



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 8.1**  
**Halifax Regional Council**  
**January 25, 2011**

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

Original Signed by 

**SUBMITTED BY:**

Wayne Anstey, Acting Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** January 20, 2011

**SUBJECT:** Washmill Lake Court Underpass

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**SUPPLEMENTARY REPORT**

**ORIGIN**

Halifax Regional Council (In Camera) – January 18, 2011, Item 10.1.3 – Washmill Lake Court Underpass

**RECOMMENDATIONS**

It is recommended that Halifax Regional Council:

1. Approve the resolution to request an extension to the March 31, 2011, deadline for funding the Washmill Lake Court Extension under the Federal Government's Economic Action Plan, included with this report as Attachment A;
2. Approve a budget increase of \$597,881.44 (HST 100% recoverable) to Project No. CQ300748, Washmill Lake Court/102 Underpass, with funding from Project No. CQ300743 – Bayers Lake Infill and Ragged Lake Development, as outlined in the Budget Implications section of this report;
3. Authorize an increase to the contract with Brycon Construction Limited for Washmill Lake Court Extension Phase 1, Tender No. 10-201, in the amount of \$994,137 (HST 100% recoverable), with funding from Project No. CQ300748, Washmill Lake Court/102 Underpass, as outlined in the Budget Implications section of this report; and
4. Direct staff to bring forward a funding plan for the final phase (Phase 3) of the Washmill Lake Court project (as outlined in the Discussion section of this report).

## **BACKGROUND**

Bayers Lake Business Park (BLBP) is presently constructed with two entrances/exits for the park. The addition of a third entrance/exit is a prerequisite for continued development in the BLBP, and to reduce traffic backlogs and congestion. Until such transportation improvements are made, the remaining 200+ acres of undeveloped land within the present business park boundaries will remain largely undeveloped. The SGE Acres Governor's Lake Transportation Study, prepared for HRM and the Province in 2002, recommended the extension of Washmill Lake Court under the Highway 102 and connecting with Regency Park Drive. The requirement for this connection is a key deliverable in the Business Parks Development Functional Plan, Bayers Lake/Ragged Lake, approved-in-principle by Regional Council on June 2, 2009.

The currently proposed extension and alignment of Washmill Lake Court under Highway 102, and connection with Regency Park Drive, adds another entrance to the BLBP. This alternate access to the park will provide access for residents of Fairview, Clayton Park, Mainland South, Peninsula Halifax, and will reduce traffic loading on Lacewood Drive. The provision of this infrastructure is intended to relieve existing and future traffic pressures while also allowing for continuing development in this economic centre of HRM.

On March 2, 2010, Halifax Regional Council approved the award of Phase 1 of this project to Brycon Construction Limited in the amount of \$2,005,000.00 (HST 100% recoverable), from Project No. CQ300748, Washmill Lake Court/102 Underpass. Phase 1 included the detour road to subgrade, temporary storm water retention pond, excavation to subgrade for Upper Washmill Court, and environmental controls. Construction commenced April 5, 2010, and is completed. (Note: HST on this project is 100% recoverable so all numbers in this report exclude HST.)

On June 22, the Phase 2 tender closed. On June 28, 2010, the CAO approved the award of the Washmill Lake Court Phase 2, Tender No. 10-259, to Dexter Construction in the amount of \$8,129,590.00 (HST 100% recoverable). Phase 2 included the bridge structures, the gravels and asphalt for the detour road, storm water piping and environmental controls. Due to the urgency of the project and the lateness in the year, construction commenced on July 6, 2010. It is noted that there are a number of components of the project that remain outstanding from the original scope and will require an additional phase. Phase 3 is described in detail in the Discussion section of this report.

The original estimate for the project was \$10 million, and two-thirds funding has been approved under the Infrastructure Stimulus Fund (ISF) based on this amount. The ISF is one of several funding programs under the Government of Canada's Economic Action Plan (EAP), which provided funding for projects that were construction ready and could be substantially completed by March 31, 2011.

The Contribution Agreements for all ISF projects stipulate that they need to be completed by March 31, 2011. On December 2, 2010, the Federal Government extended the deadline for the work to be completed to **October 31, 2011**. Approximately 10% of the 23,000 infrastructure projects across Canada will likely miss the original deadline of March 31, 2011.

