

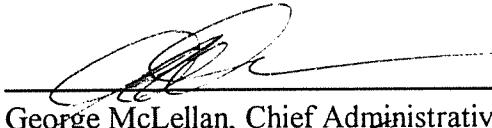
Halifax Regional Council

July 2, 2002

*July 9, 2002*

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

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
John Sheppard, P.Eng., A/Director Public Works and Transportation

**DATE:** June 25, 2002

**SUBJECT:** Award of Unit Price Tender No. 02-267, Phase 11-1 Burnside  
Industrial Park - East Region

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**ORIGIN**

Approved 2002/03 Capital Budget.

**RECOMMENDATIONS**

It is recommended that Council:

- 1) award Tender No. 02-267, Phase 11-1 Burnside Industrial Park - East Region to W. Eric Whebby Ltd. for materials and services listed at the unit prices quoted for a Tender Price of \$1,335,746.80, plus net HST for a total of \$1,421,622 from Account No. CQ200247, Phase 11-1 and 11-2 Burnside Grading, with funding authorized as per the Budget Implications section of this report.
- 2) approve the appointment of Wallace Macdonald & Lively Ltd. for construction inspection services for an estimated fee of \$68,000 (including net HST), with funding authorized as per the Budget Implications section of this report.

## **BACKGROUND**

Phase 11-1 (formerly referred to as Phase 11-3) consists of the development of approximately 23 acres of land in the Burnside Industrial Park including the extensions of Troop Avenue and Williams Avenue and the servicing and grading of adjacent lots. The 2002/03 Approved Capital Budget provided \$3,000,000 for lot grading and servicing for this phase of park expansion and possibly one other phase. Market conditions, at this time, however, are only strong enough to support proceeding with Phase 11-1.

## **DISCUSSION**

Tenders were called on May 29, 2002 and closed on June 12, 2002. The following bids, exclusive of taxes, were received:

	<b><u>Bid Price</u></b>
1. W. Eric Whebby Limited	\$ 1,335,746.80
2. Dexter Construction Company Ltd.	\$ 1,435,760.00
3. Ocean Contractors Limited	\$ 1,558,011.20
4. A.C.L. Construction Limited	\$ 1,581,934.50
5. Brycon Construction Limited	\$ 1,696,000.00
6. Amber Contracting Limited	\$ 1,714,311.40
7. J.R.Eisener Contracting Limited	\$ 1,828,989.65

The scope of work for this tender includes the clearing and servicing of approximately 23 acres of land in the Burnside Industrial Park for the extensions of Troop Avenue and Williams Avenue. The work generally consists of the construction of new concrete sidewalks, storm and sanitary sewers, asphalt roadway, water system, power pole installation and lot grading.

This project was designed by Wallace Macdonald & Lively Ltd. and, since staff does not have the resources to provide full time inspection on a project of this magnitude at this time, it is recommended that they be retained to provide construction inspection services. The estimated fee for this service is \$68,000 (including net HST) If approved, the payment to the consultant will be based on the amount of actual time spent on the project in accordance with the hourly fees quoted in the original design bid.

It is anticipated that work will commence within three weeks of the tender award.

This is a **UNIT PRICE** contract and the cost will be dependant upon the actual quantities measured and approved by the HRM Project Manager.

There are no Local Improvement Charges associated with this work.

**BUDGET IMPLICATIONS**

Based on the lowest tendered price of \$1,335,746.80, plus net HST for a total of \$1,421,622, funding is available in the 2002/03 Approved Capital Budget under Account No. CQ200247, Phase 11-1 and 11-2 Burnside Grading. The budget availability has been approved by Financial Services.

**Budget Summary      Account No. CQ200247, Phase 11-1 and 11-2 Burnside Grading**

Cumulative Unspent Budget	\$ 2,999,756
Less: Tender No. 02-267	\$ 1,421,622*
Less: Consultant's Fees	\$ 68,000
	<u>\$ 1,510,134</u>

\* This project was estimated in the 2002/03 Capital Budget at \$ 2,260,000.

The remaining funds in this account will be required to complete the preparation of detailed engineering plans and specifications for Phases 11-2 to 11-9 of the Burnside Industrial Park plus other business parks capital projects within HRM.

**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.

The sale of this 23 acres of inventory will (based on the current Burnside Industrial Park pricing policy) generate an estimated \$3.78 million of gross sales revenue. Net revenue after construction costs, marketing and sales expenses are estimated at \$1.50 million. This Phase 11-1 area of the Burnside Industrial Park when fully sold and built out will also generate an estimated annual tax revenue of \$437,000.

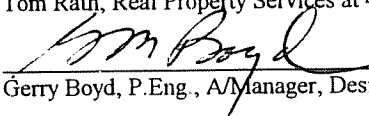
The construction of any new infrastructure adds to HRM's existing inventory resulting in additional future maintenance costs.

**ALTERNATIVES**

There are no recommended alternatives.

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.

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JL