

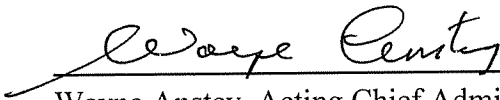
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PO Box 1749  
Halifax, Nova Scotia  
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**Halifax Regional Council**  
**August 8, 2006**

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

**SUBMITTED BY:**   
Wayne Anstey, Acting Chief Administrative Officer

**DATE:** July 26, 2006

**SUBJECT:** **Award of Unit Price Tender No. 06-234, Resurfacing and Gas Main Installation, Birchwood Terrace - East Region**

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**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. CZU00782, Resurfacing by \$46,158 with no change to the Net Budget to reflect cost sharing of the gas main related work from Heritage Gas;
2. award Tender No. 06-234, Resurfacing, and Gas Main Installation, Birchwood Terrace - East Region to Ocean Contractors Limited for materials and services listed at the unit prices quoted for a Tender Price of \$537,831 including net HST from Capital Account No. CZU00782, Resurfacing, and Capital Account No. CGU00461, Sewer Lateral Replacement, with funding authorized as per the Budget Implications Section of this report.

## **BACKGROUND**

The Approved 2005/06 Capital Budget included funds for the resurfacing and for the replacement of sanitary laterals which are in poor condition on Birchwood Terrace from Lorraine Street to Lawnsdale Drive.

## **DISCUSSION**

Tenders were called on July 1, 2006 and closed on July 14, 2006. The following bids, exclusive of taxes, were received:

	<b><u>Bid Price</u></b>
1. Ocean Contractors Limited	\$520,000.00
2. Dexter Construction Company Limited	\$625,800.00
3. Lafarge Canada Inc.	\$627,500.00

The scope of work for this tender generally consists of replacing the existing curb with concrete curb and gutter, renewing the pavement, and installing a new gas line complete with laterals.

It is anticipated that work will commence within three weeks of the tender award and take 10 weeks to complete.

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 \$520,000.00, plus net HST for a total project cost of \$537,831, funding is available in the Approved 2005/06 Capital Budget from Account No. CZU00782, Resurfacing, Capital Account No. CGU00461, Sewer Lateral Replacements and from cost sharing with Heritage Gas.

The budget availability has been confirmed by Financial Services.

**Budget Summary: Account No. CZU00782, Resurfacing**

Cumulative Unspent Budget	\$ 715,030
Plus: Heritage Gas Cost Sharing	\$ 46,158
Less: <b>Tender No. 06-234</b>	<b><u>\$ 464,784*</u></b>
Uncommitted Balance	\$ 296,404

**Account No. CGU00461, Sewer Lateral Replacements**

Cumulative Unspent Budget	\$ 251,136
Less: <b>Tender No. 06-234</b>	<b><u>\$ 73,047 *</u></b>
Uncommitted Balance	\$ 178,089

\* This project was estimated in the Approved 2005/06 Capital Budget at \$350,000. As a result of cost sharing from Heritage Gas the net cost to Account CZU00782 is \$418,626.

The remaining funds from Account No.CZU00782 are required to implement the remaining Resurfacing projects approved by Council.

**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 2006/07 Capital Budget.

**ALTERNATIVES**

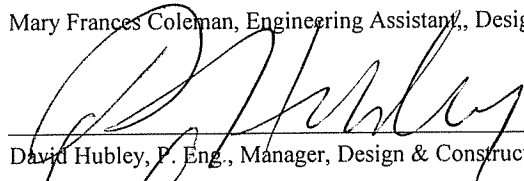
There are no recommended alternatives.

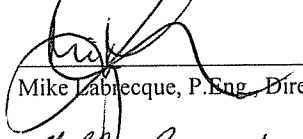
**ATTACHMENT**

Memorandum dated July 18, 2006 to Heritage Gas.