## **DISCUSSION**

The full project will not be completed by March 31, 2011, and an extension will be required. To qualify for an extension, projects must have begun work and incurred eligible costs by March 31, 2011, and **a Council resolution is required which commits to finishing the project and accepting responsibility for any costs incurred beyond October 31, 2011.** If approved, an amended Contribution Agreement will be prepared by the Canada/Nova Scotia Infrastructure Secretariat and must be signed no later than February 28, 2011 (Note: The deadline for HRM to request an extension is January 31, 2011). In this case, the amount on which funding was based has already been spent and an increase to the budget is required in addition to the deadline extension, in order to comply with the contribution agreement. Costs are detailed as follows:

Phase 1 was awarded in March 2010 for \$2,005,000 (HST 100% recoverable) and is completed. Phase 1 included the detour road built to subgrade, temporary storm water retention pond and excavation to subgrade for Upper Washmill Court.

The increased cost for Phase 1 arises from both cost over-runs, as well as including work in Phase 1 that was originally intended to be carried out in Phase 2. The work that was originally intended to be completed in Phase 2 included removal and disposal of pyritic rock that was to be used to construct the subgrade of the detour road. After construction commenced, an application for the temporary use of this pyritic slate was submitted to N.S. Department of Environment but the application was denied. As a result, the slate was removed in Phase 1 and new rock had to be imported to construct the detour road. This resulted in an extra cost of \$550,000 to phase 1 which ultimately would have incurred when the detour road was to be removed. In addition, the quantity of rock excavation for Upper Washmill Court was under-estimated and a retaining wall had to be constructed to facilitate construction of the bridge footings, which added \$500,000 and \$190,000 respectively to the contract. This extra work had to be completed and an increase to Purchase Order No. 2070479083 in the amount of \$994,137.00 (HST 100% recoverable) is required.

Contract Award Amount (HST 100% recoverable)	\$2,005,000.00
Previous approved increase (Contingency)	\$ 200,500.00
<b>CURRENT REQUEST FOR INCREASE</b>	
<b>(HST 100% recoverable)</b>	<b><u>\$ 994,137.00</u></b>
New Contract Value (HST 100% recoverable)	\$3,199,637.00

Phase 2 was awarded on June 28, 2010 for \$8,129,590.00 (HST 100% recoverable). This phase included the bridge structures, the detour road above the subgrade, and some storm water piping. Construction commenced on July 6, 2010 and is nearing completion. Most of the work has been completed but some minor components of the project will be finalized by July 2011.

Phase 3 will include additional storm water piping/systems, sidewalks, concrete curb and gutter, road gravels and asphalt for Upper Washmill Court, traffic signal upgrades, trees, street lighting, retaining walls and upgrades to the existing section of Washmill Lake Court. This work will not be completed prior to March 31, 2011, and in order to proceed, a funding source must be ascertained by staff and approved by Council. As previously stated in this report, a Council resolution is required which commits to finishing the project and accepting responsibility for any

costs incurred beyond October 31, 2011. If approved, an amended Contribution Agreement will be prepared by the Canada/Nova Scotia Infrastructure Secretariat and must be signed no later than February 28, 2011.

It is noted that the combined costs for Phases 1 and 2 will be approximately \$11 million. Additional analysis is currently underway to determine the full extent of the work for Phase 3, but at this point in time, it is estimated an additional \$5-\$7 million will need to be accommodated in the 2011/2012 project budget to complete this work. The total cost for this project is now estimated at \$16-\$18 million, with \$6,666,667 funded through the infrastructure stimulus program.

### **In Camera Council Session – January 18, 2011**

Further to the above noted information, an In-Camera Council session was held on January 18, 2011, to review specific details regarding the Washmill Lake Court Underpass project. During that Council meeting, the following motion was moved and passed:

**MOVED by Councillor Uteck, seconded by Councillor Wile that Regional Council defer the Washmill Lake Court Underpass matter for one week pending a Staff Supplementary Report.**

Council then requested that the supplementary report include responses on the following issues (staff responses follow each item):

1. Details on the Process of obtaining quotes to be clarified; Recommendations brought forward, if deemed necessary, in regard to prohibiting action being taken based on verbal quotes/estimates.

