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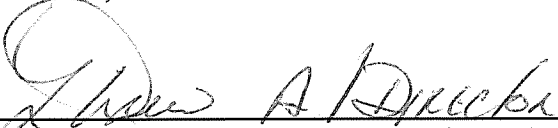
PO Box 1749
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Halifax Regional Council
August 2, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Mike Lebreque, P.Eng., Director, Transportation and Public Works Services

DATE: July 19, 2005

SUBJECT: Award of Unit Price Tender No. 05-267, Mount Hope Interchange -
East Region - (Highway III)

ORIGIN

The Approved 2005/06 Capital Budget.

RECOMMENDATIONS

It is recommended that Council:

1. approve an increase in the Gross Budget for Capital Account No. CTU00530 by \$5,285,661 with no change to the Net Budget to reflect the Capital Cost Contribution from adjacent land developments
2. award Tender No. 05-267, Mount Hope Interchange - East Region to Dexter Construction Company Limited for materials and services listed at the unit prices quoted for a Tender Price of \$9,189,202 including net HST, from Capital Account No. CTU00530, Highway 111- Shearwater Interchange/Connector, with funding authorized as per the Budget Implications Section of this report
3. approve the appointment of O'Halloran Campbell Consultants Limited for contract administration and inspection services and additional design fees on this project, for a total of \$169,831 including net HST from Account No. CTU00530, Highway 111-Shearwater Interchange/Connector, with funding authorized as per the Budget Implications section of this report.

BACKGROUND

The 1997 Metropolitan Area Transportation Plan (GoPlan) and the 1999 Integrated Servicing Study (ISS) assessed existing infrastructure limitations and identified additional facilities required to allow future development in the HRM. These studies identified the need for a new arterial roadway in the Cole Harbour-Eastern Passage area to facilitate transportation and future development. In 2002, the Cole Harbour Arterial Corridor and Interchange Study identified the proposed corridor for this roadway and the location of a new interchange to service Highway 111. The Cole Harbour Arterial Access Options Study identified the interchange location included in this report as being the first phase.

In response to the transportation studies, HRM, in cooperation with the Federal and Provincial Governments, under the Canada - Nova Scotia Infrastructure Program (CNSIP) has provided funding to construct an interchange and ramps on Highway 111 (Circumferential Highway) to service the Woodside Industrial Park and future developed land.

The Cole Harbour Arterial Corridor and Interchange Study conducted in 2002 identified a conceptual costing of approximately \$7,000,000 for this project. The funding plan was identified to include CNSIP funds of \$2.5 million and Capital Cost Contribution recoveries from adjacent developments of \$2.85 million, with the balance of funding coming from the capital budget. During the detailed design phase a number of factors became evident that the projected construction costs would be above the previous estimates. The location of the structure had to be moved further west to accommodate other geometric requirements. The project was expanded to include additional width on the structure to accommodate traffic lanes, pedestrians and cyclists. Other cost implications included the relocation of a portion of a major trunk sewer and modification to the on and off ramps on the Portland Street side. Approximately \$1.8 million in land costs were not included in the original budget. Negotiations are underway with the Province to assume some of the land costs and other potential construction costs. The revised total project cost is estimated to be \$12,100,000.

Although the project costs are higher, the anticipated CCC recoveries will be substantially higher than previously projected. Previously only \$2.85 million was assumed for CCC. Up to 75% recovery may be possible but the proportion of the CCC will depend on the level of development that occurs over the next several years. Planning and Development are confident that at least 60% to 65% will be recovered.

DISCUSSION

Tenders were called on May 18, 2005 and closed on June 17, 2005. The following bids, exclusive of taxes, were received:

	<u>Bid Price</u>
1. Dexter Construction Company Limited	\$8,884,550.00
2. Alva Construction Limited	\$9,415,784.25

The scope of work for this tender generally consists of, but is not limited to, the construction of an interchange and ramps on Highway 111 (Circumferential Highway) including all drainage, lighting and traffic signals.

To conform to budget allocations, staff had the consultant re-design a portion of the original project at an additional cost of \$20,000 plus net HST to reduce the width of the interchange to accommodate a four lane cross section on Highway 111 versus the original six lane width. Nova Scotia Transportation & Public Works approved the proposed change to reduce the overall costs of the project.

This project was designed by O'Halloran Campbell Consultants Limited and since staff does not have the resources to provide full time contract administration and inspection services on a project of this magnitude at this time, it is recommended that O'Halloran Campbell Consultants Limited be retained to provide these necessary services. The estimated fee for this service is \$144,200 plus net HST. If approved, the payment to the consultant will be based on the amount of actual time spent on the project in accordance with the hourly fees quoted.

The total project cost including contract administration, inspection services, additional design fees and net HST is \$9,359,033.

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

This is a **UNIT PRICE** contract and the cost will be dependent upon the actual quantities measured and approved by the HRM Project Manager.

There are no Local Improvement Charges associated with this work.

BUDGET IMPLICATIONS

Based on the lowest tendered price of \$8,884,550 plus \$144,200 for Contract Administration and Inspection and \$20,000 additional design fees plus net HST, the total project cost is \$9,359,033, with funding available in Account No. CTU00530, Highway 111 - Shearwater Interchange/Connector. The budget availability has been confirmed by Financial Services.

Budget Summary: Account No. CTU00530, Highway 111 - Shearwater
Interchange/Connector

Cumulative Unspent Budget	\$6,456,704
Plus: Funding Increase-Capital Cost Contributions	\$5,285,661
Less: Tender 05-267	\$9,189,202 *
Less: Contract Administration and Inspection and Additional Design Fees	<u>\$ 169,831</u>
	\$2,383,332

* This project was estimated at \$7,000,000.

This Budget Summary assumes the approval of Recommendation 1 as listed above, allowing staff to increase the overall Capital Budget and associated Capital Cost Contribution revenue.

There is some uncertainty as to the total amount that may be collected and is dependent on future development activity and timing. Any amounts not collected in ensuing years from CCC's would need to be funded by other capital funding sources until such time as the development proceeds. Assumption of some portion of the project costs by the Province will further reduce the level of dependency on just the CCC recoveries. The administration are satisfied that increasing the budget allocation for this project is appropriate given the recoveries that are anticipated.

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. If approved, this will increase the 2005/06 Capital Budget.

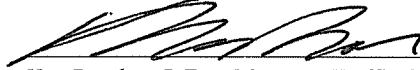
ALTERNATIVES

There are no recommended alternatives.

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.

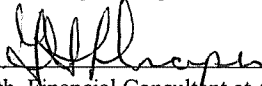
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jl/su