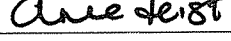
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

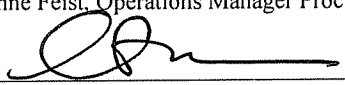
Report Prepared by: Mary Frances Coleman, Engineering Assistant,, Design & Construction at 490-1457

Business Unit Review:   
David Hubley, P. Eng., Manager, Design & Construction Services at 490-4845

Report Approved By:   
Mike Labrecque, P.Eng., Director, Transportation and Public Works at 490-4855

Financial Review:   
for Kathy Smith, Financial Consultant, Financial Services at 490-6153

Procurement Review:   
Anne Feist, Operations Manager Procurement at 490-4200

Report Approved By:   
Catherine Sanderson, Senior Manager, Financial Services at 490-1562

JF/bhs



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## MEMORANDUM

TO: Leonard Avery, P.Eng., Heritage Gas

CC: Jeff Spares, P.Eng., Sr. Design Engineer, Design & Construction  
David Hubley, P.Eng., Manager, Design & Construction

FROM: John Fawcett, P.Eng., Design Engineer, Design & Construction

DATE: July 18, 2006

SUBJECT: Tender 06-234 - Birchwood Terrace (Lorraine Street to Lawnsdale Drive)  
Reconstruction and Gas Main Installation

Tender 06-234 - Birchwood Terrace (Lorraine Street to Lawnsdale Drive) Reconstruction and Gas Main Installation, East Region closed July 14, 2006. Prior to tender award, a cost sharing agreement must be finalized between HRM and Heritage Gas. Enclosed is a bid comparison summary highlighting items associated with the gas main installation for this project. They are from the lowest bidder, Ocean Contractors Limited to highest.

In the most recent discussions on this subject, Heritage Gas has agreed to pay 50% of the cost of the reinstatement. This includes the cost of the asphalt and gravel over the length of the gas main and across the reinstatement width. Based on these unit prices Heritage Gas's share of reinstatement costs is as follows:

Reinstatement Area for Main Line	370 to 520 = 150 m x 1.0 m	=	150 m <sup>2</sup>
Reinstatement Area for Laterals	[5 x 11 m + 2 x 15 m + 6 x 5 m]	=	115 m <sup>2</sup>
Total Reinstatement Area		=	265 m <sup>2</sup>
Cost for Type 1 Gravel	265 m <sup>2</sup> x 0.150 m x 2.4t/m <sup>3</sup> x \$39.00/t	=	\$3,721
Cost for Type 2 Gravel	265 m <sup>2</sup> x 0.150 m x 2.4t/m <sup>3</sup> x \$16.00/t	=	\$1,526
Cost for Type B Asphalt	265 m <sup>2</sup> x \$15.00/m <sup>2</sup>	=	\$3,975
Cost for Type C Asphalt	265 m <sup>2</sup> x \$12.50/m <sup>2</sup>	=	\$3,313

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Cost for Planing	265 m <sup>2</sup> x \$7.25/m <sup>2</sup>	=	\$1,921
	Subtotal	=	\$14,456
	50% Share of Reinstatement Costs	=	\$ 7,228

Based on the low bidder's tender prices and the above cost sharing, Heritage Gas's costs for Tender Tender 06-234 - Birchwood Terrace (Lorraine Street to Lawnsdale Drive) Reconstruction and Gas Main Installation, East Region, can be summarized as follows:

Gas Main	\$37,400.00
Reinstatement Cost Sharing	<u>\$ 7,228.00</u>
	\$ 44,628.00
Net HST	\$ 1,530.00
<b>Project Total</b>	<b><u>\$ 46,158.00</u></b>

Actual cost sharing for this project will be based on final quantities determined during construction.


If you agree to this arrangement, please indicate by signing the enclosed copy and returning it to me. If you have any questions, please call me at 490-6824.

Thank you.



John Fawcett, P.Eng.  
Design Engineer

JF/bhs



for Leonard Avery, P.Eng.  
Heritage Gas

25 July 2006  
Date

06-0130