


Item No. 11.1.2
Halifax Regional Council
September 17, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: September 4, 2013

SUBJECT: Award - Unit Price Tender No. 13-251, Phase 12-5 and 12-6 Grading –
Burnside Park

ORIGIN

This report originates with the Planning and Infrastructure approved business plan and operating and capital budget. The continued development of the municipality's industrial lot supply is a key deliverable under HRM's RP+5/Regional Plan, the Business Park Functional Plan and is further supported through HRM's Economic Strategy.

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.

RECOMMENDATIONS:

It is recommended that Halifax Regional Council:

1. Award Tender No. 13-251, Phase 12-5, 12-6 and Lot 1249 Grading, Burnside Business Park, to the lowest bidder meeting specifications, Dexter Construction Company Limited, for a Total Tender Price of \$7,171,300 (no HST included, 100% recoverable), from Project No. CQ300741, Burnside and City of Lakes Development, with funding authorized as per the Financial Implications section of this report;

RECOMMENDATIONS CON'T ON PAGE 2

2. Authorize, as per the Financial Implications section of this report, the appointment of CBCL Ltd. for construction inspection services, in the amount of \$217,075 (no HST included, 100% recoverable; and
3. Approve an increase of \$1.50/sq. ft. to the approved minimum unit value lot pricing specific to Lot 1249 to reflect the lot as graded as part of the subject tender scope.

BACKGROUND

The phased development and build out of Burnside Park, Phase 12, is being constructed in sub-phases in response to market demand. The Proposed Phase 12-5 and 12-6 grading follows the award of Phase 12-4 in 2013 and Phase 12-3 in 2011.

The development of phase 12-5 and 12-6, given its size, is being delivered in two parts, mass earthworks/grading first in 2013/14 and streets and services to follow in 2014/15. Tender No. 13-251 is the major earthwork/grading project for Phases 12-5 and 12-6. Undertaking the grading for both phases at the same time will allow HRM to balance the surplus fill that is located in Phase 12-6 with the deficit fill that is located in 12-5 to achieve overall economies of scale versus having to import fill. Following the completion of Tender No. 13-251 each phase will then be completed with streets, water and sewer services based on market demand and subject to award of subsequent tender(s) by Council as part of the approved capital project plan for the project.

The final construction of Phases 12-5 and 12-6 will provide for approximately 114 net acres of new industrial lot inventory. The scope of work for this tender also includes the grading of Lot 1249 adjacent to Phases 12-5/6. Lot 1249 is a +/- 17 acre ungraded lot created in support of the Atlantic Gateway – Halifax Logistics Park. Taking advantage of the surplus fill created in the subject tender to grade this lot will enhance the lot's overall marketability in this specialized logistics park market.

Infrastructure and Servicing context

The municipal investment in developing the subject lands is fully funded by the program reserve and is further recoverable through the market sale of industrial lots.

DISCUSSION

Tenders were called on August 15, 2013, and closed on August 29, 2013. Bids were received from the following companies:

<u>Name of Company</u>	<u>Bid Price</u>
1. Dexter Construction Company Limited	\$7,171,300.00*
2. Northern Construction Incorporated	\$8,710,881.17
3. Brycon Construction Limited	\$8,743,502.00
* Recommended bidder	

Scope

The scope of Phase 12-5, 12-6 and Lot 1249 includes: clearing, grubbing, grading of lots and installation of environmental protection measures.

Schedule

It is anticipated that construction will commence within three weeks of the tender award and be completed by April 30, 2014.

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.

FINANCIAL IMPLICATIONS

Based on the lowest tendered price of \$7,171,300 (no HST included, 100% recoverable), funding is available in the approved 2012/13 Project Budget from Project No. CQ300741, Burnside and City of Lakes Development. The budget availability has been confirmed by Finance.

Budget Summary: Project No. CQ300741, Burnside and City of Lakes Development

Cumulative Unspent Budget	\$15,060,285.73
Less: Tender No. 13-251	\$ 7,171,300.00*
CBCL Inspection Services	<u>\$ 217,075.00</u>
Balance	\$ 7,671,910.73

*This project was estimated in the Approved 2012/13 Capital Budget at \$7,732,500.

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

COMMUNITY ENGAGEMENT

The recommended action is consistent with the objectives of the Industrial Park Program and supports Council's approved Capital Budget, Regional Plan and Economic Strategy.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

Council could choose not to approve the recommendations in this report, but this is not recommended by staff.

ATTACHMENTS

Attachment 1 - Construction Limits/Key Map

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: John Fawcett, Design Engineer, Design & Construction Services, 490-6824
Michael Wile, Business Parks Manager, Real Estate & Land Management, P&I, 490-5521

Report Approved by: _____
Peter Stickings, Manager, Real Estate & Land Management, P&I 490-7129

David Hubley, Manager, Design & Construction Services, TPW 490-4845

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

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

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