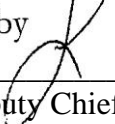




PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 10.1.4
Halifax Regional Council
March 29, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: March 22, 2011

SUBJECT: Increase to Contract, Tender 10-158 Stone Masonry Restoration,
Halifax City Hall

ORIGIN

Award – Tender No. 10-158, Stone Masonry Restoration, Halifax City Hall – Phase 1 (HRC March 23, 2010, Item No. 11.1.1)

RECOMMENDATION

It is recommended that Halifax Regional Council authorize an increase to the contract with Coastal Restoration (Tender 10-158) at Halifax City Hall by \$553,074.09 (net HST included) with funding from Project No. CBX01046 – Stone Masonry Restoration, Halifax City Hall, as outlined in the Budget Implications section of this report.

BACKGROUND

Halifax City Hall was designated a National Historic Site in 1987 by the Historic Sites and Monuments Board of Canada. The current structure replaced a temporary and inadequate facility located on the Halifax waterfront. The new City Hall was built on the grounds of the original Dalhousie College at the north end of the Grand Parade. Edward Elliot was the architect and his design, in the flamboyant Second Empire style, was constructed between 1887-1889. The solid masonry walls are two feet thick and are faced with Wallace sandstone on a granite foundation. The building survived the Halifax Explosion of 1917 with minimal structural damage. The building received an acid/steam cleaning in 1948, the original slate roof was removed c.1950, and a major restoration effort to the exterior masonry was carried out in 1982-1983. Despite the best of intentions, the parging, re-pointing and coating of the sandstone and decorative elements did more harm than good.

This is a multi-phased project that is scheduled to be completed in 2014. There are a number of high risk elements (condition of the stone, flashing and structural support of stone) in Phase 1 and the probability of encountering unforeseen conditions was extremely high. To mitigate this risk, the contract documents provided for unit rates for additional work.

The completion of Phase 1 has significantly increased our understanding of the construction techniques used by the original masons. This knowledge will be incorporated into future contracts and will significantly mitigate the risk of unforeseen conditions and has also increased our ability to define the scope of future contracts. In spite of the high risks, Phase 1 has been completed within the budget approved by Regional Council.

This Increase to Contract addresses two areas:

1. Purchase of red sandstone - \$183,444.28 (net HST included)

The provision of the red sandstone was not included in the scope of work for Phase 1. The red sandstone used in 1889 was from a Nova Scotia quarry that is now closed. It was intended that the new red sand stone would be purchased directly by HRM from the Province of Nova Scotia. The red sand stone inventoried by the Province was of poor quality and insufficient quantity. They did not have enough stone for Phase 1 nor future phases. However, the contractor was able to find an alternative source of red stone in Germany. The stone is an excellent colour match and has the physical properties that we require at an acceptable unit rate cost.

2. Expanded Scope due to Unforeseen conditions - \$369,629.81 (net HST included)

The scope of work for Phase 1 included the replacement of approximately 50% of the existing stone work. During the construction, it was determined that the exterior walls were in worse condition than expected and additional effort was required to restore them. This has resulted in additional sandstone repairs plus additional roofing, wood work and flashing. Having not proceeded with the increase to the scope of work would significantly compromise the quality of the restoration, and increase the cost of maintenance.

DISCUSSION

Contract Award (net HST included)	\$1,037,980.33*
Request for Increase (net HST included)	<u>\$553,074.09</u>
New Contract Value (net HST included)	\$1,591,054.42

This requested increase results in a total increase of 53% to the original contract value of \$1,037,980.33 (PO 2070480174).

BUDGET IMPLICATIONS

Budget Availability has been confirmed by Financial Services.

Funding in the amount of \$553,074.09 (net HST included) for the required increase to contract (PO # 2070480174) is available from Project No. CBX01046 Stone Masonry Restoration Halifax City Hall, Phase 1. The budget availability has been confirmed by Financial Services.

Budget Summary: Project Account No. CBX01046 – Stone Masonry Restoration Halifax City Hall, Phase 1

Cumulative Unspent Budget	\$1,103,264.56
Less: Increase to PO 2070480174	<u>\$ 553,074.09</u>
Balance	\$ 550,190.47

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.

ALTERNATIVES

Regional Council may decide not to approve the increase to contract. This is not recommended by staff.

ATTACHMENTS

None

A copy of this report and information on its status can be obtained by contacting the Procurement Office at 490-4170, or Fax 490-6425.

Report Prepared by: Scott Smith, Project Manager, Facility Development IAM (490-2014)

Business Unit Review: Terry Gallagher, Manager, Facility Development IAM (476-4076)

Report Approved by: Cathie O'Toole, Director of Finance /CFO (490-6308)

Procurement Review: Anne Feist, Operations Manager, Procurement (490-4200)
