

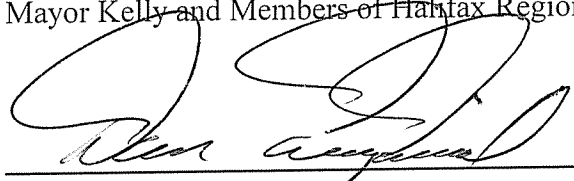
9.1.4

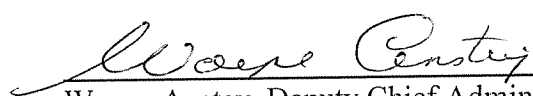


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

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

DATE: April 11, 2006

SUBJECT: Award of Unit Price Tender No. 05-234R, Armshore Drive - (Herring Cove to End) West Region

**ORIGIN**

The paving was approved in the 2005/06 Capital Budget. The sewer project was approved on July 5, 2005 following a Public Hearing process.

**RECOMMENDATIONS**

It is recommended that Council:

1. approve an increase in the Gross Budget for Capital Account No. CZU00717, Resurfacing by \$92,869 with no change to the Net Budget to reflect cost sharing of the water main related work from the Halifax Regional Water Commission.
2. approve an increase in the Gross Budget for Capital Account No. CGI00757, Armshore Drive Sewer Servicing in the amount of \$43,000 with the net residual amount (after external funding and other recoveries) funded from a local improvement charge as defined in By-Law L-123, with no net budget increase to HRM.
3. award Tender No. 05-234R, Armshore Drive (Herring Cove to End) - West Region to Sackville Trenching Limited for materials and services listed at the unit prices quoted for a Tender Price of \$375,685 including net HST from Capital Account No. CZU00717, Resurfacing, and Capital Account No. CGI00757 Armshore Drive Sewer Servicing with funding authorized as per the Budget Implications Section of this report.

## **BACKGROUND**

The Approved 2005/06 Capital Budget included funds for the Resurfacing of Armshore Drive from Herring Cove Road to the End.

One property on Armshore Drive is known to have a malfunctioning septic system, and the sewage was being discharged onto the street. The Nova Scotia Department of Environment and Labour (NSEL) have been involved due to the associated health concerns. On a temporary basis, these property owners are currently discharging their effluent into a holding tank. In spite of water conservation measures the tank is pumped out about every three weeks, which is not sustainable.

In August 2004 a number of property owners on Armshore Drive submitted a petition to Councillor Mosher asking that municipal sewer services be installed on their street. Following a consultation process with the property owners, a project plan was developed and presented to Council for consideration at a Public Hearing. Subsequently, the plan was accepted and By-Law L-123 was approved on July 5, 2005. Based on an estimated sewer project cost of \$160,000, the interim LIC was estimated at \$11,800 for properties that have access to the gravity sewer system and \$10,800 for properties that have access to the common forcemain system.

The project was tendered and the prices received were higher than the estimate, which would result in a higher LIC rate. In February 2006 staff met with the affected property owners to determine what to do next, proceed at the higher LIC rate or abandon the sewer work. Twelve of the fourteen property owners wanted to proceed with the sewer work at the higher rate. Two property owners did not attend the meeting nor did they provide staff with an opinion. On March 27, 2006 staff sent a letter to the property owners on Armshore Drive informing them that pending approval and tender award by Regional Council, the HRM intends to proceed with the Armshore Drive sewer project. A copy of that letter is attached to this report.

Based on the latest tender, staff calculates the sewer work will cost \$203,000. Using these tender prices, the revised estimated LIC is between \$14,000 and \$15,500 for properties that have access to the gravity sewer and between \$13,000 and \$14,500 for properties that have access to the common forcemain.

## **DISCUSSION**

Tenders were called on January 7, 2006 and closed on January 20, 2006. The following bids, exclusive of taxes, were received:

	<b><u>Bid Price</u></b>
1. Sackville Trenching Limited	\$363,230.00
2. Amber Contracting Limited	\$430,054.00
3. J.R.Eisener Contracting Limited	\$436,685.00
4. Harbour Construction Company Limited	\$455,785.00
5. Dexter Construction Company Limited	\$466,720.00
6. A.C.L. Construction Limited	\$501,345.00

The scope of work for this tender generally consists of the installation of a 200 mm diameter sanitary sewer, a 75 mm diameter forcemain system, sanitary sewer laterals up to the street line, the replacement of the existing 150 mm diameter water main with a 200 mm diameter water main, and the replacement of the existing gravels and asphalt.

