



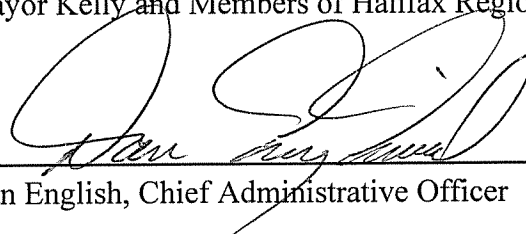
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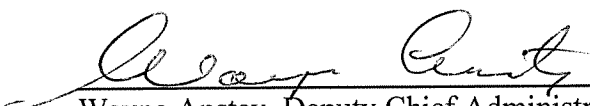
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**Halifax Regional Council**  
**June 13, 2006**

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

**SUBMITTED BY:**

  
\_\_\_\_\_  
Dan English, Chief Administrative Officer

  
\_\_\_\_\_  
Wayne Anstey, Deputy Chief Administrative Officer

**DATE:** June 8, 2006

**SUBJECT:** Award of Unit Price Tender No. 06-228, Bedford Highway/  
Crosby/Millview, Sewer and Water Servicing - Central Region

**ORIGIN**

The Approved 2005/06 Capital Budget.

**RECOMMENDATION**

It is recommended that Regional Council:

1. Approve an increase in the Gross Budget for Capital Account No. CGU00753, Bedford Highway/Millview Water and Sewer Servicing in the amount of \$650,000 including net HST, with the net residual amount (after external funding and other recoveries) funded from local improvement charges as defined in By-Law L-122, with no net budget increase to HRM.

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2. Accept the offer of a \$150,000, non-repayable contribution from Service Nova Scotia and Municipal relations, through the Provincial Capital Assistance Program (PCAP), as detailed in the attached letter dated May 8, 2006.
3. Approve funding in the amount of \$30,000 from the Sewer Redevelopment Reserve (Q104) for the sewer oversizing component of this project.
4. Award Tender No. 06-228, Bedford Highway/Crosby/Millview Sewer and Water Servicing - Central Region to Dexter Construction Company Limited for materials and services listed at the unit prices quoted for a Tender Price of \$1,223,947 including net HST, from Capital Account No.CGU00753, Bedford Highway/Millview Water and Sewer Servicing, with funding authorized as per the Budget Implications Section of this report.

**BACKGROUND**

The construction of the Bedford South Development presented the property owners in the Millview area with an opportunity to request, through Councillor Goucher, full central sewer and water services. Over time a project plan for servicing the area was developed, in consultation with a neighbourhood servicing committee.

On June 21, 2005, a Public Hearing was held to establish By-Law L-122, which set the Local Improvement Charges for the Bedford Highway/Crosby/Millview Sewer and Water Servicing Project. The servicing plan was presented by staff, and the public was given an opportunity to speak for or against the project. By-Law L-122 was approved by Council. Details regarding the consultation process and the project plan are documented in a Staff Report, dated April 26, 2005, entitled Bedford Highway/Millview Sewer and Water Servicing.

The approved project plan indicated that funding was available from three known sources. Two external funding sources, the Provincial Capital Assistance Program (PCAP) and Clayton Developments, have provided \$200,000 each to assist in the construction of services in the Millview Subdivision area (Area II). The third funding source is a Local Improvement Charge (LIC) recovered from abutting property owners. The approved plan stated that the final LIC rate will be based on the net project cost, which is the total project cost less the external funding, determined after the completion of the project, at which time all of the costs will be known.

Tenders for Phase 1 were called in August 2005, and the bids received exceeded the original estimate. Prior to awarding this tender the commercial property owners on the Bedford Highway agreed to pay an additional \$195 per foot of frontage, which helped to offset some of the increased construction costs associated with Phase 1. The scope of work included in Phase 1 was reduced and some work was deferred until Phase 2 in the hope of receiving better prices.

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Phase 2 was recently tendered and the bids received also exceeded the original estimate. Based on the entire project costs, staff calculated that the LIC for Area II would be in the range of \$165 per foot of frontage.

Service Nova Scotia and Municipal Relations has recently offered a \$150,000 non-repayable contribution to the project through the Provincial Capital Assistance Program. (See Attachment 1.) This additional external funding will have the effect of reducing the LIC rate to an estimated \$140 per foot, which was the LIC rate which was projected in the report to Council at the time of the public hearing and the approval of By-Law L-122. (It should be noted that a survey of the residents indicated an LIC rate of \$180 per foot.) It should also be noted that the current estimate of \$140 per foot is still subject to change, dependent upon conditions encountered during the completion of the work.

The report before Council today is the award of the Phase 2 construction tender which includes servicing on Bedford Highway (from Glenmont Avenue to Millview Avenue), Crosby Street and Millview Avenue. This is the final phase of the Bedford Highway/Millview Sewer and Water Servicing Project.

As part of the tender award for Phase 1 of this project, staff were directed by Council to consider developing a plan to service the section of the Bedford Highway from Millview Avenue to Fern Avenue including Fernleigh Subdivision. Award of the Phase 2 tender will permit staff to begin this process as services will be available on the Bedford Highway, up to Millview Avenue. Staff will begin this process soon and anticipate returning to Council in the fall of 2006 with a project plan and perhaps a public hearing to set LIC rates for this service extension.

