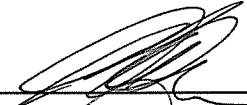
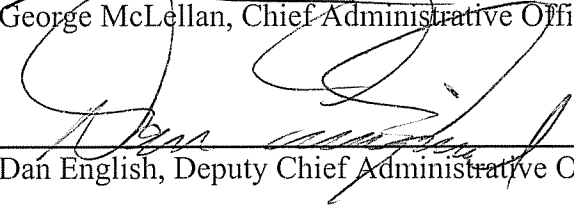


Halifax Regional Council
April 16, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: April 8, 2002

SUBJECT: Award - Tender 02-150 Halifax Family Court Renovations

ORIGIN

The 2000/01 Capital Budget identified \$1,500,000 in account CBA00627 for renovations to the Halifax (Richmond) Family Court Building, Devonshire Avenue, Halifax, associated with the lease renewal approved in February 2001.

RECOMMENDATION

1. It is recommended that Council approve an increase to the Capital Budget, account CBA00627, from \$1,500,000 to \$1,729,750.00 as noted in the Budget Implications section of this report, on the basis that, the proposed increase is fully recoverable from the Tenant under the lease agreement.
2. It is also recommended that Council award the tender to the low bid from Blunden Construction of \$1,216,283 net of taxes. Funds available in account CBA00627.

BACKGROUND

The Richmond Family Court Building has been leased by the Municipality to the Supreme Court Family Division since 1985. In 2001/02 it generated a yearly gross revenue of \$335,000. In February 2001, Council approved a 10 year lease renewal with the Province. The renewal arrangement included new tenant leaseholds and building upgrades to meet the changing needs of the court facility. The tenant leasehold costs are structured as a tenant recovery (additional rent) under the lease agreement.

Real Property Services began a design process that has taken one year to complete and has culminated in this tender. During the design process the tenant expanded the scope of work which resulted in increased costs that will be borne by the tenant as described in the Budget Implications section of this report. If approved, these renovations will see upgrades to many interior finishes, capture of previously unuseable basement space with the waterproofing of the basement wall, and the installation of an elevator, all of which will provide capital upgrades to an HRM asset.

DISCUSSION

The following bids were received on March 5, 2002:

Company	Lump Sum Price (not including taxes)*
Blunden Construction	\$1,205,050
Rideau Construction	\$1,235,311
Castle Rock Construction	\$1,244,835
Avondale Construction	\$1,451,932
Sigma Construction	\$1,511,374

* This project is eligible for full tax rebate.

Increases to the scope of work at the request of the tenant subsequent to the tender closing have resulted in an increase of \$11,233 increasing the Lump Sum Price from \$1,205,050 to \$1,216,283 as noted in the award recommendation.

BUDGET IMPLICATIONS

The majority of funding for this project is to come from the increased rent stream created through the lease renewal. The total project cost is anticipated to be \$1,729,750. Of that total, HRM is directly contributing \$308,115 in base building upgrades, from account Q116 Richmond School Reserve as approved by Council in the 2000/01 Capital Budget. Funding for this project is available in the approved 2000/01 Capital Budget under Account No. CBA00627, with an uncommitted

balance of \$1,369,959.43 (Gross Budget \$1,500,000). This has been confirmed by staff of Finance. Award is pending approval of an increase in the Capital Budget as per recommendation #2. #1

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 can choose to not approve this award. However, this would result in delay and potential action by the tenant as a result of the Municipality failing to meet its obligations under the lease agreement. This is **not** recommended.

ATTACHMENTS

none

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: Phillip Townsend, Manager, Capital Projects, Real Property Services, 490-7166

Report Approved by:



Mike Labrecque, Director, Real Property Services 490-4851