
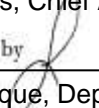




P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.3
Halifax Regional Council
September 23, 2014

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: September 17, 2014

SUBJECT: **Sole Source Award Halifax Water, T31.2014 – 311, First Lake Drive Major Storm Routing**

ORIGIN

- This report originates from the outcome of a joint HRM and Halifax Water investigation into an ongoing storm water issue near 311 First Lake Drive, Lower Sackville.
- This project was approved in the 2013/14 and 2014/15 Project Budget (#CR000001, Page H11)
- Stormwater Infrastructure Interim Funding Solution: Revised by Regional Council on December 3, 2013

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, 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 RFPs.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council, in accordance with Administrative Order 35, Section 8(11A) sub-section (k) (*Attachment A*): *Sole Source/Single Source Purchases*; (k) *"For the procurement from a public body or a not-for-profit corporation."*

1) Award the Sole Source agreement to Halifax Water for payment of expenditures related to 311 First Lake Drive Major Storm Routing for the estimated amount of 258,843.28 including net HST with funding from Project Account No. CR000001 – Storm Sewer Upgrades, and in accordance with Financial Implications Section of this report.

2) Authorize and direct the CAO to execute 311 - First Lake Drive Major Storm Routing Payment Agreement with Halifax water subject to terms and conditions agreeable to HRM and in accordance with the Financial Implications Section of this recommendation.

BACKGROUND

The Approved 2014/15 Project Budget includes funds for a new stormwater system to address street and property flooding at 311/317 First Lake Drive. First Lake Drive and the surrounding subdivision were developed by the Nova Scotia Department of Housing in the 1970's and 1980's. First Lake Drive is classified as a major collector with significant traffic volume as it is the link between Cobequid Road and Metropolitan Avenue. Though the area is fully developed with street and underground infrastructure it was not designed with a major drainage route.

The lack of a major drainage route and the topography of the area is the cause of ongoing flooding of the street infrastructure and property damage to 311 and 317 First Lake Drive. The street flooding also causes a hazard to motorists during high intensity storm events. The scope of work is to construct a stormwater system with capacity for the major storm event. The system will include 41 metres of 900mm pipe and associated work so as to convey the stormwater from the street to Provincially owned property with ultimate discharge to First Lake. Staff from HRM Design and Construction, Municipal Operations and Energy and Environment worked through a coordinated effort with Halifax Water and the property owners to move this issue forward.

Priority Rationale: The First Lake Drive flooding problem was identified by staff as a priority. The May 4, 2013 Update Report to Environment & Sustainability Standing Committee identified First Lake in the assessment table.

Stormwater Policy: On December 3, 2013, Halifax Regional Council revised the original Stormwater Infrastructure Interim Funding Solution with the following approved motion:

1. Approve the Interim Stormwater Infrastructure Funding Solution with the option of zero funding contribution from local homeowners as per Option 2 (a) in the Discussion section of the November 20, 2013 supplementary staff report and work with Halifax Water to prepare a submission to the Utility and Review Board;
2. Limit the annual financial commitment from the Halifax Regional Municipality (HRM) to a maximum of \$3 million (Net HST included), sourced from the annual Halifax Water dividend payment to the Halifax Regional Municipality; and
3. Direct staff to:
 - a. Jointly, with Halifax Water, prepare by February 2015, an Integrated Stormwater Policy, including an accountability matrix with respect to stormwater management; and a five year storm water infrastructure capital program with permanent funding options, for the consideration of Council and, subject to Council approval, review by the Nova Scotia Utility and Review Board (NSURB); and
 - b. Provide semi-annual updates to the Environment and Sustainability Standing Committee and the Board of Directors of Halifax Water on completion and progress on identified outstanding responsibilities in the accountability matrix.

DISCUSSION

Due to the expertise required to understand the design elements of the storm water solution as well as the need for the solution to integrate with Halifax Water infrastructure, it was determined that Halifax Water would engage a consultant and use the resulting recommendations to compose and issue a tender for a solution. It was agreed that this would be a cost shared exercise with the cost assignment determined once the problem and solution were identified. After investigation and analysis (and pursuant to the Interim Stormwater Infrastructure Funding Interim Solution - HRC approved- February 12, & 26, 2013) whereby HRM is 100% responsible for Infrastructure provisions to remedy private property minor storm water impacts where street is the minor storm system, HW is responsible 100% of ongoing operational costs.

The consultant, Genivar, was able to identify and design a solution that will resolve the flooding and property damage issues while ensuring the design meets the 1 in 100 year event. Though optional designs exist, the actual construction costs for this solution are only mildly incremental while providing a

significantly higher level of flood risk mitigation. The attached provides a breakdown of the Total Project Amount.

