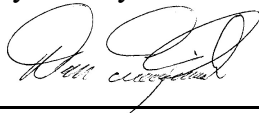


**Item No. 10.1.2**

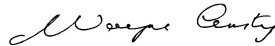
**Halifax Regional Council  
June 15, 2010**

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

**SUBMITTED BY:**



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** May 26, 2010

**SUBJECT:** **Award - Unit Price Tender No. 10-221, City Of Lakes Business Park,  
Phase 11-5 Development - East Region**

**ORIGIN**

This report originates with the Approved 2010/11 Capital Budget.

**RECOMMENDATIONS**

It is recommended that Halifax Regional Council:

1. approve a budget increase of \$70,156.90 (no HST included, 100% rebateable) to Capital Account CQ300741- Burnside and City of Lakes Development funded through cost-sharing with Heritage Gas, as outlined in the Budget Implications section of this report;
2. award Tender No. 10-221, City of Lakes Business Park Phase 11-5 Development - East Region to Dexter Construction Company Limited for a Total Tender Price of \$1,213,900.00 (no HST included, 100% rebateable), from Capital Account CQ300741, Burnside and City of Lakes Development, with funding and recoveries authorized as per the Budget Implications Section of this report; and
3. authorize, as per the Budget Implications Section of this report, the appointment of CBCL Ltd. for construction inspection services for a total fee of \$82,675; the appointment of Stantec Consulting Ltd. for geotechnical inspection and certification for a total fee of \$9,945; payment to Nova Scotia Power Inc. for the extension of electrical transmission lines for a total cost of \$240,000; and payment to Halifax Water (HW) for water system inspection for a total fee of \$4,463. All items are 100% rebateable, (no HST included).

## **BACKGROUND**

In 2004, Regional Council awarded the tender for the construction of the first portion of Garland Avenue that provided access to the RCMP's Lot 1190. In subsequent tender awards for additional phases of City of Lakes/Burnside, additional work for the remaining sections of Garland and Mellor Avenue has been completed including the installation of the road base in 2006 and installation of the sewer pipe in 2007.

In 2009, Canadian Blood Services purchased Lot 1140 and committed to purchase future Lot 1167A Garland Avenue in the City of Lakes Business Park as an ideal location for their new Atlantic Canada Regional Headquarters. The sale of both lots was conditional upon Garland and Mellor Avenue being completed.

## **DISCUSSION**

The completion of Garland Avenue and Mellor Avenue will provide frontage to approximately 10 acres of additional lot inventory. Minimum selling prices of lots in City of Lakes Business Park start at \$5.50/sq.ft. for unencumbered, market standard lots.

Tenders were called on April 13, 2010 and closed on April 30, 2010. Bids were received from the following companies:

| <b><u>Name of Company</u></b>        | <b><u>Bid Price (No HST)</u></b> |
|--------------------------------------|----------------------------------|
| Dexter Construction Company Limited  | \$1,213,900.00*                  |
| Allterrain Contracting Inc.          | \$1,356,716.95                   |
| Harbour Construction Company Limited | \$1,373,125.00                   |
| Ocean Contractors Limited            | \$1,386,720.00                   |
| J R Eisener Contracting Limited      | \$1,399,745.50                   |
| Amber Contracting Limited            | \$1,424,019.00                   |
| Brycon Construction Limited          | \$1,428,530.97                   |

### **\*recommended bidder**

The scope of work for this project includes, but is not necessarily limited to, fine grading of street subgrade; water mains complete with hydrants, valves and fittings; sanitary sewers complete with manholes; storm sewers complete with manholes, catch basins and leads; roadway gravels, concrete curbing, asphalt paving, sidewalks, pavement markings; natural gas distribution piping and appurtenances; street lighting complete with concrete bases and wiring; underground power and telephone including duct banks and manhole structures; landscaping and street signage on Garland and Mellor Avenue.

It is anticipated that work will commence within 3 weeks of the tender award and take 16 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 \$1,213,900.0 (no HST included, 100% rebateable), funding is available in the Approved 2010/11 Capital Budget from Account No. CQ300741, Burnside and City of Lakes Development. The budget availability has been confirmed by Financial Services.

