

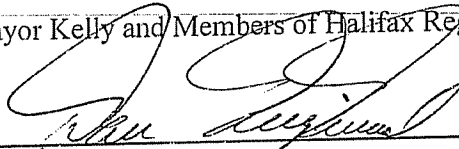
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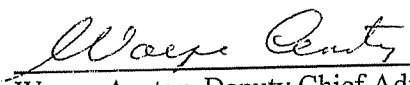


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
April 25, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dan English, Chief Administrative Officer


Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: April 19, 2006

SUBJECT: Award of Tender No. 06-224, Burnside Business Park Phase 11-4

ORIGIN

This report originates with Council commitment and approval of the development and build out of Burnside Park Phase 11 as per the approved 2005/06 and proposed 2006/07 Capital Budget.

RECOMMENDATIONS

It is recommended that Halifax Regional Council:

1. approve advanced funding of the proposed 2006/07 Capital Budget in the amount of \$7,300,000 for Capital Project CQ300741;
2. award Tender No. 06-224, Burnside Business Park Phase 11-4 Development to Brycon Construction Ltd. for materials and services listed at the unit prices quoted for a tender price of \$6,510,000 excluding fully recoverable HST;
3. approve the appointment of CBCL Ltd. for construction inspection services for an estimated fee of \$158,275 excluding fully recoverable HST;
4. approve an increase in the Gross Budget with no change to the Net Budget to reflect the cost sharing of the installation of a natural gas pipeline from Heritage Gas;
5. authorize a payment of \$35,724.00 excluding fully recoverable HST to Nova Scotia Power Inc. for the extension of overhead electrical transmission lines and \$106,140 excluding fully recoverable HST for the extension of underground power; and
6. approve the appointment of Jacques Whitford Ltd. for construction inspection and lot certification for an estimated fee of \$60,000 excluding fully recoverable HST with funding as per the Budget Implications Section of this report.

BACKGROUND

In keeping with the approved Business Plan and the phased development and build-out of Burnside Park and City of Lakes Business Campus, Phase 11 is to be constructed in a series of sub-phases in response to market demand. Phase 11-4 will directly create 50 acres (eight lots) of new serviced lot inventory with minimum selling prices ranging from \$2.95/sq.ft. to \$6.00/sq.ft yielding planned gross revenues of \$9.6 million.

Approximately 17 acres of this new lot inventory will be within the City of Lakes Business Campus and will be governed by restricted covenants to promote and guide the development of these lots consistent with the business campus site development guidelines for the City of Lakes. The remaining 32 acres will fall within the general commercial and light industrial area of Burnside. Please refer to Attachment 2 herein.

Approximately 22 acres of Phase 11-4 has been designed and is proposed to be sold upon completion to Consolidated Fastfrate to be developed as a Transload Distribution Warehouse (TDW) facility being the first of its kind in Atlantic Canada. Locating this facility within HRM has been a substantial joint effort and accomplishment by the Halifax Port Authority, Nova Scotia Business Inc. GHP and the Municipal staff.

Demand remains strong for vacant commercial/industrial lands in Burnside and HRM as a whole. It is anticipated that the majority of the proposed new Phase 11-4 lots will be pre-sold prior to completion of the Tender.

DISCUSSION

The scope of construction of Phase 11-4 includes development on John Savage Avenue from street J to Wright Avenue (580 m of road construction), grading of lots 1141, 1146, 1147, 1158, 1159, 1160, 1162 and the 22 acre lot. Complete with municipal servicing, overhead and underground power, communications, natural gas pipeline, roadway lighting and landscaping. Council should also note that the tender pricing is inclusive of park and pedestrian amenities including sidewalks, landscaping and a shared bike lane.

The following tender bids for this project, exclusive of taxes were received by staff:

<u>Contractor</u>	<u>Bid Price</u>
1. Brycon Construction Ltd.	\$6,510,000.00
2. Dexter Construction Ltd.	\$6,676,875.00
3. ACL Construction Ltd.	\$7,291,545.00

It is anticipated that construction will commence within three weeks of the tender award and the work program is anticipated to run 30 weeks.

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.

BUDGET IMPLICATIONS

Funding is available from Business Park Capital Reserve Q121 and cost sharing from Heritage Gas, and has been confirmed by Financial Services staff.

