

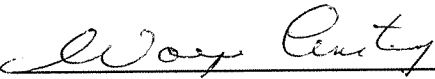
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PO Box 1749  
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**Halifax Regional Council**  
**January 31, 2006**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Wayne Anstey, Acting Chief Administrative Officer

**DATE:** January 16, 2006

**SUBJECT:** **Additional Funding Request - Dexter Construction Company Limited  
Unit Price Tender No. 05-350, Sullivan's Pond Outlet Pipe - 130 Metre  
Section Replacement - East Region**

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**ORIGIN**

2005/06 Capital Budget.

**RECOMMENDATION**

It is recommended that Council

- authorize an increase to Unit Price Tender No. 05-350 of \$69,825 including net HST, to Dexter Construction Co. Ltd. for materials and services related to extra work required on the project. This increases the original contract price of \$229,302 including net HST to a total revised price of \$299,127 including net HST, with funding from capital project CSI00706 - Sullivans Pond Outlet Pipe.
- authorize an increase to capital project CSI00706 - Sullivans Pond Outlet Pipe of \$52,010 with funding from the Sewer Redevelopment Reserve Q104 to finance the aforementioned work.

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**BACKGROUND**

The existing outlet pipe from Sullivan's Pond is a 2740 mm (nine foot) diameter corrugated metal pipe that extends from Sullivan's Pond to Dartmouth Cove. The pipe is approximately 580 metres long, traversing several properties including the former Starr Manufacturing property.

The pipe system is approximately 35 years old and is near the end of its service life. Construction was completed on replacement of 130 metres of the pipe in July 2005.

**DISCUSSION**

During excavation of the existing pipe it was determined that the bedding material was not suitable for reuse with the new pipe. This material (approximately 700 cubic metres) was then removed and temporarily stockpiled on an adjacent property based on an agreement between Dexter Construction and the property owner. Subsequent sampling and testing of the material determined that it had metals and hydrocarbon contamination consistent with levels found on other portions of the HRM owned former Starr Manufacturing property. The probable source of the contamination is previous on-site commercial activities. Through consultations with Nova Scotia Environment & Labour and the environmental consultant on the project, it was concluded that the best method of dealing with the material was to incorporate it into the former Starr Manufacturing property (at its north end) by grading and capping in a manner consistent with the proposed future development plans for the property.

Dexter Construction submitted a cost of \$38,000 plus net HST to relocate, grade, cap and sod the material. It was necessary to proceed with the work in an urgent manner given that the stockpiled, contaminated soil was located on property owned by a third party thus presenting a potential liability to HRM. For this reason the contractor was authorized to proceed as soon as possible. This work was completed in late September 2005. The final progress estimate, with recommendation for payment, was received from the project consultant, CBCL Limited, on December 5, 2005.

The balance of additional funding being requested over and above the amount required to address the contaminated soil issue will contribute to the cost of other additional work not covered by project contingencies including temporary support of a utility pole and duct bank within the area disturbed by the pipe excavation.

**BUDGET IMPLICATIONS**

The approved 2005/06 Capital budget included \$300,000 for this project including design and construction. An increase in this budget will be required of \$52,010, including net HST, to fund the portion of the increased tender amount not covered by existing project purchase orders. Funding is available in the 2005/06 approved budget under account Q104, Sewer Redevelopment & Trunk Sewer Reserve. The budget availability has been approved by Finance.

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**Budget Summary:**      **Account No. Q104 - Sewer Redevelopment & Trunk Sewer Reserve**

Cumulative Unspent Budget:	\$ 805,292
Less: Submitted Fee	\$ -52,010
Balance of Account	\$ 753,282

**Capital Project CSI00706 - Sullivans Pond Outlet Pipe**

Previously Approved Budget	\$ 300,000
Add: Funding Request (above)	\$ 52,010
Total Capital Budget	\$ 352,010

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.



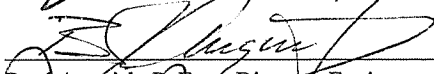
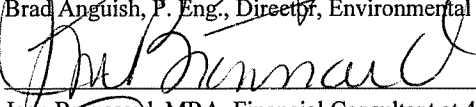
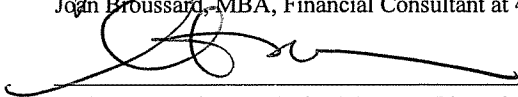

**ALTERNATIVES**

There are no recommended alternatives.

**ATTACHMENTS**

N/A

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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