


HALIFAX

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Item No. 14.1
Halifax Regional Council
January 13, 2015

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original signed by 

Richard Butts, Chief Administrative Officer

Original Signed

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: January 6, 2015

SUBJECT: Award Tender No. 14-190 - Scotiabank Centre Seating

ORIGIN

Advance Capital Budget List Approval, December 9, 2014 Regional Council, Item #14.2.

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. See Charter Sections 79(1) and 322(3).

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 14-190, Scotiabank Centre Seating, to the lowest bidder meeting specifications, Hussey Seating Company, **for a total capital cost of \$2,702,301.00 (HST fully refundable). Funding is available from Project No. CB000028** – Scotiabank Centre as outlined in the Financial Implications section of this report.

BACKGROUND

On November 12, 2013, Regional Council directed staff to explore the sale of naming rights for the Halifax Metro Centre. The sale of naming rights process was intended to support the refurbishment of the building, in particular through the replacement of seats, expanded washroom facilities and improved concession areas. Subsequent to Regional Council's direction, staff issued a request for proposals for the sale of naming rights. On June 24, 2014, Regional Council approved the sale of naming rights to Scotiabank and on September 19, 2014, the building was renamed Scotiabank Centre.

Under the new naming rights partnership, Scotiabank will be investing \$650,000 per year for 10 years. The partnership includes more than \$5 million for capital upgrades to the facility.

The Scotiabank Centre (previously Metro Centre) has a planned expenditure of approximately \$7.4M over five years. The main focus areas are washrooms (2014/15), new seating (2015/16), and new roof & ice slab (2016/17).

The existing seating in the Scotiabank Centre is comprised of fixed seating, retractable seating and loose floor seating. The seating is nearing the end of its useful life and has been identified for replacement as part of planned investment in the facility. The new seating will improve customer experience and reduce ongoing maintenance costs.

DISCUSSION

The proposed solution for seating replacement involves a turnkey project for removal of existing seating and supply and installation of new fixed and retractable seating. The new seating will consist of cast aluminum standards, polymer armrests and back panels with foam seats and backs. The new seating will improve comfort and customer satisfaction, reduce maintenance costs and improve reliability with the operation of retractable seating.

To achieve best long term value, the evaluation of bids were completed using a life cycle analysis using both capital and operating costs as outlined in the table below. Operating costs over a ten (10) year period will be administered by Trade Center Limited.

Replacement of loose seating is also planned for 2015/16 and will be addressed through a separate tender for supply.

Tenders were called and posted to the Province of Nova Scotia's Procurement website on December 17, 2014, with the tender closing on January 6, 2015. Bids were received as a ten year life cycle cost including capital and operating as follows:

Company Name	Bid Price including ten year life cycle costing (HST fully refundable)
* Hussey Seating Company	\$2,717,301.00
Irwin Seating Company and Ergoworks	\$2,944,833.67

***Recommended bidder.**

Scope of Work and Schedule:

- Removal of existing lower bowl and upper bowl fixed seating
- Removal of retractable seating
- Installation of new lower bowl and upper bowl fixed seating (8,765 seats)
- Installation of new retractable seating (1,337 seats)
- Floor repairs under retractable seating in select areas
- Excluded: loose floor seating and skybox seating

The installation is planned to start following the Royal Nova Scotia International Tattoo in July and be completed prior to the Canadian Country Music Award week in September.

FINANCIAL IMPLICATIONS

Based on a capital cost of \$2,702,301.00 (HST fully refundable), funding is available in the approved 2015/16 Project Budget from Project No. CB000028 – Scotiabank Centre. Budget availability has been confirmed by Finance.

Budget Summary:	<u>Project No. CB000028 – Scotiabank Centre</u>	
	Cumulative Unspent Budget	\$ 3,740,166.86
	Less: Tender No. 14-190	<u>\$ 2,702,301.00</u>
	Balance	\$ 1,037,865.86

This project was originally estimated in the approved 2015/16 Project Budget at \$3,000,000.

Operating costs of \$15,000 over the life cycle of the equipment will be financially accommodated by the Trade Center Limited operating budget, as outlined in discussion section above.

ENVIRONMENTAL IMPLICATIONS

The Tender evaluation was based on life cycle costing. The bid price also includes the removal, disposal and residual value of all seating. Once removed, all seating becomes the sole property of the contractor.

ALTERNATIVES

Regional Council may choose not to approve the recommendation in the report; this is not recommended as the seating is nearing the end of its useful life and the work is part of improved customer satisfaction components outlined through the sale of naming rights process.

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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