
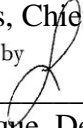


Item No. 10.1.2
Halifax Regional Council
December 13, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 

Richard Butts, Chief Administrative Officer
Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 9, 2011

SUBJECT: Increase to Contracts, Demolition of the former Halifax County
Rehabilitation Centre

ORIGIN

This report originates from a need to increase the PO beyond 15% of its original value.

Award of Tender No. 10-155, Former Halifax County Rehabilitation Centre Demolition to J.W. Lindsay Enterprises Limited, Halifax Regional Council November 9, 2010; Item No. 10.1.1

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) Approve an increase to Project No. CBX01099, Former Rehab Centre Demolition, in the amount of \$150,000, funded by a transfer from Project No. CBX01162, Environmental Remediation/Building Demolition, as outlined in the Budget Implications section of this report;
- 2) Authorize an increase to the contract with Dillon Consulting Limited for risk assessment, monitoring and additional scope of work for the demolition of the former Halifax County Rehabilitation Centre, in the amount of \$56,418.73 (net HST included) with funding from Project No. CBX01099, as outlined in the Budget Implications section of this report; and
- 3) Authorize an increase to the contract with J.W. Lindsay Enterprises Limited for additional scope of work for the demolition of the former Halifax County Rehabilitation Centre, in the amount of \$134,528.94 (net HST included) with funding from Project No. CBX01099, as outlined in the Budget Implications section of this report.

BACKGROUND

The Halifax County Regional Rehabilitation Centre was operated as a municipal and a provincial facility from 1941 to 2002. The fifty acre property in Cole Harbour is owned by HRM with an assessed property value of \$1,459,900.00.

In 2002, HRM issued RFP No. 02-160, seeking Consulting Services to complete environmental assessments and pre-demolition services on a number of facilities owned by HRM but not in use; the former Halifax County Rehabilitation Centre was one of these buildings. Dillon Consulting Limited was awarded RFP No. 02-160 for \$246,200 (net HST included) at Regional Council on November 19, 2002 (item #10.1.1).

During the 2008/09 Budget year, Transportation and Public Works allocated \$2.0 M for the demolition of the former Rehab Centre. In September 2009, Dillon Consulting Limited was re-engaged for \$7,231.19 (net HST included) to update their original May 2003 Report. This was required to re-assess the property conditions and update the demolition tender documents to ensure the latest regulations were included.

The demolition of the Former Rehabilitation Centre is a hazardous materials removal project which carries significant risk. Because of the age of the buildings, there is no documentation of the buildings or site services to reference. This presents significant risk in not having a detailed understanding of what is located on site and under the surface, including the slabs of the buildings.

DISCUSSION

During the demolition of the buildings, an ash material containing many contaminants was found underneath the slab of the South building. Typically, hazardous assessments do not include removal of concrete slabs to determine the possibility or extent of contamination of the ground beneath. This work was not in the scope of the project and must be dealt with. Two options available to HRM to manage the material are as follows:

- HRM could have the material trucked out of province to a facility that can handle these types of contaminants at an estimated cost of more than \$350,000; or
- Complete a risk assessment on capping the material onsite with a post construction monitoring program. Nova Scotia Environment (NSE) has been advised of this option, have agreed in principle and will be monitoring the site during capping. Dillon's fees for the Risk Assessment and post monitoring have been estimated at \$40,000 plus HST.

This additional scope of work and higher volumes of hazardous materials such as hydrocarbons, asbestos, and bio-medical waste, has impacted both J.W. Lindsay Enterprises Limited's and Dillon Consultant Ltd.'s contracts with increased costs due to:

- additional time and material costs such as site trailer, security and project supervision;
- project delays waiting for NSE approval; and
- additional removal of underground piping, tanks and contaminated soil.

Dillon is requesting an estimated increase of \$14,100.00, plus HST, and Lindsay is requesting an estimated increase of \$129,000, plus HST.

Increases to Dillon's Contract

Original Contract amount (PO #2070456610) (net HST included)	\$ 7,181.09
Previous increase (net HST included)	\$ 53,612.39
Proposed increase (net HST included)	<u>\$ 56,418.73</u>
Total Revised PO Amount (net HST included)	\$ 117,212.21

Increases to J.W. Lindsay Enterprises Limited's Contract

Original Contract amount (PO #2070513841) (net HST included)	\$ 2,087,845.30
Proposed increase (net HST included)	<u>\$ 134,528.94</u>
Total Revised PO Amount (net HST included)	\$ 2,222,374.24

BUDGET IMPLICATIONS

Funding is available in Project No. CBX01162 in the amount of \$150,000 (net HST included) for transfer to Project No. CBX01099. Risk Assessment and monitoring includes plan development and installation of monitoring wells for \$40,000, plus net HST of \$1,714.40, and additional scope of work for \$14,100.00, plus net HST of \$604.33, for a total of \$56,418.73 (net HST included) is available to increase the Dillon Consulting contract. Funding in the amount of \$129,000.00, plus net HST of \$5,528.94 for a total of \$134,528.94 is available to increase the contract with Lindsay Construction. The budget availability has been confirmed by Finance.

Budget Summary: Project No. CBX01162 - Environmental Remediation/Building Demolition - Reservation 1960.1 Environmental Remediation/Building Demolition Float

Cumulative Unspent Budget	\$ 150,000.00
Less: Budget Transfer to CBX01099	<u>\$ (150,000.00)</u>
Projected Balance	\$ 0.00

Budget Summary: Project No. CBX01099 - Former Rehab Centre Demolition

Cumulative Unspent Budget	\$ 71,192.53
Add: Budget Increase	\$ 150,000.00
Less: Contract increase for Dillon	\$ (56,418.73)
Less: Contract increase for Lindsay	<u>\$ (134,528.94)</u>
Balance	\$ 30,244.86*

*The balance of funds (\$30,244.86) in CBX01099 will be used for any unforeseen costs.

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

Not applicable

ALTERNATIVES

Council may choose to have the contaminants removed from the site; however, this would be a more costly option and the budget would need to be increased by an additional \$500,000 instead of the \$150,000. This is not recommended by staff.

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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