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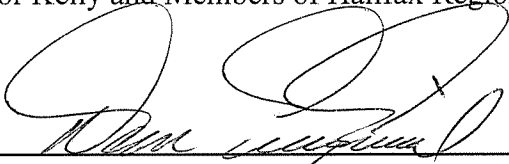


PO Box 1749
Halifax, Nova Scotia
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Halifax Regional Council
May 25, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Acting Chief Administrative Officer

DATE: May 18, 2004

SUBJECT: Award Tender 04-160 Tex Park Demolition

ORIGIN

This report originates with Council's award of RFP 02-160 Building Environmental Assessments and Pre-demolition Services to Dillon Consulting Services, and the subsequent issuance of Tender 04-160 for the demolition of the former Texpark building to facilitate the sale and redevelopment of the property.

RECOMMENDATION

It is recommended that Regional Council award Tender No. 04-160, Texpark Demolition, to Marinus Verhagen Limited for a tender price of \$432,439.57 plus net HST, for a total of \$460,241, and approve an amount of \$17,298 for testing of materials and unforeseen works that is likely to occur with a project of this magnitude and complexity, with funding from Property Clearing Account HSOLREST, as per the Budget Implications section of this report.

BACKGROUND

The existing building was developed as a 6 storey parking garage, known as Texpark, with a service station in the early 1960's, under a long term lease from the former City of Halifax. Prior to that time, a number of smaller commercial buildings occupied the site. Adjacent parcels to the south were acquired and buildings removed as the Municipality assembled the entire block over the past decade. The lease for the parking garage has now expired, and the structure is surplus to the Municipality's needs. The property was offered for sale by tender in March of this year and closed on April 30, 2004. The Municipality offered the property for sale on an "as is vacant" basis, with the demolition of the building being the Municipality's responsibility.

The recommendation with respect to the sale is pending Council's approval and a condition of the Agreement of Purchase and Sale is that the Demolition Contract shall be awarded by HRM forty-five (45) days from Council's approval of the sale.

DISCUSSION

The demolition project was tendered on April 28, 2004 and closed on May 14, 2004. The following bids were received:

Company	Lump Sum Price (before taxes)	Total Cost (incl. net taxes)
Marinus Verhagen Limited	\$432,439.57	\$460,241.06
Dexter Construction Limited	\$533,500.00	\$567,798.60

The work program is anticipated to be 7-10 weeks from award, which would see the majority of the works completed by end of July 2004.

The demolition of the existing structure in the short term will enhance the site, and immediate area, while facilitating the sale and development of the subject property. This will likely introduce a commercial and/or residential investment opportunity consistent with the recommendations of the Real Properties Opportunities Plan and the Regional Plan principle of supporting the CBD (Capital District) as the focus for economic, cultural and residential activities.

BUDGET IMPLICATIONS

The tender cost of \$460,241 plus \$17,298 for testing of materials and unforeseen works, for a total of \$477,539 including net HST, as identified in this report will be funded from future sale proceeds. In the interim, the project costs and administrative soft costs will be funded from Property Clearing Account HSOLREST to be recovered from the future sale proceeds from the subject property. This arrangement has been approved and confirmed by Financial Services.

The net HST has been included in the award amount. The Federal Government, in the recent speech from the throne, has proposed changes that would provide a GST rebate to Municipalities. This legislation, once approved, will affect the total cost of this award. Once the legislation is in place, and the actual amount determined, the value will be adjusted accordingly.

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.

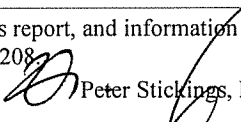
ALTERNATIVES

None at this time.

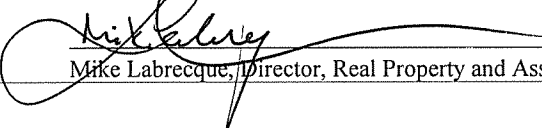
ATTACHMENTS

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.

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