**Staff Response:** Administrative Order 35, Procurement Policy, provides staff with guiding principles with respect to acquiring goods and services. HRM's procurement policy does not specifically state guidelines pertaining to verbal quotes except in circumstances when the purchase is between the threshold of \$1,000 and \$10,000, and there is insufficient time to obtain a written quote.

A best practice would be to obtain all quotes in writing. In cases where circumstances such as timing to make funding obligations/applications come into play, and the Project Manager has to use professional judgement to rely on a verbal quote, a possible best practice could be for the project Manager to provide full disclosure to Council. The disclosure could state the reasons for relying on a verbal quote, as well as any risks to the project's completion and funding. Council could choose to set thresholds on verbal quotes for project managers to work within.

2. Information to be provided on whether or not the Province would offer some funding to address the issue of pyritic slate or options for disposing of that material on HRM property. Confirmation on whether or not testing for pyritic slate is required as part of the tender/estimate process. Confirmation if there had been a request to the province to allow for on site reuse/disposal.

**Staff Response:** Sulphide Bearing Material Disposal Regulations made under Section 66 of the Environment Act stipulate that no person shall dispose of a sulphide bearing material in the Province where the total volume excavated is greater than 500 m<sup>3</sup> in situ or 1300 tonnes unless the person responsible for the disposal holds a valid approval issued under the regulations. A developer of land which contains a sulphide bearing material shall ensure that sulphide bearing material is disposed of at an approved disposal site. Sulfide bearing material is defined as aggregate having a sulfide sulphur content equal to or greater than 0.4% (12.51 kg H<sub>2</sub>SO<sub>4</sub>/tonne).

The testing for sulphide bearing material is required if the proposed development is known or ought to be known that the proposed works will involve the physical disturbance or disposition of aggregate in a measure greater than 500 m<sup>3</sup> in situ or 1300 tonnes and which contains a sulphide bearing material. The area of Washmill Lake Court has a history of sulphide bearing material and therefore the area was tested during the design stage. The results of the testing indicated there were appreciable amounts of pyritic slate within the limits of this project. The consultant was of the understanding this material may be utilized (temporarily) as subgrade material for the detour road, but that once the detour road was decommissioned, the material would then have to be removed. The cost for this was reflected in the overall budget. However, in discussions with the Province it was confirmed they do not permit the disposal of the material on property unless it is an approved disposal site. As a result, the sulphide bearing material was removed during Phase 1 and additional rock material had to be imported to be used as the subgrade of the detour road.

Considering there is an approved disposal site in the Bedford area, it was not deemed financially practical nor feasible to locate and prepare a parcel of HRM land which could accommodate the sulphide bearing material and be approved as an acceptable disposal site. It is noted that if HRM owned a dedicated disposal site, the only real savings would result from the elimination of tipping fees. The other costs (i.e., excavation/removal of the material, trucking) would still be required.

As a final note HRM staff confirmed that the Province does not offer funding for the disposal of sulphide bearing material.

3. Are there funds remaining from other Federal Infrastructure projects that were under budget that could be transferred to cover the cost over-run for the Washmill Lake Court Underpass project.

**Staff Response:** There was a limited opportunity prior to the extension of the program deadline to apply for a de-commitment and re-allocation of funds from projects that were under budget. According to the program guidelines, money can only be re-allocated to a project that is already approved under the Infrastructure Stimulus Program, and cannot be used to fund a cost over-run. In other words, money can only be re-allocated to one of the eleven ISF projects and can only fund incremental work that arises from an increase in the scope of a project. The Washmill Lake Court Underpass project was deemed to be a cost over-run and did not qualify.

The deadline for requesting re-allocation was November 30, 2010, and at the time there was potentially \$640,000 surplus and only one project with incremental work to which it could be re-allocated. A request was made to de-commit \$640,000 from the Sheet Harbour sidewalk project and re-allocate the same to the HRM Buildings project. The HRM Buildings project involves re-capitalization of existing facilities (cooling system upgrades, window refits, etc.), and the request is still being processed.

4. Confirmation/clarity for Council as to the whether the Federal government intends to claw back funds from this project if the full scope as outlined in not completed. This may require assistance from the Mayor's office.