In consideration of the intent of HRM's Procurement Policy, the RFP for Design consultants and the subsequent tender for construction were publically advertised and posted by Halifax Water to the Province of Nova Scotia's Procurement website. The construction tender was posted on August 6, 2014 and closed on August 19, 2014. Halifax Water intends to award the project to the lowest bidder meeting specifications, Dexter Construction Company Limited. The following table summarizes the expenditures related to this project:

311 - First Lake Drive Major Storm Routing Payment Agreement	
Total Project Cost from Tender	\$143,500.00
Consultant Cost (incl. design, tender, construction insp/admin)	\$62,690.00
Subtotal	\$206,190.00
10% Contingency	\$20,619.00
Subtotal	\$226,809.00
4.286% Net HST	\$9,721.03
Subtotal	\$236,530.03
Easements	\$10,000.00
Direct Halifax Water Cost	\$6,000.00
Subtotal	\$252,530.03
2.5% Interest & Overhead	\$6,313.25
*Total Project Cost Share Amount	\$258,843.28

***Recommended**

The actual cost for this project will be based on final quantities determined during construction

There are no Local Improvement Charges associated with this work.

It is anticipated this project will begin within three (3) weeks of Tender award and will take three (3) weeks to complete.

Policy Implications: This project is consistent with the direction of Regional Council on the Interim Stormwater Funding Solution and was anticipated as a priority project in 2013.

FINANCIAL IMPLICATIONS

Based on the estimated expenditures for consulting, tendering and related project costs, in the amount of \$258,843.28 (including net HST Amount \$9,721.03) is to be funded from Project Account No. CR000001 – Storm Sewer Upgrades. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CR000001**

Cumulative Unspent Budget	\$501,090.60
Less: Agreement T31.2104	\$258,843.28 *
Balance	\$242,247.32

* This project was estimated in the Approved 2013/14 and 2014/15 Project Budget at \$172,000. The

balance of funds remaining in Project Account No. CR000001 will be used to implement the remaining 2014/15 Storm Sewer Upgrades projects approved by Council.

COMMUNITY ENGAGEMENT

n/a

ENVIRONMENTAL IMPLICATIONS

n/a

ALTERNATIVES

Regional Council could choose not to approve the recommendation in this report; this is not recommended by staff.

ATTACHMENTS

A-1 – Memorandum of Approval – T31.2014 Payment Agreement

A-2– Procurement Policy Section 8(11) A as follows

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jeff Rogers, Acting Superintendent, Municipal Operations 902.490.4644

Report Approved by: David Hubley, P.Eng. Manager, Design and Construction 902.490.4845

Report Approved by: Chris Mitchell, Manager, Municipal Operations 902.490.4673

Financial Approval by: Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

Report Approved by: Kathleen Llewellyn-Thomas, P. Eng. Acting Director, TPW 902.490.4854



MEMORANDUM

To: Richard Butts, Chief Administrative Office, Halifax Regional Municipality

From: David Ellis, Manager of Wastewater/Stormwater Infrastructure Engineering, Halifax Water

cc: Chris Mitchell, Manager of Municipal Operations, Halifax Regional Municipality
Jamie Hannam, Director of Engineering and IS, Halifax Water

Date: September 19, 2014

Subject: 311 First Lake Drive Major Storm Routing Payment Agreement — T31.2014

The Tender for **311 First Lake Drive Major Storm Routing** project has closed. The project is 100% HRM's cost and prior to awarding the project we seek HRM's signature of this payment agreement between HRWC and HRM.

Based on the low bidder's tender prices, Dexter Construction Company Ltd., the costs for tender T12.2014 311 - First Lake Drive Major Storm Routing can be summarized as follows:

311 - First Lake Drive Major Storm Routing Payment Agreement	
Total Project Cost from Tender	\$143,500.00
Consultant Cost (incl. design, tender, construction insp/admin)	\$62,690.00
Subtotal	\$206,190.00
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Direct Halifax Water Cost	\$6,000.00
Subtotal	\$252,530.03
2.5% Interest & Overhead	\$6,313.25
Total Project Cost Share Amount	\$258,843.28

The actual cost for this project will be based on final quantities determined during construction.

If you agree to this arrangement, please indicate by signing the enclosed copy and return it to my attention. If you have any questions, please contact me at 490-6716.

Regards,

David Ellis, P.Eng.
Manager Wastewater/Stormwater Infrastructure Engineering
Halifax Water

Chief Administrative Officer

Witness

Municipal Clerk

Witness

Procurement Policy Section 8(11) A

8(11)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.**
- (1) 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.