**Budget Summary:**                      **Capital Account No. CQ300741**  
**Burnside and City of Lakes Development.**

|  |                     |
|--|---------------------|
| Cumulative Unspent Budget              | \$4,161,776         |
| Plus: Heritage Gas Cost Sharing        | \$ 70,157           |
| Less: <b>Tender No. 10-221</b>         | <b>\$1,213,900*</b> |
| Less Halifax Water Inspection Fees     | \$ 4,463            |
| Less CBCL Inspection Services          | \$ 82,675           |
| Less Stantec Testing and Certification | \$ 9,945            |
| Less Nova Scotia Power Fees            | <u>\$ 240,000</u>   |
| Balance                                | \$2,680,950         |

\* This project was estimated in the Approved 2010/11 Capital Budget at \$1,100,000. As a result of cost sharing from Heritage Gas, the net cost to Capital Account No. CQ300741 is \$1,143,743.

The balance of funds will be used to implement the remaining Burnside and City of Lakes Development phases approved by Council.

The recommended action will result in the creation of approximately 10 acres of additional lot inventory to be sold at the minimum lot unit pricing as set out in Attachment 2. Applicable adjustments to the lot unit pricing include, but are not limited to, environmental impacts, grading deficiencies, irregular lot configuration and wetland management. Adjustments or deficiency allowances resulting from HRM staff analysis or a lot and/or the Purchaser's due diligence inspection, if required, shall be to a maximum of 15 percent of the purchase price. Easements, lot encumbrances, wetland/buffers and remnant parcels shall be priced at market value in accordance with standard market valuation practices.

**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 gross 2010/11 Capital Budget but not the net.

**ALTERNATIVES**

There are no recommended alternatives to this course of action.

**ATTACHMENTS**

Attachment 1 - Construction Limits and Lot Map  
Attachment 2 - City of Lakes Lot Inventory and Pricing  
Attachment 3 - Letter of agreement with 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 at 490-4208.

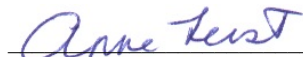
Report Prepared by: Jim LeClair, Design Engineering Technologist, Design & Construction Services at 490-6826  
Michael Wile, Business Parks Manager, Real Estate & Facility Services TPW at 490-5521

Report Approved by:



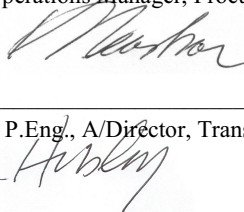
Peter Stickings, Manager, Real Estate & Facility Services TPW at 490-7129

Procurement Approval by:



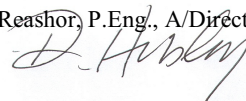
Anne Feist, Operations Manager, Procurement at 490-4200

Report Approved by:



Ken Reashor, P.Eng., A/Director, Transportation and Public Works at 490-4855

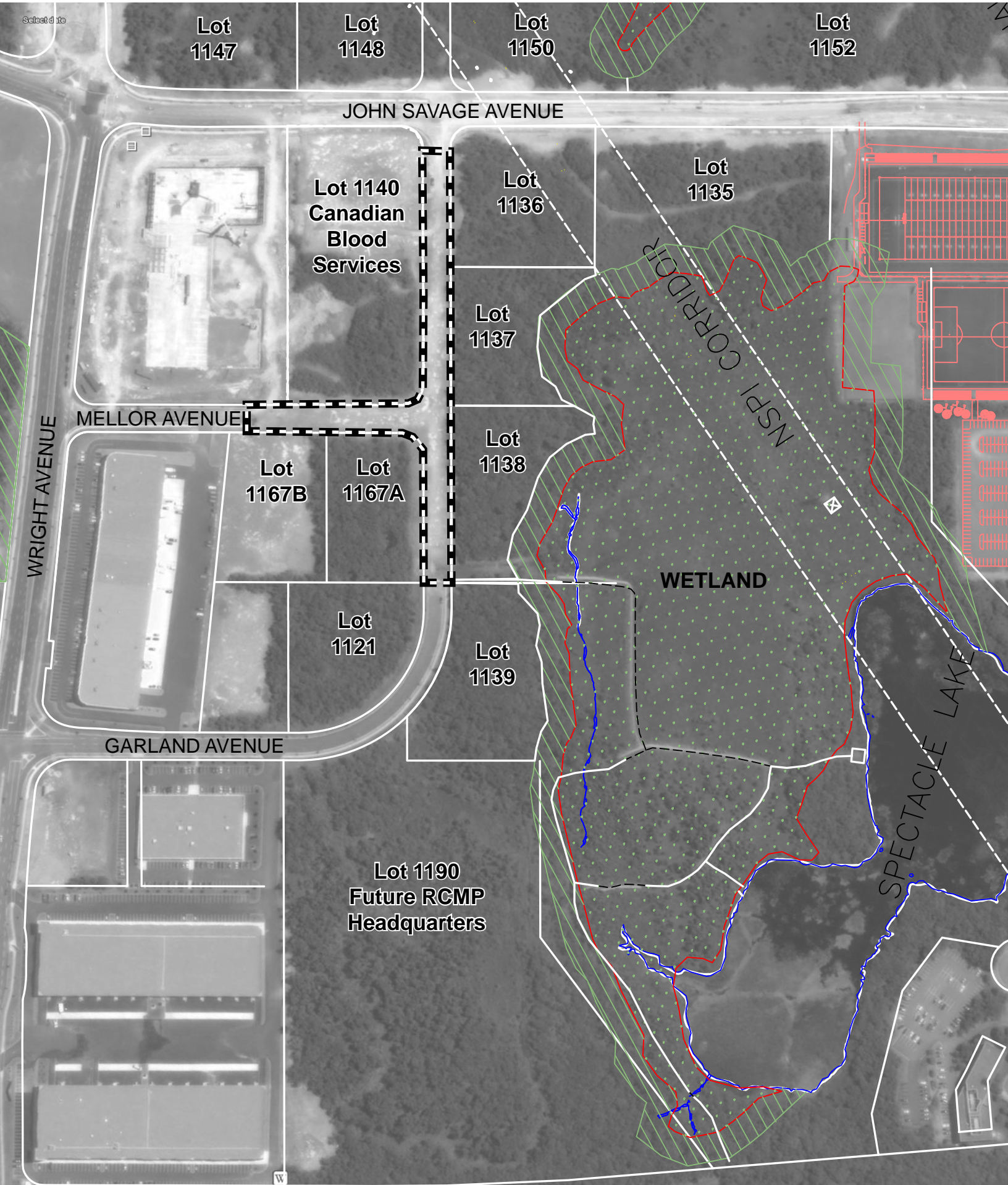
Report Approved by:



David Hubley, P.Eng., A/Director, Infrastructure and Asset Management at 490-4845

JL/wy

ATTACHMENT 1 - Construction Limits & Lot Map



## City Of Lakes Business Park

### Min. Lot Pricing and Availability as of June 2010

Lots in the City of Lakes Business Park are available for sale for immediate development. Lots are sold on a per square foot basis and are priced "as is". Every reasonable attempt has been made to ensure the accuracy of this information on lots available for sale in the City of Lakes Business Park. However, Halifax Regional Municipality is not liable for any action as a result of decisions made on the basis of this information. All lot sizes are subject to verification by plan of survey and legal description. Availability and prices subject to change without notice. \*1 acre = 43,560 sq.ft. **PLEASE NOTE - asterisks \* indicate that the lot is under deposit and/or agreement of purchase and sale or is being held for municipal purposes.**

| Lot #  | Location | Site Condition     | Lot Size         |         | Selling Price |             | Land Use    |        |
|--|----------|--------------------|------------------|---------|---------------|-------------|-------------|--------|
|  |          |                    | sq.ft.           | Acres   | per sq.ft.    | Total       |             |        |
| DEVELOPMENT OF OFFICE PARK LAND USE (restrictive covenants registered against title) |          |                    |                  |         |               |             |             |        |
| New  | 1121     | Garland Avenue     | Ungraded         | 95,405  | 2.19          | \$5.50      | \$524,728   | Office |
|  | 1135**   | John Savage Avenue | Ungraded         | 167,306 | 3.84          | \$5.00      | \$836,530   | Office |
|  | 1136**   | John Savage Avenue | Ungraded         | 113,497 | 2.61          | \$5.00      | \$567,485   | Office |
| New  | 1137     | Garland Avenue     | Ungraded         | 79,779  | 1.83          | \$5.50      | \$438,785   | Office |
| New  | 1138     | Garland Avenue     | Ungraded         | 87,109  | 2.00          | \$5.50      | \$479,100   | Office |
|  | 1139     | Garland Avenue     | Ungraded         | 106,604 | 2.45          | \$5.50      | \$586,322   | Office |
|  | 1147     | John Savage Avenue | Ungraded         | 283,140 | 6.50          | \$5.50      | \$1,557,270 | Office |
|  | 1148**   | John Savage Avenue | Ungraded         | 113,510 | 2.61          | \$5.40      | \$612,954   | Office |
|  | 1150**   | John Savage Avenue | Ungraded         | 145,465 | 3.34          | \$4.50      | \$654,593   | Office |
|  | 1152     | John Savage Avenue | Ungraded         | 293,265 | 6.73          | \$5.50      | \$1,612,958 | Office |
| New  | 1167A*   | John Savage Avenue | Ungraded         | 81,386  | 1.87          | \$5.50      | \$447,623   | Office |
| New  | 1167B    | John Savage Avenue | Partially Graded | 88,142  | 2.02          | \$5.50      | \$484,781   | Office |
| TOTAL  |          |                    |                  |         | 37.98         | \$8,803,127 |             |        |