**Staff Response:** The Province has indicated, based on the Draft Amendment to the Canada/Nova Scotia ISF Agreement, that Projects may be completed later than October 31, 2011, without cost-sharing and up to December 31, 2012, providing a municipality undertakes (as per the Council Resolution) to complete projects at their own costs. At the time of writing this report, staff is awaiting confirmation of this interpretation from Infrastructure Canada.

5. Include recommendations for a “trigger” that projects be brought back to Council for consideration when deemed that they would be over/under budget.

**Staff Response:** The following are possible information requirements to provide Council on the funding status of projects:

- Currently a project listing is provided to Council as part of the quarterly reports. This report identifies the current budget and the funds spent to date. However, there is currently no mechanism in place to capture the percentage of the project completed or the estimated cost to complete the project. This information could be included in the report if provided to finance by the Project Manager. Project Managers would be required to provide monthly projections on capital projects. This would be very similar to the process for projecting operating revenues and expenses.
- A quarterly report from the Capital Steering Committee to Council on the funding status of projects, include projected spending to complete the project, disclosure of risks associated with completing the project on time, and funding/budget risks could be prepared.

6. How much of the Infrastructure Stimulus money has HRM received for this project?

**Staff Response:** 2/3 of \$10,000,000 or \$6,666,667 has been approved for this project. Of this amount, \$4,837,181.95 has been claimed and received for this project as of the date of this report. It is expected that the remainder of the funding will be claimed prior to March 31, 2011.

7. What is the possible cost recovery available to HRM from the sale of lands made available in the Bayers Lake area because of this project? Can the revenue from the sale be used to offset cost over-run for this project or add this cost to the Capital Cost Contributions?

**Staff Response:** The development model or capital cost contribution assigned to the expansion component of Bayers Lake for the Washmill Lake Court Underpass project is approximately 30%. The balance of the infrastructure cost, as per the 2002 SGE Report, identified the balance as a capacity issue for the built commercial areas and expanding residential components. Against that background the existing Bayers Lake taxable assessment, the Lacewood business district and Mount Royal residential development, exceeds half a billion dollars. That said, the Business Park contribution is not viable beyond 30%. More importantly, the economic development activity and sustainable development associated with the residential and existing demands of Bayers Lake business alone, warrant the infrastructure investment.

There are also publically owned undeveloped lands in the surrounding area. Approximately 5 - 10 % of the capital cost can be allocated to private developers in this surrounding area. One example is a 22 Ac parcel owned by Armco Capital, and Council has already stipulated that a capital cost contribution be collected prior to development proceeding.

## **BUDGET IMPLICATIONS**

### **Phase 1 – Washmill Court Underpass**

Funding in the amount of \$994,137.00 (HST 100% recoverable) for the required increase to the contract (Purchase Order No. 2070479083) is available from Project No. CQ300748, Washmill Lake Court/102 Underpass. The availability of funds has been confirmed by HRM Finance.

#### **Budget Summary: Project No. CQ300743 – Bayers Lake Infill and Ragged Lake Development**

Cumulative Unspent Budget	\$ 1,021,099.16
Less: transfer to CQ300748	<u>\$ 597,881.44</u>
Balance	\$ 423,217.72

#### **Project No. CQ300748 – Washmill Lake Court/102 Underpass**

Cumulative Unspent Budget (Req 2050412175)	\$ 396,255.56
Plus: transfer from CQ300743	<u>\$ 597,881.44</u>
Less: Increase to PO 2070479083	<u>\$ 994,137.00</u>
Balance	\$ 0.00

If the extension of the project deadline is approved, estimated additional \$5-\$7 million expenditure must be included in the 2011/2012 project budget to complete this work. The preliminary funding strategy for this would see one-third of the funding coming from the Business Parks, Expansion Reserve, some funding from related CCC's and the remaining funding to be accommodated within the 2011/12 business plan and budget cycle, or subject to confirmation of the conditions outlined in the Discussion section of this report in the 2012/13 cycle.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

## **COMMUNITY ENGAGEMENT**

N/A

## **ALTERNATIVES**

Note: These alternatives are to replace the options outlined in the January 18, 2011 report.

- Council could choose not to approve the extension of the deadline to October 31, 2011. Staff does not recommend this, as to date the project is not completed.
- With respect to recommendation numbers 2 and 3, Council could choose to approve the funding from another source. However, staff does not recommend this alternative. The funding is currently available in the above noted account.