Budget Summary: Capital Account No. CQ300741, Burnside Phase II Development

Proposed 06/07 Budget	\$7,300,000.00
Plus: Tender 06-224 Heritage Gas Cost Sharing	\$ 108,841.50
Less: Tender No. 06-224	-\$6,510,000.00
CBCL Inspection Services	-\$ 158,275.00
NSP Infrastructure	-\$ 141,864.00
Jacques Testing and Certification	<u>-\$ 60,000.00</u>
	\$ 538,702.50

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council could choose not to approve the tender or delay approval until the capital budget is approved. This is not recommended as the delivery of the lot inventory would be at risk and furthermore the Capital Project is fully cost shared from the Business Park Reserve.

ATTACHMENTS

- Attachment 1 - Memorandum from Heritage Gas
- Attachment 2 - Site Plan
- Attachment 3 - Phase 11-4 Lot Inventory and Selling Prices

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., Senior Design Engineer, Design and Construction Services TPWS 490-6820
Mike Wile, Business Park Manager, Real Property TPWS 490-5521
Peter Stickings, Manager, Real Property TPWS 490-7129



Report Approved by: _____
Mike Labrecque, P.Eng., Director, Transportation and Public Works Services at 490-4855

Financial Consultant: _____
Gordon Roussel, Financial Consultant, Financial Services at 490-6468

Report Approved by: _____
Cathie O'Toole, Acting Director, Finance at 490-6308



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MEMORANDUM

TO: Leonard Avery, Heritage Gas

CC: Jeff Spares, P.Eng., Sr. Design Engineer, Design & Construction Services
David Hubley, P.Eng., Manager, Design & Construction Services
Phillip Francis, P.Eng., Right-of-way Services Manager
Michael Wile, Coordinator, Business Parks Sales & Development

FROM: Audrey Buchanan, P.Eng., Design & Construction Services

DATE: March 29, 2006

SUBJECT: **Tender 06-224 - Phase 11-3 Development**

Tender 06-224 - Phase 11-3 Development, East Region closed March 24, 2006. Prior to tender award, a cost sharing agreement must be finalized between HRM and Heritage Gas. Enclosed is a bid comparison summary for the items associated with the gas line installation for this project. They are from the lowest bidder, Brycon Construction Company Limited to the highest.

In the most recent discussions on this subject, Heritage Gas has agreed to pay 50% of the cost of the reinstatement. This includes the cost of the asphalt and gravel over the length of the gas main and across the reinstatement width. Based on these unit prices the Heritage Gas share of reinstatement costs are as follows:

Reinstatement Area	1445 m x 0.3 m	=	433.5 m ²
Cost for Topsoil and Sod	433.5 m ² x \$6.75/m ²	=	\$2,926.13
	Subtotal	=	\$2,926.13
	50% Share of Reinstatement Costs	=	\$ 1463.06

Based on the low bidder's tender prices and the above cost sharing, Heritage Gas costs for Tender 06-224 - Phase 11-3 Development, East Region, can be summarized as follows:

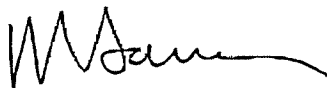
Gas Main Installation	\$103,770.00
Reinstatement Cost Sharing	\$ 1,463.06
	\$105,233.06
Net HST	\$ 3,608.44
Project Total	<u>\$108,841.50</u>

Actual cost sharing for this project will be based on final quantities determined during construction.

If you agree to this arrangement, please indicate by signing the enclosed copy and returning it to me. If you have any questions, please call me at 490-6824.

Thank you.

Audrey Buchanan, P.Eng.
Design Engineer



~~Leonard Avery~~ Michel Sarrory
Heritage Gas Manager, Engineering

4 April 2006

Date

AB:cf

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PHASE 11-4 - Lot Inventory and Selling Prices

Lot #	Location	Servicing	Lot Size		Minimum Selling Price	
			sq.ft.	Acres	per sq.ft.	Total
22 Acre Lot	John Savage Avenue	Serviced/Graded	958,320	22.00	\$3.75	\$3,593,700
1158	John Savage Avenue	Serviced/Graded	110,046	2.53	\$4.00	\$440,184
1159	John Savage Avenue	Serviced/Graded	121,813	2.80	\$4.00	\$487,252
1162	John Savage Avenue	Serviced/Ungraded	53,733	1.23	\$2.95	\$158,512
1146	John Savage at Wright	Serviced/Graded	94,168	2.16	\$5.95	\$560,300
1147	John Savage at Collings	Serviced/Ungraded	440,272	10.11	\$4.00	\$1,761,088
1160	John Savage at Wright	Serviced/Graded	128,753	2.96	\$6.00	\$772,518
1141	John Savage at Collings	Serviced/Graded	312,436	7.17	\$6.00	\$1,874,616
TOTAL				28.95		\$9,648,170