\*\* Lots are partially encumbered by NSPI right-of-way easement

Applicable adjustments to the lot unit pricing include, but are not limited to, environmental impacts, grading deficiencies, irregular lot configuration and wetland management. Adjustments or deficiency allowances resulting from HRM staff analysis or a lot and/or the Purchaser's due diligence inspection, if required, shall be to a maximum of 15 percent of the purchase price. Easements, lot encumbrances, wetland/buffers and remnant parcels shall be priced at market value in accordance with standard market valuation practices.

Real Estate & Facility Services  
 Transportation & Public Works  
 PO Box 1749, Halifax, NS B3J 3A5  
[businessparks@halifax.ca](mailto:businessparks@halifax.ca)  
 tel: 902.490.6025  
 fax: 902.490.6030



## 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: May 3, 2010

SUBJECT: **Tender 10-221, Phase 11-5 Development, Burnside Business Park.**

Tender 10-221, Phase 11-5 Development, Burnside Business Park, East Region closed April 30, 2010. Prior to tender award, a cost sharing agreement must be finalized between HRM and Heritage Gas. Enclosed is a bid comparison summary for the items associated with the gasmain installation for this project. It is from the lowest bidder, Dexter Construction Company Limited.

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 -                   | 460 m x 1.0 m                               | = | 460 m <sup>2</sup> |
| Cost for Type 1 Gravel (75 mm thick)   | 460 m <sup>2</sup> x \$6.23/m <sup>2</sup>  | = | \$ 2,865.80        |
| Cost for Type 2 Gravel (450 mm thick)  | 460 m <sup>2</sup> x \$17.05/m <sup>2</sup> | = | \$ 7,843.00        |
| Cost for Type B- Asphalt (75 mm thick) | 460 m <sup>2</sup> x \$21.75/m <sup>2</sup> | = | \$10,005.00        |
|  | Subtotal                                    | = | \$20,713.80        |
| 50% Share of \$ 20,713.80              | Reinstatement Costs                         | = | \$10,356.90        |

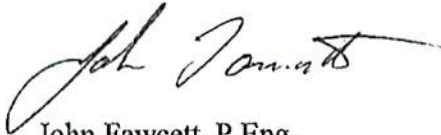
Based on the low bidder's tender prices and the above cost sharing, Heritage Gas's costs for Tender 10-2214 Burnside Business Park, Phase 11-5 Development, can be summarized as follows:

|                            |                            |
|----------------------------|----------------------------|
| Gas Main                   | \$ 59,800.00               |
| Reinstatement Cost Sharing | <u>\$ 10,356.90</u>        |
|                            | \$ 70,156.90               |
| Net HST                    | <u>\$ 2,405.68</u>         |
| <b>Project Total</b>       | <b><u>\$ 72,562.58</u></b> |

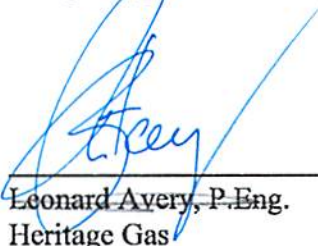
Actual cost sharing for this project will be based on final quantities determined during construction.

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



Leonard Avery, P.Eng.  
Heritage Gas

May 20, 2010  
Date

*Ray Ritcey, President*