It is anticipated that work will commence within three weeks of the tender award and take 10 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.

The installation of the sanitary sewer is subject to LICs. Staff are recommending that Council approve this portion of the tender with the understanding that the LIC rates will be higher than the interim rate originally approved by Council under section (c) of By-Law L-123. Furthermore, section (d) of the By-Law states that the interim local improvement charges will be adjusted at the completion of the project, and will be calculated on the basis of the total actual cost of the project at the adjustment date.

**BUDGET IMPLICATIONS**

Based on the lowest tendered price of \$363,230.00, plus net HST for a total project cost of \$375,685, funding is available in the Approved 2005/06 Capital Budget from Account Nos. CZU00717, Resurfacing and CGI00757 Armshore Drive Sewer Servicing. The budget availability has been confirmed by Financial Services.

**Budget Summary:**

**Account No. CZU00717, Resurfacing**

Cumulative Unspent Budget	\$203,916.00
Plus: Budget Increase	\$ 92,869.00
Less: <b>Tender 05-234R</b>	<u>\$172,840.45</u>
Remaining Balance	\$123,944.55

**Account No. CGI00757, Armshore Drive Sewer Servicing**

Cumulative Unspent Budget	\$159,844.71
Plus: Budget Increase	43,000.00
Less: <b>Tender 05-234R</b>	<u>\$202,844.71</u>
Remaining Balance	\$0

\* The paving and sewer work were estimated in the Approved 2005/06 Capital Budget at \$50,000 and \$160,000 respectively.

**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**

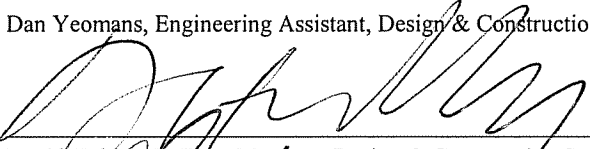
Council could reject the recommendation and abandon the sewer project. Due to the existing health issues on the street (ie. one property has a known failing on-site system) and because a majority of the residents have agreed to fund this portion of the project through (higher) Local Improvement Charges, staff do not recommend this approach.


**ATTACHMENTS**

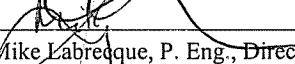
1. Letter of agreement from Halifax Regional Water Commission
2. Letter to the property owners on Armshore Drive (dated March 27, 2006)
3. By-Law L-123, Respecting Charges for Local Improvement Projects (Armshore Drive)

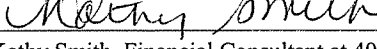
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

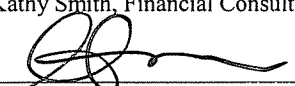
Report Prepared by: Dan Yeomans, Engineering Assistant, Design & Construction Services at 490-6822

Report Approved by:   
David Hubley, P. Eng., Manager, Design & Construction Services at 490-4845

Report Approved by:   
John Sheppard, P. Eng., Manager, Environmental Management Services at 490-6958

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

Financial Review:   
Kathy Smith, Financial Consultant at 490-6153

Report Approved by:   
Catherine Sanderson, Senior Manager, Financial Services at 490-1562

DY:cf

## MEMORANDUM

TO: Harold MacNeil, P. Eng., Halifax Regional Water Commission

CC: Jeff Spares, P.Eng., Sr. Design Engineer, Design & Construction Services  
David Hubley, P.Eng., Manager, Design & Construction Services

FROM: Dan Yeomans, Design & Construction Services

DATE: February 9, 2006

SUBJECT: **Tender 05-234R - Armshore Drive Paving, New Sanitary Sewer and Water Main Replacement - West Region**

---

Tender 05-234R - Armshore Drive Paving, New Sanitary Sewer and Water Main Replacement West Region closed January 20, 2006. Prior to tender award, a cost sharing agreement must be finalized between HRM and HRWC. You have received a bid comparison summary for the items associated with the water main renewal for this project. They are from the lowest bidder, Sackville Trenching Limited.

