




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

**Item No. 11.1.15**

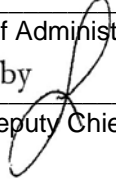
**Halifax Regional Council  
June 23, 2015**

**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:** May 27, 2015

**SUBJECT:** **Award Tender No. 15-162 – Demolition of Former St. Pat's High**

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**ORIGIN**

Agenda Item No. 11.3.5, Halifax Regional Council, October 7, 2014 (Approved):

Approve a budget increase of \$4,500,000.00 to Project Account No.CBX01162 Environmental Remediation / Building Demolition, with funding from Q101, Sale of Capital Assets Reserve, for demolition and environmental remediation at 6067 Quinpool Road, as previously approved by Halifax Regional Council on July 22, 2014, Agenda Item 11.1.8.

**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**

1. It is recommended that Halifax Regional Council: award Tender No. 15-162, Demolition of Former St. Pat's High School, to the lowest bidder meeting specifications, Capital Demolition and Environmental Services Inc. for a total tender price of \$1,327,011.71 (net HST included), with funding from Project No. CBX01162 - Environmental Remediation/Building Demolition, as outlined in the Financial Implications section of this report; and

RECOMMENDATION CONTINUED ON PAGE 2

2. Add additional scope of work to P.O. #2070672976 for \$28,107.52 (net HST included) to Dillon Consulting Limited, for Construction Contract Administration and Inspection Services, with funding from Project No. CBX01162 - Environmental Remediation/Building Demolition, as outlined in the Financial Implications section of this report.

## **BACKGROUND**

The former St. Pat's High School Building (6067 Quinpool Road) was transferred from the Halifax Regional School Board to the municipality in December 2013. The property was declared surplus under Admin Order 50 on July 22, 2014. At this time, the building was authorized for demolition and work commenced on planning and budgeting. On October 7, 2014 Regional Council approved a one million dollar increase to the original estimate, resulting in a total budget of \$4,500,000 for demolition of the facility.

The initial order of magnitude estimate of \$3.5M (July 22, 2014 Regional Council) was extrapolated from unit costs from the earlier demolition contract for the former QEHS building. This information was intended to bring scope to the discussion. Council was further advised that staff had engaged a consultant to prepare a detailed demolition specification and budget which was updated \$4.5M (October 7, 2014 Regional Council) based on a more detailed Class D estimate with 30% contingency. Following budget approval by Council, staff continued to work with the consultant to refine the detailed demolition tender specifications inclusive of the environmental conditions of the site.

The initial estimate provided was based on conservative estimates given the unique characteristics of the facility and property, potential environmental issues as well as market variability. Factors contributing to the variance in estimate vs. bids, include: refinement of project scope, additional testing to reduce unknowns and allowances, market driven factors, and extended periods of building access during the bidding period allowing bidders ample opportunity to plan the most efficient approach to demolition.

Municipal staff was also authorized by Regional Council on July 22, 2014 to initiate a process by which to consider amending the Municipal Planning Strategy for Halifax and the Land Use By-Law for Halifax Peninsula, to address design, building height, mass, density, and use for 6067 Quinpool Road. The municipal goals associated with this plan amendment effort are to sell the property to maximize use or value; regenerate neighbourhoods; advance development opportunities; and generate financial return for the municipality, consistent with the property's approved categorization as 'Economic Development' under Administrative Order 50 – regarding the Disposal of Surplus Real Property.

A new Active Transportation (AT) trail is also planned for the north end of the site which will connect Windsor Street to Quingate Place.

## **DISCUSSION**

Demolition of the building and site preparation includes removal of structures, removal of utilities, remediation of contaminated soil, remediation of hazardous materials and disposal in accordance with municipal bylaws and environmental regulations. For backfill, the site will utilize select concrete materials and clean common fill. The site will be graded and hydro-seeded to allow for public use until the sale of the property is completed. Backfill and remediation of the site will allow the property to be sold for mixed use applications.

