construction of the new intersection with Kearney Lake Road.

DISCUSSION

Tender 14-012 was publicly advertised on the Province of Nova Scotia's Procurement website on March 21, 2014 and closed on April 4, 2014. Bids were received from the following companies:

| <u>Name of Company</u> | <u>Bid Price (net HST included)</u> |
|---|--|
| Brycon Construction Limited | \$1,261,860.60 * |
| Dexter Construction Company Limited | \$1,315,067.32 |
| All Terrain Contracting Incorporated | \$1,719,211.55 |
| Basin Contracting Limited | \$2,192,894.72 |
| Atlantic Road Construction and Paving Limited | \$2,871,071.79 |
| Engineers Estimate | \$1,500,000.00 |

***recommended bidder**

The scope of work for this tender generally consists of storm sewer installation, gas main installation, and roadway construction. The work also includes the construction of a multi-use trail. It is anticipated that work will commence within 3 weeks of the tender award and take 14 weeks to complete. This is a **UNIT PRICE** contract and the cost will be dependent upon the actual quantities measured and approved by the HRM Project Manager. There are no Local Improvement Charges associated with this work.

FINANCIAL IMPLICATIONS

Based on the lowest tendered price of \$1,210,000 plus net HST of \$51,860.60 for a net total of \$1,261,860.60, funding is available in the Approved 2013/14 Project Budget from Project Account No. CTU01006 – Bedford West Road Oversizing. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CTU01006 – Bedford West Road Oversizing**

| | |
|--|---------------------------|
| Cumulative Unspent Budget | \$2,673,445.48 |
| Plus: Heritage Gas Cost Sharing | \$ 57,297.02 |
| Less: Tender No. 14-012 | \$1,261,860.60 * |
| Less: Bell Aliant | <u>\$ 7,831.87</u> |
| Balance | \$1,461,050.03 |

As a result of cost sharing from Heritage Gas, the net cost to Project Account No. CTU01006 is \$1,204,563.58 (net HST included). Approximately $\frac{2}{3}$ of this amount will be reimbursed through Capital Cost Contributions paid by developers in Bedford West.

The balance of funds will be used to implement the remaining 2014/15 CTU01006 projects approved by Council.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

Council could choose not to approve the recommendations in this report, but this is not recommended by staff.

ATTACHMENT

Attachment A - Heritage Gas Cost Share Letter

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Jeff Spares, P.Eng., Sr. Design Engineer, Design & Construction at 490-6820
 Paul Burgess, M.Eng., P.Eng., Program Engineer, Infrastructure Services at 490-5578

Report Approved by: _____
 Peter Duncan, Manager, Infrastructure Services at 490-5449

Procurement Review: _____
 Anne Feist, Manager, Procurement at 490-4200

Report Approved by: _____
 Jane Fraser, Director, Planning and Infrastructure at 490-7166

MEMORANDUM

TO: Bill Swan, President, Heritage Gas Limited, HGL

CC: David Hubley, P.Eng., Manager, Design and Construction Services, HRM

FROM: Paul Burgess, P.Eng., Program Engineer, Infrastructure Services, HRM

DATE: April 8, 2014

SUBJECT: Cost Share Agreement – Tender No. 14-012 Larry Uteck Boulevard, Phase 3

Tender No. 14-012, Larry Uteck Boulevard Phase 3 closed April 4, 2014. Prior to tender award, a cost sharing agreement must be finalized between Halifax Regional Municipality (HRM) and Heritage Gas Limited (HGL).

Enclosed is a bid comparison summary for the items associated with the gas main works from the lowest bidder, Brycon Construction Limited.

In the most recent discussions on this subject, HGL has agreed to pay for the gas main installation along with 50% of the asphalt, gravel and fine grading reinstatement cost relating to their work within the existing road right-of-way., which (based on the unit prices) is as follows:

(A) Cost for Gas Main Installation – Larry Uteck Boulevard Phase 3

| | Description | Unit | Unit Price | Quantity | Total Price |
|-----------|--|------|------------|----------|-------------|
| 93. | Trench Excavation – Rock (Provisional) | m | \$50.00 | 100 | \$5,000.00 |
| 94. | MDPE Gas Distribution Pipe | | | | |
| 94(a) | NPS 6 | m | \$130.00 | 322 | \$41,860.00 |
| Subtotal: | | | | | \$46,860.00 |

(B) Reinstatement Cost – Larry Uteck Boulevard Phase 3

| | | | |
|--|---|---|-------------------|
| <i>Pavement Reinstatement Cost Shared Area: 1.0 m x (322 m, Main) = 322 m²</i> | | | |
| Cost of Fine Grading of Road Surface | 322 m ² x \$5.00/m ² x 50% | = | \$805.00 |
| Cost of Type 1 Gravel – 150 mm thick | 322 m ² x \$7.00/m ² x 50% | = | \$1,127.00 |
| Cost of Type C-HF - 50 mm thick | 322 m ² x \$17.60/m ² x 50% | = | \$2,833.60 |
| Cost of Type B-HF – 75 mm thick | 322 m ² x \$20.60/m ² x 50% | = | \$3,316.60 |
| | Subtotal: | | \$8,082.20 |

Based on the bidder's tender prices and the above cost sharing, HGL's costs for Tender No. 14-200, Duncan Street & Walnut Street, can be summarized as follows:

| | |
|--|--------------------|
| (A) Cost for Gas Main Installation – Larry Uteck Boulevard Phase 3 | \$46,860.00 |
| (B) Reinstatement Cost – Existing Roadway | \$8,082.20 |
| Total: | \$54,942.20 |
| Net HST (4.286%): | <u>\$ 2,354.82</u> |
| Grand Total: | \$57,297.02 |

Actual cost sharing for this project will be based on final quantities determined during construction including any extra costs related to the HGL works.

If you agree to this arrangement, please indicate by signing the enclosed copy and return it to my attention. If you any questions, contact me at 490-5578.

Thank you,

Paul Burgess, M.Eng., P.Eng.
Program Engineer

Bill Swan, President
Heritage Gas Limited

Date