## **ATTACHMENTS**

Attachment A – Washmill Lake Court Underpass Report dated January 18, 2011.

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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.

Report Prepared by: David Hubley, P.Eng., Manager, Design and Construction Services, 490-4845

Financial Approval by:

Jerry Blackwood, A/Director of Finance, 490-6470

Report Approved by: Phillip Townsend, Director Infrastructure & Asset Management, 490-7166

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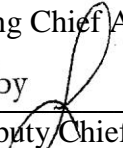


P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Attachment A

**Halifax Regional Council**  
**January 18, 2011**

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

**SUBMITTED BY:** Original Signed by   
Wayne Anstey, Acting Chief Administrative Officer  
Original Signed by   
Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** December 10, 2010

**SUBJECT:** Washmill Lake Court Underpass

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### **ORIGIN**

- The Approved 2009/10 and 2010/11 Project Budgets;
- Halifax Regional Council's Award of RFP No. 08-325;
- Halifax Regional Council's October 7, 2008, approval of Project No. CQ300748, Washmill Lake Court/102 Underpass/Regency Park Drive Development;
- Halifax Regional Council's June 2, 2009, Approval-In-Principle of the Business Parks Development Functional Plan, Bayers Lake/Ragged Lake;
- Halifax Regional Council's September 8, 2009, approval of the Washmill Lake Court Extension/Hwy 102 Overpass project, under the Federal Infrastructure Stimulus Funds Program Project List;
- The award of Washmill Lake Court Extension Phase 1 by Council on March 2, 2010; and
- The award of Washmill Lake Court Extension Phase 2 by the CAO on June 28, 2010.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve the resolution to request an extension to the March 31, 2011, deadline for funding the Washmill Lake Court Extension under the Federal Government's Economic Action Plan, included with this report as Attachment A;

**RECOMMENDATIONS CONTINUED ON PAGE 2**

2. Approve a budget increase of \$597,881.44 (HST exempt) to Project No. CQ300748, Washmill Lake Court/102 Underpass, with funding from Project No. CQ300743 – Bayers Lake Infill and Ragged Lake Development, as outlined in the Budget Implications section of this report;
3. Authorize an increase to the contract with Brycon Construction Limited for Washmill Lake Court Extension Phase 1, Tender No. 10-201, in the amount of \$994,137 (HST exempt), with funding from Project No. CQ300748, Washmill Lake Court/102 Underpass, as outlined in the Budget Implications section of this report; and
4. Direct staff to bring forward a funding plan for the final phase (Phase 3) of the Washmill Lake Court project (as outlined in the Discussion section of this report) as part of the 2011/12 Capital Budget Program.

## **BACKGROUND**

Bayers Lake Business Park (BLBP) is presently constructed with two entrances/exits for the park. The addition of a third entrance/exit is a prerequisite for continued development in the BLBP, and to reduce traffic backlogs and congestion. Until such transportation improvements are made, the remaining 200+ acres of undeveloped land within the present business park boundaries will remain largely undeveloped. The SGE Acres Governor's Lake Transportation Study, prepared for HRM and the Province in 2002, recommended the extension of Washmill Lake Court under the Highway 102 and connecting with Regency Park Drive. The requirement for this connection is a key deliverable in the Business Parks Development Functional Plan, Bayers Lake/Ragged Lake, approved-in-principle by Regional Council on June 2, 2009.

The currently proposed extension and alignment of Washmill Lake Court under Highway 102, and connection with Regency Park Drive, adds another entrance to the BLBP. This alternate access to the park will provide access for residents of Fairview, Clayton Park, Mainland South, Peninsula Halifax, and will reduce traffic loading on Lacewood Drive. The provision of this infrastructure is intended to relieve existing and future traffic pressures while also allowing for continuing development in this economic centre of HRM.

On March 2, 2010, Halifax Regional Council approved the award of Phase 1 of this project to Brycon Construction Limited in the amount of \$2,005,000.00 (HST exempt), from Project No. CQ300748, Washmill Lake Court/102 Underpass. Phase 1 included the detour road to subgrade, temporary storm water retention pond, excavation to subgrade for Upper Washmill Court, and environmental controls. Construction commenced April 5, 2010, and is completed.