To mitigate the inherent risks associated with demolition projects, the following actions were undertaken:

- Detailed site surveys
- Review of historical environmental assessment reports
- Supplemental testing of building materials to assess hazardous materials

- Supplemental testing of monitoring wells to assess extent of contaminated soil
- Supplemental test pits to assess extent of contaminated soil
- Incorporate lessons learned from previous HRM projects
- Incorporate lessons learned from other levels of government
- Coordination with Halifax Water and Nova Scotia Power to validate known underground site utilities.

Demolition of the facility will result in various streams of Construction and Demolition (C&D) debris. These materials will be disposed of in accordance with federal, provincial and HRM requirements. Select inert materials will be re-used on site as backfill or disposed of in accordance with HRM By-law L-200 (Respecting Licensing of Construction and Demolition Materials, Recycling and Disposal Operations). The by-law states that inert C&D materials may be used in licensed quarry operations or as approved for use pursuant to the Lot Grading By-law.

Tenders were called and posted to the Province of Nova Scotia's Procurement website on March 3, 2015, with the tender closing on May 5, 2015. Bids were received as noted below.

<b>Company Name</b>	<b>Bid Price (net HST included)</b>
<b>* Capital Demolition and Environmental Services Inc.</b>	\$1,327,011.71
Dexter Construction Company Limited	\$1,629,249.75
Verhagen Demolition Limited	\$1,665,640.35
Gaudet Building Contractors Limited	\$2,928,243.47
Salandria Ltd.	\$3,051,841.40
Guild Contracting Specialties (2005) Inc.	\$5,085,819.65

***\*Recommended bidder.***

The bid submissions were reviewed and found to be in compliance with the tender. Given the large variance in the original estimate and the tender results an in-depth review of the recommended bidder's submission was carried out. The recommended bidder is found to be qualified and able to complete the work and the tender documents are inclusive of the required scope. The tender documents include the requirement for bid surety and bonding.

Capital Demolition has operated in the Atlantic region for over 25 years and has completed projects for HRM including the recent demolition of the Gordon Bell Building. The Capital Demolition website indicates the following notable past projects: Bell Road Community College Demolition, Lunenburg Junior-Senior High School Demolition and Penhorn Mall Demolition (Phase 2).

***Scope of Work and Schedule:***

- Demolition of above ground and below ground structures
- Removal of above ground and below ground oil tanks
- Remediation of contaminated soil
- Remediation of hazardous materials
- Removal of site utilities
- Removal and delivery of salvaged materials
- Site grading and hydro-seeding
- Noise and dust control
- Site security

It is anticipated that the work will commence within two weeks following the award of the Tender and take approximately twelve months to complete.

**FINANCIAL IMPLICATIONS**

Based on the lowest bid price of \$1,327,011.71 (net HST included), funding is available as per Agenda Item No. 11.3.5, Halifax Regional Council, October 7, 2014 from Project No. CBX01162 - Environmental Remediation/Building Demolition. Budget availability has been confirmed by Finance.

<b>Budget Summary:</b>	<b><u>Project No. CBX01162 – Environmental Remediation/Building Demolition</u></b>
	Cumulative Unspent Budget \$ 5,608,176.97
	<b>Less: Tender No. 15-162 \$ 1,327,011.71</b>
	<b>Less: PO #2070672976 additional scope \$ 28,107.52</b>
	Balance \$ 4,253,057.74

Remaining funds will be used for ongoing site work at the former St. Pat's High, as well as other demolition projects as approved by council.

**ENVIRONMENTAL IMPLICATIONS**

Soil contamination and hazardous materials will be remediated as part of the project. Environmental controls will be in place during demolition activities.

**ALTERNATIVES**

Regional Council may choose not to approve the recommendation in the report; this is not recommended by staff as this work is part the planned re-development of the property.

**ATTACHMENTS**

None

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 MacPherson, Senior Project Manager, Facility Design and Construction (209-0763)

Report Approved by: \_\_\_\_\_  
Terry Gallagher, Manager, Facility Design and Construction, 476-4067

Report Approved by: \_\_\_\_\_  
Jane Fraser, Director, Operations Support, 490-7166

Procurement Review: \_\_\_\_\_  
Anne Feist, Manager, Procurement, 490-4200

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