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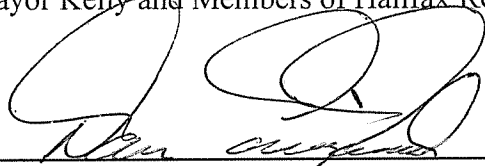


PO Box 1749  
Halifax, Nova Scotia  
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Halifax Regional Council  
July 13, 2004

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

**SUBMITTED BY:**

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

**DATE:** July 7, 2004

**SUBJECT:** **Award of Tender No. 04-153**  
**Renovations - Parks & Grounds Building -375 Cowie Hill Road**

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**ORIGIN**

Approved 2002/03 Capital Budget  
Approved 2004/05 Capital Budget

**RECOMMENDATION**

It is recommended that Regional Council:

1. approve an increase in the amount of \$100,000 to Capital Account No. CB200375 Facilities Operation Consolidation to Cowie Hill, with funding from the Sale of Land Reserve (Q101) for a revised total budget of \$691,000 as outlined in the Budget Implications section of this report.
2. award Tender No. 04-153 to J.W. Lindsay Enterprises Limited for renovations of the existing Parks & Grounds Building for the tender price of \$565,370 plus net HST for a total project cost of \$584,756.54. from Capital Account No. CB200375 - Facilities Operation Consolidation to Cowie Hill, as outlined in the Budget Implications of this report.

## BACKGROUND

In 2002/03 renovations to the Parks and Grounds Building were planned to relocate HRM Operations staff in an effort to improve the utilization of the 8500 sq.ft. depot located at 375 Cowie Hill Road, while enhancing the overall operation of the business unit. In January of 2003, the consolidation of Parks and Grounds with Real Property Services created the Real Property and Asset Management business unit resulting in increases to the scope of work of this project which were reflected in the 2004/05 budget.

The scope of work includes the expansion of existing second level office space into an area which is currently warehouse and the relocation of the carpentry, mechanical and electrical shops from 3790 MacKintosh Street to the lower level of the Cowie Hill Depot. Work also includes reconfiguration of the existing Parks and Grounds shops and offices located at the depot.

The disposition of 3790 MacKintosh Street will be coordinated with the anticipated redevelopment of the adjacent privately owned Bayne Street Properties (former Irving Property). In the interim the MacKintosh property will provide a short/medium term income property opportunity.

## DISCUSSION

Work identified subsequent to the budget submission resulted from the annual review by the Fire Prevention Office, which required an estimated additional \$20,000 to bring the existing conditions of the building up to code. It was felt that it would be prudent to add this to the scope of this project when it was tendered rather than to have the work done under a separate contract.

This work was tendered on May 5, 2004 and closed on May 27, 2004. Two bids, exclusive of taxes, were received and evaluated by Real Property and Asset Management Operations and Capital Projects:

<u>Bidder</u>	<u>Original Bid Price</u>	<u>Total Cost (incl.net taxes)</u>
J.W. Lindsay Enterprises Limited	\$621,395.00	\$642,702.63
Blunden Construction Limited	\$637,799.00	\$659,669.13

The lowest tendered price received from J.W. Lindsay Enterprise Limited exceeded the budget for the project. As they were the lowest bidder, staff negotiated additional savings of \$56,025. These savings negated the cost of the increased scope of work resulting from the required code upgrades but still left a budget shortfall. These negotiations reduced the project cost to \$565,370 plus net taxes for a total project cost of \$584,756.54. Staff feel that there are no more savings to be realized through reductions in the scope of work, changes to materials or methodology.

**BUDGET IMPLICATIONS**

Based on an increase to Capital Account No. CB200375-Facilities Operation Consolidation to Cowie Hill in the amount of \$100,000, from the Sale of Land Reserve (Q101), funding is available in the amount of \$565,370.00 plus Net HST for a total project cost of \$584,756.54. Generally if an approved project such as this required additional funds over and above the amount provided in the budget, Cresspool would be the first source of funds. No funds are presently available in Cresspool as a result of the year end transfer of the balance to reduce the 2004/05 debt requirements, pursuant to the Cresspool policy. Should funds become available in Cresspool later in fiscal 2004/05, these funds will be used to repay the Sale of Land account. This has been confirmed by Financial Services.

**Funding Summary**

<b>Original approved Budget - CB200375 - 2002/03</b>	\$300,000.00
<b>CB200375 - 2004/05</b>	\$291,000.00
Total of approved budget	\$591,000.00
Spent/committed to date	(\$96,037.69)
Available funds in Account CB200375	\$494,962.31
Proposed Budget Transfers Q101 Sale of Land Reserve	\$100,000.00
Proposed Available	\$594,962.31
Contract Award	\$584,756.54
Balance in Account CB200375	\$ 10,205.77

**Budget Summary: Capital Account No: CB200375 - Facilities Operation Consolidation to Cowie Hill**

Cumulative Unspent Budget	\$494,962.31
Plus: Increase from Q101 Sale of Land Reserve	\$100,000.00
Less: Tender No. 04-153	<u>\$584,756.54</u>
Balance in account	\$ 10,205.77

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

**Award of Tender No. 04-153**  
**Renovations to the Parks & Grounds Building**  
**Council Report**

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**July 13, 2004**

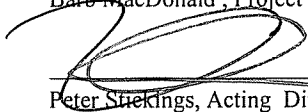
- If approved, this will increase the 2004/05 withdrawals from the Q101 Reserve Budget by \$100,000. However, projected reserve contributions are anticipated to be higher than planned.
- If approved, this will increase the 2004/05 Capital Budget by \$100,000.


**ALTERNATIVES**


1. Council could decide not to award this tender. However, this is not recommended due to the fact that this project has been planned since 2002/03 and preparations have begun to allow construction. Staff and services in the building have been relocated to prepare for construction. No action on this renovation project would result in increased inefficiency as well as undesirable working conditions which were intended to be temporary.
2. Council could decide to request revisions to the tender documents to phase the project. Staff would not recommend this alternative due to the fact that it would increase the overall cost of the job (additional consultant fees, additional time for re-design and re-tendering ) and result in inefficient operation of the business unit.

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: Barb MacDonald, Project Manager (490-4180)

Report Approved by:  Peter Stekings, Acting Director, Real Property & Asset Management Services (490-7129)

Report Approved by:  Dale MacLennan, Director, Financial Services. 490-6308 *per!*

Report Approved by:  Peter Ross or his Designate, Procurement (490-6499)