
Halifax Regional Council
May 7, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer



Mike Labrecque, Director, Real Property Services

DATE: April 17, 2002

SUBJECT: Award - Tender 02-150 Halifax Family Court Renovations

SUPPLEMENTARY REPORT

ORIGIN

At the April 16 session of Regional Council additional budget information was requested concerning this project.

RECOMMENDATION

1. It is recommended that Council approve an increase to the Capital Budget, account CBA00627, from \$1,500,000 to \$1,729,750.00 as noted in the Budget Implications section of this report, on the basis that, the proposed increase is fully recoverable from the Tenant under the lease agreement.
2. It is also recommended that Council award the tender to the low bid from Blunden Construction of \$1,216,283 net of taxes. Funds available in account CBA00627.

BACKGROUND

Background information is contained in the April 16 report.

DISCUSSION

The staff report to Regional Council on April 16 included a recommendation for a Capital Budget increase from \$1,500,000 to \$1,729,750 and a tender award 02-150 for \$1,216,283. Council requested further detail on the total project costs.

Negotiations with the Province of Nova Scotia, the current tenant in the building resulted in an agreement to extend their lease for an additional 10 years based on a number of capital improvements being carried out in the building. This agreement was approved by Council on February 27, 2001. Subsequent to that agreement the tenant identified a number of changes to the previous scope of work that resulted in a net increase in the tendered project and is the primary reason staff have requested a capital budget increase. It has been agreed with the Province of Nova Scotia that the majority of the expenditures required for leasehold improvements will be recovered by HRM over the term of the lease and that HRM will contribute a maximum of \$308,115 for upgrades to the base building from Reserve Account Q116. These base building upgrades include items such as waterproofing of the foundation, replacing of the oil storage tank, replacement of the water service to the building, parking lot upgrades, exterior brickwork repairs, etc.

The following are breakdowns of revised project costs and funding sources as per the Recommendations section of this report:

PROJECT COST/FUNDING			
Costs		Funding	
Tender 02-150 (see Appendix 'A')	\$1,216,283.00	Provincial Costs (recoverable through lease)	\$1,421,635.00
Work outside tender (see Appendix 'A')	\$513,467.00	HRM costs Q116	\$308,115.00
Total	\$1,729,750.00	Total	\$1,729,750.00

BUDGET IMPLICATIONS

Budget Implications information is contained in the April 16 report.

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

Alternatives information is contained in the April 16 report.

ATTACHMENTS

1. Appendix 'A' - Summary of Capital Budget Increase
Summary of Work Outside Tender
2. Award - Tender 02-150 Halifax Family Court Renovations, Council Report, April 16/02

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Phillip Townsend, Manager, Capital Projects, Real Property Services, 490-7166

Report Approved by:



Mike Labrecque, Director, Real Property Services 490-4851

APPENDIX 'A'

SUMMARY OF CAPITAL INCREASE REQUEST*	
Item	Cost
Passenger Elevator	\$62,250.00
Interior Finish Treatments	\$40,000.00
Nights and Weekends Construction	\$127,500.00
Total	\$229,750.00


*The Province of Nova Scotia requested these changes to the project. The original budget estimate for the tender was \$986,533 and the increased scope resulted in a tender price of \$1,216,283. These cost increases are fully recoverable through the lease and are included in the recommended tender award.

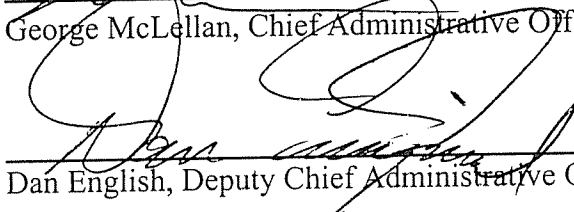
SUMMARY OF WORK OUTSIDE TENDER		
Item	Cost	Comment
replace waterline	\$36,000.	completed - HRM cost
replace oil tank	\$4,682.	completed - HRM cost
demolition, asbestos removal	43,477.	completed - recoverable
parking lot repairs	\$25,000.	to be done - HRM cost
site drainage upgrades	\$15,000.	to be done - HRM cost
exterior brickwork repairs lighting upgrades	\$116,308.	to be done - HRM cost
exterior caulking	\$28,000.	to be done - HRM cost
professional fees	\$120,000.	on going - recoverable
tenant fit-ups	\$125,000.	estimated - recoverable
Total	\$513,467.	

Halifax Regional Council
April 16, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: April 8, 2002

SUBJECT: Award - Tender 02-150 Halifax Family Court Renovations

ORIGIN

The 2000/01 Capital Budget identified \$1,500,000 in account CBA00627 for renovations to the Halifax (Richmond) Family Court Building, Devonshire Avenue, Halifax, associated with the lease renewal approved in February 2001.

RECOMMENDATION

1. It is recommended that Council approve an increase to the Capital Budget, account CBA00627, from \$1,500,000 to \$1,729,750.00 as noted in the Budget Implications section of this report, on the basis that, the proposed increase is fully recoverable from the Tenant under the lease agreement.
2. It is also recommended that Council award the tender to the low bid from Blunden Construction of \$1,216,283 net of taxes. Funds available in account CBA00627.

BACKGROUND

The Richmond Family Court Building has been leased by the Municipality to the Supreme Court Family Division since 1985. In 2001/02 it generated a yearly gross revenue of \$335,000. In February 2001, Council approved a 10 year lease renewal with the Province. The renewal arrangement included new tenant leaseholds and building upgrades to meet the changing needs of the court facility. The tenant leasehold costs are structured as a tenant recovery (additional rent) under the lease agreement.

Real Property Services began a design process that has taken one year to complete and has culminated in this tender. During the design process the tenant expanded the scope of work which resulted in increased costs that will be borne by the tenant as described in the Budget Implications section of this report. If approved, these renovations will see upgrades to many interior finishes, capture of previously unuseable basement space with the waterproofing of the basement wall, and the installation of an elevator, all of which will provide capital upgrades to an HRM asset.

DISCUSSION

The following bids were received on March 5, 2002:

Company	Lump Sum Price (not including taxes)*
Blunden Construction	\$1,205,050
Rideau Construction	\$1,235,311
Castle Rock Construction	\$1,244,835
Avondale Construction	\$1,451,932
Sigma Construction	\$1,511,374

* This project is eligible for full tax rebate.

Increases to the scope of work at the request of the tenant subsequent to the tender closing have resulted in an increase of \$11,233 increasing the Lump Sum Price from \$1,205,050 to \$1,216,283 as noted in the award recommendation.

BUDGET IMPLICATIONS

The majority of funding for this project is to come from the increased rent stream created through the lease renewal. The total project cost is anticipated to be \$1,729,750. Of that total, HRM is directly contributing \$308,115 in base building upgrades, from account Q116 Richmond School Reserve as approved by Council in the 2000/01 Capital Budget. Funding for this project is available in the approved 2000/01 Capital Budget under Account No. CBA00627, with an uncommitted

balance of \$1,369,959.43 (Gross Budget \$1,500,000). This has been confirmed by staff of Finance. Award is pending approval of an increase in the Capital Budget as per recommendation ~~#2~~ #1

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

Council can choose to not approve this award. However, this would result in delay and potential action by the tenant as a result of the Municipality failing to meet its obligations under the lease agreement. This is **not** recommended.

ATTACHMENTS

none

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Phillip Townsend, Manager, Capital Projects, Real Property Services, 490-7166

Report Approved by:



Mike Labrecque, Director, Real Property Services 490-4851