In the most recent discussions on this subject, HRWC has agreed to pay 50% of the cost of reinstatement. For this project the cost sharing includes the Type C Asphalt and Planing over the length of the water main and across the reinstatement width. HRM's original project did not include the replacement of the Type 1 Gravel and the Type B Asphalt. For that reason the full cost for those items (\$9,425) has been included in the water main renewal figure on page two. Based on the unit prices HRWC's share of reinstatement costs is as follows:

Reinstatement Area 0+067 to 0+183	116 m x 2.8 m	=	325 m <sup>2</sup>
Cost for Type C Asphalt	325 m <sup>2</sup> x \$ 12.00/m <sup>2</sup>	=	\$ 3,900
Cost for Planing	325 m <sup>2</sup> x \$ 7.00/m <sup>2</sup>	=	\$ 2,275
	Subtotal	=	\$ 6,175
	50% Share of Reinstatement Costs	=	\$ 3,087

As you are aware, some environmental soil sampling was carried out on Armshore Drive. The report, of which you have a copy, indicates that Armshore Drive is impacted with lead, copper and arsenic exceeding CCME commercial land use guidelines. In addition, petroleum hydrocarbons were also detected. Most of the impacted soil can remain on the site, however any soil leaving the site must be taken to a soil treatment facility. The volume calculated for work associated with the water main equates to approximately 400 tonnes (a breakdown of this tonnage was provided in the cost tracking spreadsheet that was forwarded to you earlier). The actual amount may vary depending upon site conditions.

Based on the low bidder's tender prices, cost sharing, and impacted soil treatment, HRWC's costs for Tender 05-234R - Armshore Drive Paving, New Sanitary Sewer and Water Main Replacement West Region, can be summarized as follows:

Water Main Renewal	\$64,175.00
Reinstatement Cost Sharing	\$ 3,087.00
Soil Treatment Cost	<u>\$24,000.00</u> * *
	\$91,262.00
Net HST	\$ 3,129.00
<b>Project Total</b>	<b><u>\$94,391.00</u></b>

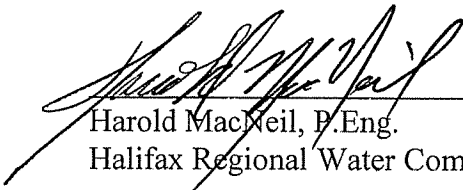
Actual cost sharing for this project will be based on final quantities determined during construction.

If you agree to this arrangement, please indicate by signing below and returning it to me. If you have any questions, please call me at 490-6822.

Thank you.



Dan Yeomans,  
Engineering Assistant

  
Harold MacNeil, P.Eng.  
Halifax Regional Water Commission

April 15/06 \*  
Date

DY/bhs *\* This agreement does not set a precedent on the allocation of impacted soil costs as discussions are ongoing on the resolution of treatment methodologies.*

H:\ENG\wp\DESIGNSR\DESIGN\Memo\HRWC-05-234R-1-dy.wpd

*\*\* Actual amount paid to be based final measurement.*

**TRANSPORTATION & PUBLIC WORKS SERVICES, Design and Construction**

Regional Transportation Planning	Metro Transit	Traffic & Right of Way	Service Delivery & Quality Improvement	Design & Construction	Public Works Operations
Tel: (902) 490-6824		Fax: (902) 490-4858			
E-mail: yeomand@halifax.ca		Website: www.halifax.ca			

**To: Property Owners on Armshore Drive, Halifax who may be subject to a Proposed Sewer Servicing Strategy**

**Date: March 27, 2006**

**Subject: Armshore Drive, Halifax - Sewer Servicing Project**

The purpose of this letter is to notify you that, pending approval and tender award by Regional Council, the Halifax Regional Municipality (HRM) intends to proceed with the Armshore Drive sewer project. This decision is based on the outcome of a recent meeting with a number of Armshore Drive property owners, and the public consultation process described below.

In August 2004, a number of property owners submitted a petition to Councillor Linda Mosher requesting municipal sewer services be installed on Armshore Drive. In February 2005, a survey was circulated to the affected property owners outlining the project plan and the estimated Local Improvement Charge (LIC). The results of that survey concluded that the majority of the property owners were in favour of proceeding with the project.

In July 2005 a Public Hearing was held to establish By-Law L-123 respecting charges for the Armshore Drive Sewer Servicing project and to give residents an opportunity to speak for or against the project. The By-Law was approved by Council, and based on an original estimate of \$160,000, established an interim LIC rate - \$11,800 for properties that have access to the gravity sewer system and \$10,800 for properties that have access to the common forcemain system. The By-Law went on to state that the interim LIC will be adjusted at the completion of the project, and will be calculated on the basis of the total actual cost of the project at the adjustment date.

