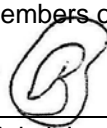


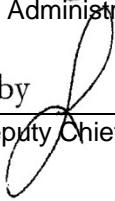
HALIFAX

P.O. Box 1749
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Item No. 14.1.4
Halifax Regional Council
December 8, 2015

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: November 30, 2015

SUBJECT: Award – Tender No. 15-192 – Alderney Gate CRA/VAC Fit-up

ORIGIN

June 23, 2015 Regional Council, Item No. 11.4.3: Lease Amendment, Her Majesty the Queen, Public Works and Government Services Canada, 40 Alderney Drive, Dartmouth.

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

The following report conforms to the above Charter and Policy.

RECOMMENDATION

It is recommended that Council award Tender No. 15-192, Alderney Gate CRA/VAC Fit-up, to the lowest bidder meeting requirements, RCS Construction Inc. for a Total Price of \$1,142,976 including net HST, with funding from Project No. CB000066 – Alderney Gate VAC and CRA Renovations, as outlined in the Financial Implications section of this report. This award is subject to approval by Public Works and Government Services Canada (PWGSC).

BACKGROUND

HRM entered into a ten-year market lease agreement with Public Works and Government Services Canada (PWGSC) for Veterans Affairs Canada (VAC) for 28,941.90 sq.ft (2,688.79 sq.m) of office and storage space on the 3rd and 4th floors at 40 Alderney Drive; the agreement commenced on August 1, 2011. In April 2012, the Federal Government announced the planned closure of nine VAC offices by early 2014, as well as the expected downsizing of other office locations. As a result of the changes to the VAC service model, PWGSC determined that a portion of their leased space at 40 Alderney Drive was surplus to VAC's requirements.

In December 2014, PWGSC contacted HRM Corporate Real Estate (CRE) staff regarding an options analysis which was conducted on behalf of another Federal department, Canada Revenue Agency (CRA). One of the options under consideration was to renovate the vacant portion of the existing VAC leased premises and relocate CRA to the vacant VAC space at Alderney Gate.

Under the terms of the existing lease between Public Works Government Services Canada (PWGSC) and the Halifax Regional Municipality (HRM), HRM is required to enter into sub-agreements with PWGSC for the performance of the required renovations, with PWGSC responsible for the full reimbursement of management, design and construction costs to HRM plus a 10 percent project management fee. On June 23, 2015 Regional Council approved the lease amendments. The project management fee received from PWGSC will be directed to Q135 – Alderney Gate Recapitalization/Leasehold Improvement Reserve to fund future recapitalization projects.

In July 2015 under RFCP No.15-079, HRM awarded the contract for Design Consulting Services for the Alderney Gate Renovation and subsequently entered into Sub-agreement No.1 with PWGSC for the performance and payment of this work.

This award report covers the construction contract for renovations to the PWGSC leased space on the 3rd and 4th Floors of Alderney Gate. The spaces are in fair condition and due for renovations.

DISCUSSION

Tenders were called on November 12, 2015, with closing on November 30, 2015. Bids were received from the following companies:

Name of Company	Bid Price (net HST included)
*RCS Construction Inc.	\$1,142,976
Avondale Construction Limited	\$1,151,231
M.R.S. Construction Ltd.	\$1,169,762
Bird Construction Group	\$1,176,270
Blunden Construction (1995) Limited	\$1,181,561
Gaudet Building Contractors Limited	\$1,199,060
JOMO Services Inc.	\$1,230,575
Dora Construction Management Limited	\$1,263,947
APM Construction Services	\$1,281,924
Greytop Commercial Construction Inc.	\$1,279,736

***Recommended Bidder**

Scope and Schedule:

This project includes the renovation to PWGSC leased space on the third and fourth floors of Alderney Gate to meet PWGSC Workplace 2.0 standards for the tenancy changes. Renovations include: changes to partitions, flooring and ceiling replacements, lighting upgrades and HVAC upgrades.

It is anticipated that the work will commence January 6, 2016, and be completed by August 10, 2016.

FINANCIAL IMPLICATIONS

Based on the lowest bid price of \$1,096,001 plus net HST of \$46,975, for a net total of \$1,142,976 funding is available in Project No. CB000066 – Alderney Gate VAC and CRA Renovations. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project No. CB000066 – Alderney Gate VAC and CRA Renovations</u>	
	Cumulative Unspent Budget	\$ 1,712,162
	Less: Tender 15-192	\$ 1,142,976
	Balance	\$ 569,186

The cost of this project was originally estimated at \$1,500,000.

The balance of the funds will be used for construction contingency with the remainder returned to the reserve.

These fees will be reimbursed by PWGSC to HRM plus a 10 percent project management fee.

ENVIRONMENTAL IMPLICATIONS

No implications identified.

ALTERNATIVES

Council may choose not to approve the recommendation in the report; however, this is not recommended by staff as this work is part of the lease agreement with PWGSC.

ATTACHMENTS

None

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.

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