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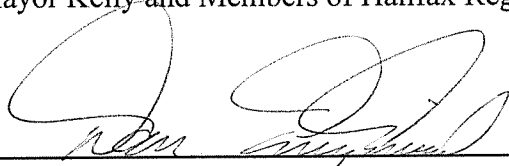


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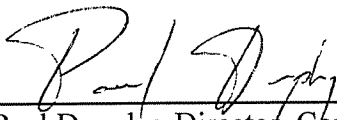
Halifax Regional Council
February 13, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Paul Dunphy, Director, Community Development

DATE: January 30, 2007

SUBJECT: **Increase to Contract - Sole Source, Consulting Services Capital Cost Contribution, Bedford West**

ORIGIN

This report originates from the need to increase the contract to beyond 15 percent of its original value.

RECOMMENDATION

It is recommended that Halifax Regional Council authorize an increase to the contract with CBCL Limited for consulting services in connection with the capital cost contribution charges for Bedford West in the amount of \$56,886.00 (net HST included), with funding from CDS00101, Capital Cost Contribution Area Studies as indicated in the Budget Implications section of this report.

BACKGROUND/ DISCUSSION

A sole source purchase order was awarded to the CBCL Limited on October 25, 2005 to carry out the analysis of infrastructure for the capital cost contribution for the Bedford West development. On July 31, 2006, the original purchase order was increased by \$25,000.00 to include work on the Timberlea, Lakeside, Beechville Sewage Treatment Plant analysis. This project was awarded as a sole source contract for the following reasons:

- The work was anticipated to be valued at less than \$50,000.
- The work for both the Bedford West project and the Timberlea project are interrelated so it was both cost effective and efficient to have the same consultant working on both projects.
- CBCL had successfully carried out capital cost contribution analysis on behalf of HRM in other areas and as such had experience with this type of work.
- CBCL had worked on other projects in the area and therefore had significant amount of information necessary for this work.

During the completion of this work, it was determined that additional analysis were required which has increased the scope of work significantly. The following is an overview of the additional work:

Larry Uteck Boulevard Interchange

The Bedford West development will use the Larry Uteck Boulevard interchange which is planned under the Bedford South master plan and capital cost contribution. While the preliminary location and design were determined under the Bedford South analysis, Nova Scotia Department of Transportation requires additional information prior to approval of the interchange due to the addition of the traffic from the Bedford West development.

Harbour Interceptor Tunnel

In addition to the infrastructure analysis for Bedford West, work was also being carried out by CBCL on a possible solution to the Beechville, Lakeside, Timberlea (BLT)sewage treatment plant capacity issue. Sewage flow from both of these areas would use the existing harbour interceptor tunnel which is located from Fairview Cove to the new Halifax treatment plant. Diverting sewage from the BLT wastewater plant has made the analysis of this pipe substantially more complex than originally anticipated and as such has required a significant amount of work by the consultant.

Sale of Bedford West Lands

The majority of the lands within the Bedford West master plan area were recently sold. The new owner of the lands also owns a significant portion of the land that is within the Bedford South master plan area as well. The new owner is proposing changes to the infrastructure layout that may provide efficiencies, including eliminating a proposed pumping station in Bedford South. Additional analysis

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is required to study the feasibility and cost of the proposed changes as they relate to the CCC for Bedford West and as well as how the changes may benefit HRM.

The analysis will also support a review of the infrastructure needs and development sequence in the Bedford South Charge Area, which will be carried out in the upcoming year to reconfirm that the amount of the Capital Cost Charge in Bedford South is appropriate.

Summary

This additional work is related to more than one area and will be cost shared by several different land owners. In order to simplify the accounting, all of the additional costs have been added to the contract for the existing Bedford West study. This will result in a significant increase to the Bedford West study. However, under the capital cost contribution policy, the cost of infrastructure analysis is shared by the benefiting land owners and HRM. Therefore, the costs associated with this additional work will be cost shared as part of the capital cost contribution charge. The interchange work will be shared by the land owners within the Bedford West master plan area, in addition to the existing Bedford South capital cost charge. The work associated with the harbour interceptor tunnel will be shared by all lands which will benefit from the analysis (ie Bedford West lands, Westgate, Sisters of Charity, Bayers Lake lands, etc).

Since these items are complex in nature and may require a significant amount of work, staff recommend proceeding with a maximum budget amount. This will allow for flexibility in completing this work.

Contract Award Amount (net HST included)	\$31,028.70
Previously approved increase (net HST included)	\$25,857.25
Current request for Increase (net HST included)	<u>\$56,886.00</u>
New Contract Value (net HST included)	\$113,771.95

This represents a 267% increase above the value of the original contract.

BUDGET IMPLICATIONS

Funding in the amount of \$56,886.00 including net HST for the increase to contract (PO #2070266233) is available from CDS00101, Capital Cost Contribution Area Studies.

The budget availability has been confirmed by Financial Services.

Budget Summary:	Capital Account No, CDS00101, Capital Cost Contribution Area Studies
	Cumulative Unspent \$ 58,887.00
	Less: Increase to Contract <u>\$ 56,886.00</u> (including net HST)
	Balance \$ 2,001.00

The balance of the funds will be used for additional work on capital cost studies.

As an interim measure, the cost associated with this study will be paid out of the capital account CDS000101, Capital Cost Contribution Area Studies. The cost of this study will be included in the proposed capital cost contributions for both the Bedford West lands and the lands associated with the Beechville, Lakeside, Timberlea solution. Upon adoption of the CCC charges in both areas, as lands are developed, the portion associated with these lands will be recovered from the developers. The appropriate share of these costs will also be assigned to other lands which benefit from this work as they are developed.

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

1. Regional Council could deny this request to increase the contract with CBCL. This alternative is not recommended. This work is required to develop capital cost contribution charges for Bedford West. Since the consultant is currently working on the Bedford West analysis, much of the necessary information required is already known by this consultant. Therefore, this work is being done at better value than if a new consultant was hired.

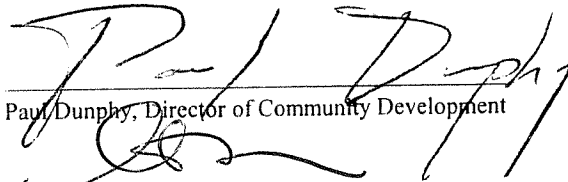
ATTACHMENTS

None

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

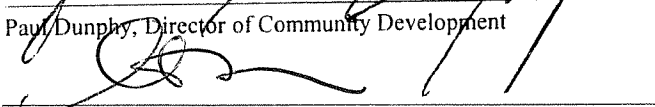
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Paul Dunphy, Director of Community Development

Financial Approval by:



Catherine Sanderson, Senior Manager, Financial Services, 490-1562