In August 2005 this project was tendered and the bid prices received for the sewer work came in higher than the originally estimated \$160,000. The project did not proceed at that time due to the high cost and lateness of the construction season. The project was re-tendered early in 2006 in the hope of receiving more favourable prices. The re-tender bid prices came in about \$10,000 lower than the first tender, but again higher than the original estimate.

After reviewing the re-tender bid prices staff estimate the sewer project will cost between \$190,000 and \$210,000. Using these tender prices, the revised estimated LIC is between \$14,000 and \$15,500 for properties that have access to the gravity sewer and between \$13,000 and \$14,500 for properties that have access to the common forcemain.

On February 27, 2006 a meeting was held with HRM staff and property owners from Armshore Drive. The purpose of the meeting was to discuss the situation and to determine if the property owners were prepared to proceed with the project at the higher costs.

---

**ENVIRONMENTAL MANAGEMENT SERVICES  
ENVIRONMENTAL ENGINEERING SERVICES**

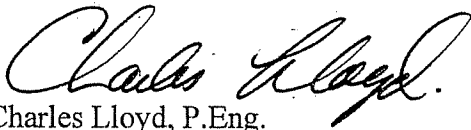
Owners of ten, of the total fourteen, affected property owners attended this meeting. All in attendance agreed to proceed with the project at the higher costs. Two other property owners, who could not attend the meeting, indicated they also agreed to proceed even with the higher costs.

The overall scope of work includes repaving of the street - to be paid by the Halifax regional Municipality; a partial watermain renewal - to be paid by the Halifax Regional Water Commission; and new sanitary sewer construction - to be paid by the abutting property owners through the above described LIC.

Pending approval and tender award by Regional Council, the Halifax Regional Municipality intends to proceed with the above described work on Armshore Drive. The new resulting per property LIC for the sewer portion of the work is estimated to be between \$14,000 and \$15,500 for properties that have access to the gravity sewer and between \$13,000 and \$14,500 for properties that have access to the common forcemain.

If you have any questions or comments, please contact the undersigned at 490-6942 during regular business hours.

Yours truly,



Charles Lloyd, P.Eng.  
Senior Environmental Engineer

- cc: Councillor Linda Mosher, District 17, Purcell's Cove - Armdale  
Brad Anguish, P.Eng., Director, Environmental Management Services  
John Sheppard, P.Eng., Manager, Environmental Engineering Services  
Jeff Spares, P.Eng., Senior Design Engineer, Design & Construction Services



**HALIFAX REGIONAL MUNICIPALITY**

**BY-LAW NUMBER L-123  
RESPECTING CHARGES FOR LOCAL IMPROVEMENT PROJECTS**

Be It Enacted by the Council for the Halifax Regional Municipality that By-Law L-100, the Local Improvement By-Law, be amended as follows:

1. Schedule "A" of By-Law L-100 is amended by adding the following:
  - a) The Armshore Drive project is a plan to install sewer lines to service properties located within the boundaries identified on a plan entitled "Plan of Armshore Drive Sewer Servicing, Local Improvement Charge Area I and Area II, By-Law L-123, dated May 2, 2005" as attached.
  - b) The Project will be funded by local improvement charges based on the entire cost of the project less any other external recoveries.
  - c) A local improvement charge will be imposed at an interim rate of \$10,800 for the five properties with access to the forcemain system (civic no.'s 5/7, 6, 9, 10 & 12); and \$11,800 for the nine properties with access to the gravity system (civic no.'s 11, 13, 14/16, 15, 17/19, 18, 20, 21/23 & 24/24A).
  - d) The interim local improvement charges will be adjusted at the completion of the project, and will be calculated on the basis of the total actual cost of the project at the adjustment date.
  - e) A further charge, yet to be determined, will be levied in respect of all future connections to the sewer and water systems for any properties either existing or created, which are not assessed a local improvement charge.

~~Done and passed by Council on this 5th day of July, 2005.~~

MAYOR

*Peter J. Kelly*

*Jan Gibson*

MUNICIPAL CLERK

I, Jan Gibson, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of the Halifax Regional Council held on July 5, 2005.

