

Item No. 11.1.1
Halifax Regional Council
August 6, 2013

TO: Mayor Savage 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: May 7, 2013

SUBJECT: **Sole Source Award No. 12-169 – Supply of Extra
Quantities of Red German (Weser) Sandstone to Complete
City Hall Stone Restoration**

ORIGIN

Approved 2012/13 Project Budget, Supplemental Report, page A20 and the 2013/14 Project Budget, Supplemental Report, A19 (Buildings).

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for tenders and RFP's.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council, in accordance with the Sole Source Policy (Administrative Order 35, Section 8(11A) sub-sections (a) and (b) attached), award the Sole Source purchase of 479.07 cu. ft. of red German (Weser) sandstone from Coastal Restoration & Masonry Ltd. for \$100,295.29 (net HST included) with funding from Project No. CBX01046 – City Hall Stone Restoration, as outlined in the Financial Implications section of this report.

BACKGROUND

The restoration of the stonework at City Hall is a four-phased project to restore the exterior of City Hall. The project was originally estimated to cost \$8.M. Currently, staff are estimating the total project cost to be approximately \$6.5M.

Due to the nature of the work, it was difficult to assess from the ground, the condition of the backup masonry, the deterioration of the stone and the quantity of the new stone required. To mitigate this risk, a unit price contract based upon defined quantities was specified. This contract prevented the contractor from capitalizing on unforeseen deterioration of the stone wall.

The deterioration of the red sandstone was more extensive than initially assessed and has resulted in an additional 479 cubic feet of red sandstone being required to complete the restoration. Due to the closure of the originally quarry, a search of an acceptable alternative was conducted. This search indicated that the most economical and best match was located from a quarry in Germany.

DISCUSSION

Reason for Sole Source Purchase per section 8 (11) of Administrative Order #35:

This extra quantity of red accent stone is required to complete the project, maintaining quality control and the integrity of the restoration. Coastal is the sole North American agent/distributor of the Weser stone. Despite an exhaustive search, a red sandstone match is no longer available in North America due to the closure of the quarries. The same Weser stone was used in both Phases 1 and 2. As per Appendix “A”, the subject single source purchase from Coastal is in accordance with HRM’s Procurement Policy (Administrative Order 35), **Sole Source/Single Source Purchases** - Section 8(11A) sub-sections (a) and (b) as follows:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.

Company	Quoted Price (net HST included)
Coastal Restoration & Masonry Ltd.*	\$100,295.29

Recommended*

The scope of work includes supply only of sandstone. Labour to install the sandstone was included in the original contract. This work will be completed by September 2013.

FINANCIAL IMPLICATIONS

Based on a two substantive quotes totalling \$96,173.30 Cdn plus net HST in the amount of \$4,121.99 for a total project cost of \$100,295.29 Cdn (net HST inclusive), funding is available in the approved Project Budget from Project No. CBX01046 – City Hall Stone Restoration. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project No. CBX01046 – City Hall Stone Restoration</u>
	Cumulative Unspent Budget \$ 567,846.38
	Less: Coastal Restoration <u>\$ 100,295.29</u>
	Balance \$ 467,551.09

The balance of funds will be used for future City Hall projects or Grand Parade repairs or improvements.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Council could choose to not proceed with the procurement of additional red accent stone or defer the purchase. However this would not allow Phase 4 of the project to be completed or would postpone the eventual completion.

ATTACHMENTS

Appendix A – Administrative Order 35, Procurement Policy Section 8(11)
Sole source charter – Coastal/Jurgen Bunk
Coastal quote #1, Phase 3
Coastal quote #2, Phase 4

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 490-4208.

Report Prepared by: Scott Smith, Project Manager, Facility Development, P&I 490-2014

Report Approved by: _____
Terry Gallagher, Manager, Facility Development, P&I 476-4067

Procurement Review: _____
For Anne Feist, Manager, Procurement 490-4200

Report Approved by: _____
Jane Fraser, Director, Planning & Infrastructure 490-7166

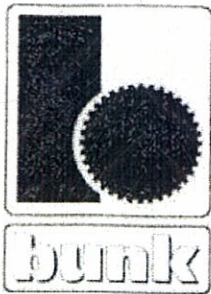
Appendix “A”

**Halifax Regional Municipality Administrative Order # 35 Procurement Policy
Section (11), Alternative Procurement Practices may be used as follows:**

A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.
- (l) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.

The terms and conditions of a sole source/single source purchase shall be negotiated. Sole source/single source purchases over \$25,000 and not exceeding \$50,000 shall be approved by the CAO.



Jürgen Bunk GmbH & Co.KG
Natursteinwerk
D-34385
Bad Karlshafen

Jürgen Bunk - Natursteinwerk GmbH & Co.KG
Amtsgericht Kassel HRA 12139 - USt.-IdNr.: DE 112889260 phG.: Jürgen Bunk GmbH, Bad Karlshafen, Amtsgericht Kassel HRB 9116, GF:
Dipl.-Geol. Jürgen Bunk
Steuer-Nr.: 2330860034, FA Kassel-Hofgeismar

Dear Sirs,

this will confirm that **Coastal Restoration & Masonry Ltd., 8 Mills Drive, Goodwood, Nova Scotia**, is the sole importer into Canada of Weser sandstone as produced in the quarries operated by Jürgen Bunk.

Reserved the right to revoke this declaration is at first limited up to 2015-12-31.

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FAX: +49 (0) 56 72 - 99 98 99

WEB: www.wesersandsteine-bunk.de

30/07/2010

COASTAL RESTORATION & MASONRY LIMITED

8 Mills Drive, Goodwood, NS B3T 1P3
Phone: (902) 876-8333 Fax: (902) 876-5072
Email: restoration@ns.aliantzinc.ca

Date: May 29, 2013

HST #: 899363352

To: Halifax Regional Municipality
PO Box 1749
Halifax, Nova Scotia
B3J 3A5

Job #: 078 CH4
Attn: Graeme Duffus

CONTRACT: Halifax City Hall - Phase 4 ~ Stone Masonry Restoration
Weser Sandstone Purchase

Quantity	Unit	Description	Rate	Total
344.52	Cubic Feet	0-500 Cubic Feet of Weser Sandstone	\$ 200.75	\$ 69,162.39
36	Cubic Feet	0-500 Cubic Feet of Weser Sandstone Additional Stone for Carved Lintels	\$ 200.75	\$ 7,227.00
			Sub-Total	\$ 76,389.39
			15% HST	\$ 11,458.41
			Total	\$ 87,847.80

Amount Due This Invoice
\$87,847.80

Terms - 30 days - overdue accounts subject to 1.5 % monthly interest charge

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Phone: (902) 876-8333 Fax: (902) 876-5072
Email: restoration@ns.aliantzinc.ca

Date: May 29, 2013

HST #: 899363352

To: Halifax Regional Municipality
PO Box 1749
Halifax, Nova Scotia
B3J 3A5

Job #: 078 CH3
Attn: Graeme Duffus

CONTRACT: Halifax City Hall - Phase 3 ~ Stone Masonry Restoration
Weser Sandstone Purchase

Quantity	Unit	Description	Rate	Total
98.55	Cubic Feet	0-500 Cubic Feet of Weser Sandstone	\$ 200.75	\$ 19,783.91
		Additional Stone for Stone Cornices		
			Sub-Total	\$ 19,783.91
			15% HST	\$ 2,967.59
			Total	\$ 22,751.50

Amount Due This Invoice
\$22,751.50

Terms - 30 days - overdue accounts subject to 1.5 % monthly interest charge