On June 22, the Phase 2 tender closed. On June 28, 2010, the CAO approved the award of the Washmill Lake Court Phase 2, Tender No. 10-259, to Dexter Construction in the amount of \$8,129,590.00 (HST exempt). Phase 2 included the bridge structures, the gravels and asphalt for the detour road, storm water piping and environmental controls. Due to the urgency of the project and the lateness in the year, construction commenced on July 6, 2010.

It is noted that there are a number of components of the project that remain outstanding from the original scope and will require an additional phase. Phase 3 is described in detail in the Discussion section of this report.

The original estimate for the project was \$10 million, and two-thirds funding has been approved under the Infrastructure Stimulus Fund (ISF) based on this amount. The ISF is one of several funding programs under the Government of Canada's Economic Action Plan (EAP), which provided funding for projects that were construction ready and could be substantially completed by March 31, 2011.

The Contribution Agreements for all ISF projects stipulate that they need to be completed by March 31, 2011. On December 2, 2010, the Federal Government extended the deadline for the work to be completed to **October 31, 2011**. Approximately 10% of the 23,000 infrastructure projects across Canada will likely miss the original deadline of March 31, 2011.

## **DISCUSSION**

The full project will not be completed by March 31, 2011, and an extension will be required. To qualify for an extension, projects must have begun work and incurred eligible costs by March 31, 2011, and **a Council resolution is required which commits to finishing the project and accepting responsibility for any costs incurred beyond October 31, 2011**. If approved, an amended Contribution Agreement will be prepared by the Canada/Nova Scotia Infrastructure Secretariat and must be signed no later than February 28, 2011. In this case, the amount on which funding was based has already been spent and an increase to the budget is required in addition to the deadline extension, in order to comply with the contribution agreement. Costs are detailed as follows:

Phase 1 was awarded in March 2010 for \$2,005,000 (HST exempt) and is completed. Phase 1 included the detour road built to subgrade, temporary storm water retention pond and excavation to subgrade for Upper Washmill Court.

The increased cost for Phase 1 arises from both cost over-runs, as well as including work in Phase 1 that was originally intended to be carried out in Phase 2. The work originally intended to be completed in Phase 2 included removal and disposal of pyritic rock that was to be used to construct the subgrade of the detour road. After construction commenced, an application for the temporary use of this pyritic slate was submitted to N.S. Department of Environment but the application was denied. As a result, the slate was removed in Phase 1 and new rock had to be imported to construct the detour road. This resulted in an extra cost of \$550,000. In addition, the quantity of rock excavation for Upper Washmill Court was under-estimated and a retaining wall had to be constructed to facilitate construction of the bridge footings, which added \$500,000 and \$190,000 respectively to the contract. This extra work had to be completed and an increase to Purchase Order No. 2070479083 in the amount of \$994,137.00 (HST exempt) is required.

**Council Report**

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Contract Award Amount (HST exempt)	\$ 2,005,000.00
Previous approved increase (Contingency)	\$ 200,500.00
<b>CURRENT REQUEST FOR INCREASE (HST exempt)</b>	<b><u>\$ 994,137.00</u></b>
New Contract Value (HST exempt)	\$ 3,199,637.00

Phase 2 was awarded in June 2010 for \$8,129,590.00 (HST exempt). This phase included the bridge structures, the detour road above the subgrade, and some storm water piping. Construction commenced in July 2010 and is nearing completion. Most of the work has been completed but some minor components of the project will be finalized by July 2011.

Phase 3 will include additional storm water piping/systems, sidewalks, concrete curb and gutter, road gravels and asphalt for Upper Washmill Court, traffic signal upgrades, trees, street lighting, retaining walls and upgrades to the existing section of Washmill Lake Court. This work will not be completed prior to March 31, 2011, and in order to proceed, a funding source must be ascertained by staff and approved by Council. As previously stated in this report, a Council resolution is required which commits to finishing the project and accepting responsibility for any costs incurred beyond October 31, 2011. If approved, an amended Contribution Agreement will be prepared by the Canada/Nova Scotia Infrastructure Secretariat and must be signed no later than February 28, 2011. Phase 3 must therefore be completed prior to October 31, 2011, and commencement will occur, pending Council's approval of recommendation number 4 of this report.