*Jan Gibson*

Jan Gibson, Municipal Clerk

Notice of Motion:	May 24, 2005
First Reading:	June 14, 2005
Notice of Public Hearing - Publication:	June 18, 2005
Second Reading:	July 5, 2005
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	July 5, 2005

---

**Armshore Drive  
Proposed Sanitary Sewer Servicing**

**Legend**

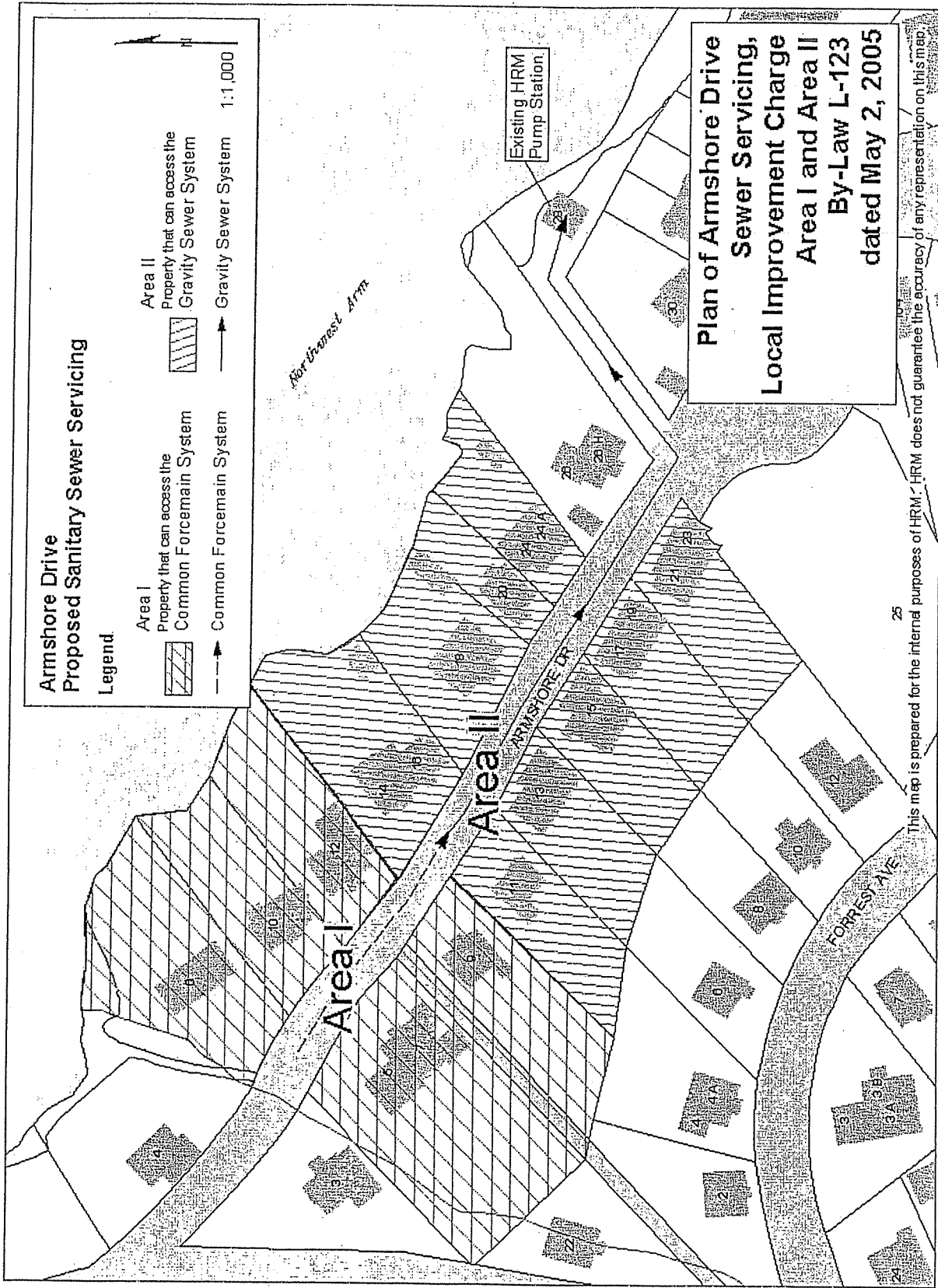
Area I  
Property that can access the  
Common Forcemain System

Area II  
Property that can access the  
Gravity Sewer System

Common Forcemain System

Gravity Sewer System

1:1,000



**Plan of Armshore Drive  
Sewer Servicing,  
Local Improvement Charge  
Area I and Area II  
By-Law L-123  
dated May 2, 2005**

This map is prepared for the internal purposes of HRM. HRM does not guarantee the accuracy of any representation on this map.