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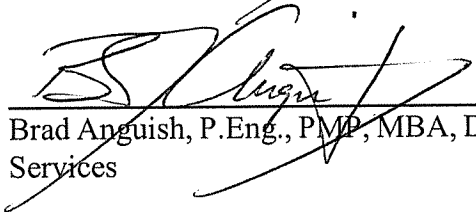


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Halifax Regional Council
May 30, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dan English, Chief Administrative Officer


Brad Anguish, P.Eng., PMP, MBA, Director, Environmental Management Services

DATE: May 23, 2006

SUBJECT: **Trunk Storm Sewer Replacement - McDonald's Property, Main Street, Dartmouth**

ORIGIN

Staff.

RECOMMENDATIONS

It is recommended that Council:

1. Approve an increase to the 2006/2007 Capital Budget in the amount of \$156,000, including net HST, for a new capital account, Trunk Storm Sewer Replacement - McDonald's Property with funding from Sewer Redevelopment Reserve Account Q104, as outlined in the Budget Implications section of this report.
2. Approve withdrawal from the Sewer Redevelopment Reserve Account Q104 in the amount of \$156,000.
3. Award the Trunk Storm Sewer Replacement - McDonald's Property, Main Street, Dartmouth to Fraser Construction for the materials and services listed at the unit prices quoted for a

quoted price of \$141,733 net HST from the above new capital account with funding authorized as per the Budget Implications Section of this report.

4. Approve an allowance for testing of materials and unforeseen work that is likely to arise with a project of this complexity, in the amount of \$14,267 including net HST.

BACKGROUND

The McDonald's Restaurant property on Main Street in Dartmouth is being re-developed. The original building has been demolished and construction has started on the new building.

HRM owns a trunk storm sewer that runs through the property in an easement. The trunk sewer is corrugated steel pipe, and 1200 mm in diameter. The storm sewer at this point serves a drainage area of approximately 110 hectares. The storm sewer carries on downstream and eventually discharges into Red Bridge Pond and Lake MicMac.

Corrugated steel pipe has a relatively short service life, between 20 and 40 years or so, depending upon soil and water conditions. This particular pipe is approximately 36 years old, and so is nearing the end of its life. A section of the same pipe system, located a short distance downstream, failed a couple of years ago, and had to be repaired.

(It should be noted that corrugated steel pipe is no longer an accepted pipe material for sewers in HRM, and has not been permitted for some time.)

The re-development of the McDonald's property presents an opportunity to replace the trunk sewer pipe at this time, on an integrated and cost-effective basis with the completion of the building and the landscaping of the property.

DISCUSSION

Staff has been in communication with McDonald's Restaurants of Canada Limited, who are very receptive, even desirous, of having the trunk sewer replaced at this time. However, there is urgency related to this project. In order to not delay the time-lines related to the overall McDonald's project, the trunk storm sewer work must be completed by the end of June. Staff only recently learned of this opportunity and so have been moving quickly to develop the project and get the work awarded and completed so as to not impede the time-lines of the overall McDonald's project.

To this end, staff requested a price from the contractor who is carrying out the site work on the McDonald's property, to complete the storm sewer replacement in accordance with HRM's usual standards. Staff has reviewed the contractor's price, and feel that it is reasonable as compared to recent tender prices for similar work.

Staff is therefore recommending to Council that the project be approved and the work awarded as per the Recommendations section of this report.

Project management including site inspection will be provided by HRM staff.

This is a UNIT PRICE project 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 quoted price of \$141,733 including net HST, and additional costs of \$14,267 including net HST for testing and unforeseen works, the total project cost of \$156,000 is available from the new creation of capital project, Trunk Storm Sewer Replacement - McDonald's Property, with funding provided from the withdrawal of Sewer Redevelopment Reserve Account Q104. The budget availability has been confirmed by Financial Services.

Budget Summary: Trunk Storm Sewer Replacement - McDonald's Property (Project Number to be assigned)

06/07 Capital Budget Increase Amount	\$156,000
Less: Price Quote	\$141,733
Less: Testing and Unforseen Costs	\$ 14,267
Balance of Account	\$ 0

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating 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 2006/2007 Capital Budget.

ALTERNATIVES

Council could choose to not approve this project or award the work. Staff does not recommend this alternative for a number of reasons. First, the storm sewer is nearing the end of its service life, and if not replaced now, will require replacement within a period of perhaps five years or so.

Second, if not replaced now on a proactive basis, the pipe may collapse at some time in the future, necessitating replacement on an emergency basis at a much higher cost.

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Further, even if replaced later on a planned basis, the cost will be greater - in the order of 20 to 40% - than replacing it now on an integrated basis with the re-development of the McDonald's property. Also, replacing the pipe later will be very disruptive to the business operations of the McDonald's Restaurant at that time.

ATTACHMENTS

None.

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.

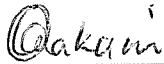
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Report Approved By:



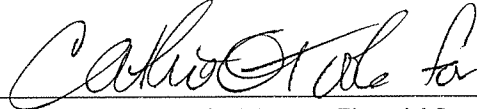
John Sheppard, P. Eng, Manager, Environmental Management Services at 490-6958

Financial Review:



Ferdinand Makani, C.M.A., Financial Consultant at 490-6902

Report Approved By:



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