**DISCUSSION**

Tenders were called on February 25, 2006 and closed on March 10, 2006. The following bids, exclusive of taxes, were received:

	<b><u>Bid Price</u></b>
1. Dexter Construction Company Limited	\$1,183,369.00
2. Brycon Construction Limited	\$1,398,261.50
3. A.C.L. Construction Limited	\$1,471,715.00
4. Amber Contracting Limited	\$1,472,694.00
5. Sackville Trenching Limited	\$1,489,783.00
6. W. Eric Whebby Limited	\$1,911,476.00

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The scope of work for the project generally consists of the construction of sanitary sewer and water system, including provision of some stormwater work and service laterals up to the street line, reinstatement of disturbed surfaces, and all environmental protection measures required during construction. This project also includes the installation of new fire hydrants.

It is anticipated that work will commence within three weeks of the tender award and take 18 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 new sewer and water systems in this phase is subject to Local Improvement Charges, as per By-Law L-122. Based on the tenders received the sewer oversizing costs are calculated to be approximately \$30,000 and will be paid from the Sewer Redevelopment Reserve (Q104). The water main oversizing from 300 mm dia. to 400 mm dia. is calculated at \$58,000 and will be paid by the HRWC..

**BUDGET IMPLICATIONS**

Based on the lowest tendered price of \$1,183,369, plus net HST, for a total project cost of \$1,223,947, funding is available in the Approved 2005/06 Capital Budget from Account No. CGU00753, Bedford Highway/Millview Water and Sewer Servicing. The budget availability has been confirmed by Financial Services.

**Budget Summary: Account No. CGU00753, Bedford Highway/Millview Sewer and Water Servicing**

Cumulative Unspent Budget	\$ 609,460
Add: Increase to Budget	\$ 412,000
Add: SR Reserve (Q104)	\$ 30,000
Add: HRWC Contribution	\$ 58,000
Add: PCAP Contribution	<u>\$ 150,000</u>
Sub-total	\$1,259,460
Less: <b>Tender No. 06-228</b>	<u><b>\$1,223,947*</b></u>
Balance of Account	<u>\$ 35,513</u>

\* This Phase of the project was originally estimated at \$1,060,000.

The entire project (Phases 1 and 2) was originally estimated at \$1,800,000 gross cost. It is now projected that the actual cost will be approximately \$2,400,000. This project is funded by Local Improvement Charges that will be based on the entire cost of the project less external funding. The final Local Improvement Charge will be determined at the completion of the project and will be calculated on the basis of the total net cost of the project at the adjustment date, as defined in the by-law.

## **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 to not award this tender at this time, and to re-tender at a later time, which would potentially result in higher tender prices, as overall bid prices are rising. Council could also choose to cancel the remainder of the project, which would result in a number of residents who were anticipating service not being serviced. Council could reject the offer of \$150,000 from PCAP which would result in the residents paying a LIC charge higher than the interim rate approved by Council. None of these alternatives is recommended.

## **ATTACHMENTS**


1. Letter Re: Millview Servicing Project - Bedford dated May 8, 2006

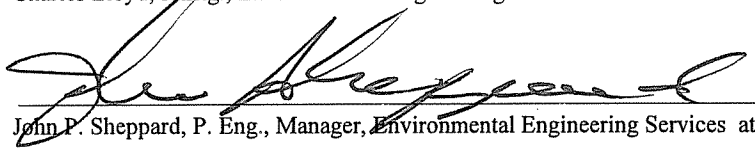
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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

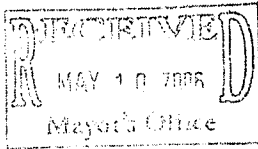
Report Prepared by:  Charles Lloyd, P. Eng., Environmental Engineering Services at 490-6942

Business Unit Review:   
John P. Sheppard, P. Eng., Manager, Environmental Engineering Services at 490-6958

Report Approved By:   
Brad Anguish, P. Eng., Director, Environmental Management Services at 490-4825

Financial Review:   
Ferdinand Makani, Financial Consultant at 490-6902

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

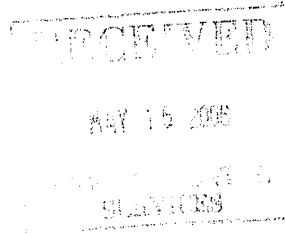


Service Nova Scotia and Municipal Relations  
Office of the Minister

PO Box 216, Halifax, Nova Scotia, Canada B3J 2M4 • Telephone 902 424-5550 Fax 902 424-0581 • www.gov.ns.ca

MAY 08 2006

Peter Kelly  
Mayor  
Halifax Regional Municipality  
P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5



Dear Mayor Kelly:

**Re: Millview Servicing Project - Bedford**

I am writing in response to a recent email from Councillor Goucher regarding the cost estimates for the above captioned water and sewer servicing project in the Millview area of Bedford.

As you are aware, the Province provided \$200,000 to the first phase of the Glenmont / Millview project through the PCAP program last year. I am pleased to inform you that the Department of Service Nova Scotia and Municipal Relations will commit an additional \$150,000 to the second phase of the project.

The funding will be made through the 2006-2007 Provincial Capital Assistance Program budget. All expenditures must be made and claims submitted to SNSMR before March 31, 2007. Please contact Marvin MacDonald, Director of Grants and Programs at 424-3858 for details on the funding offer.

The Province is very pleased to be able to participate in this worthy project to improve municipal services for residents in the Glenmont / Millview areas.

Yours sincerely,

Richard Hurlburt

cc Hon. Peter Christie  
Councillor Goucher

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