It is noted that the combined costs for Phases 1 and 2 will be approximately \$11 million. Additional analysis is currently underway to determine the full extent of the work for Phase 3, but at this point in time, it is estimated an additional \$5-\$7 million will need to be accommodated in the 2011/2012 project budget to complete this work. The total cost for this project is now estimated at \$16-\$18 million, with \$6,666,667 funded through the infrastructure stimulus program.

**BUDGET IMPLICATIONS****Phase 1 – Washmill Court Underpass**

Funding in the amount of \$994,137.00 (HST exempt) for the required increase to the contract (Purchase Order No. 2070479083) is available from Project No. CQ300748, Washmill Lake Court/102 Underpass. The availability of funds has been confirmed by HRM Finance.

**Budget Summary: Project No. CQ300743 – Bayers Lake Infill and Ragged Lake Development**

Cumulative Unspent Budget	\$ 1,021,099.16
Less: transfer to CQ300748	<u>\$ 597,881.44</u>
Balance	\$ 423,217.72

**Project No. CQ300748 –Washmill Lake Court/102 Underpass**

Cumulative Unspent Budget (Req 2050412175)	\$ 396,255.56
Plus: transfer from CQ300743	<u>\$ 597,881.44</u>
Less: Increase to PO 2070479083	<u>\$ 994,137.00</u>
Balance	\$ 0.00

If the extension of the project deadline is approved, estimated additional \$5-\$7 million expenditure must be included in the 2011/2012 project budget to complete this work.

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

**COMMUNITY ENGAGEMENT**

N/A

**ALTERNATIVES**

- Council could choose not to approve the extension of the deadline to October 31, 2011. Staff does not recommend this, as to date the project is not completed.
- With respect to recommendation numbers 2 and 3, Council could choose not to approve the funding source and additional construction costs to Brycon Construction Limited. However, staff does not recommend this alternative. The work was imperative to the overall contract and had to be performed in order to complete the bridge work.
- Regarding recommendation number 4, Council may direct staff not to move forward with identifying a funding plan to complete Phase 3. However, at this point in time the requirement is to complete the full project (pending approval of the October 31, 2011 deadline) which includes the Phase 3 components. Otherwise, HRM may incur the risk of losing the \$6,666,667 funded through the infrastructure stimulus program.

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**ATTACHMENTS**

Attachment A – Motion to Request an Extension for Infrastructure Project Under Canada's Economic Action Plan

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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.

Report Prepared by: Bruce Colborne, P.Eng. Construction Supervisor, Design & Construction Services, 490-4896

Report Prepared by: Peter Duncan, P.Eng. Manager Infrastructure Planning Office, 490-5449

Financial Approval by: \_\_\_\_\_  
Cathie O'Toole, CGA, Director of Finance/CFO, 490-6308

Report Approved by: \_\_\_\_\_  
Phillip Townsend, Director Infrastructure & Asset Management, 490-7166

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**Attachment A**  
**MOTION TO REQUEST AN EXTENSION FOR INFRASTRUCTURE PROJECT**  
**UNDER CANADA'S ECONOMIC ACTION PLAN**

Moved by  
Seconded by

**WHEREAS the federal and provincial governments will make a one-time extension of the deadline for funding of the project under the Infrastructure Stimulus Fund and the Building Canada Fund – Communities Top-Up from March 31, 2011 to October 31, 2011;**

**AND WHEREAS all funding from the Government of Canada and the Province will cease after October 31, 2011;**

**AND WHEREAS the Halifax Regional Municipality has asked the provincial government for an extension to federal and provincial funding to October 31, 2011 for the following project:**

<b>Project number</b>	<b>Project title</b>	<b>Total eligible cost (\$)</b>	<b>Federal contribution (\$)</b>
<b>05-09-0110</b>	<b>102 Overpass</b>	<b>10,000,000</b>	<b>3,333,333</b>

**THEREFORE BE IT RESOLVED THAT the Halifax Regional Municipality attests that it will continue to contribute its share of the required funding for the aforementioned project;**

**AND BE IT FURTHER RESOLVED THAT actual claims for all eligible costs incurred by March 31, 2011, for the aforementioned project must be and will be submitted no later than April 30, 2011 to the Province of NS;**

**AND BE IT FURTHER RESOLVED THAT Halifax Regional Municipality will ensure that the project will be completed.**

[CARRIED]