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Item No. 11.1.1
Halifax Regional Council
March 9, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: February 8, 2021

SUBJECT: **Award – Tender 20-190 – Mackintosh Depot Replacement**

ORIGIN

The approved 2020/21 Capital Budget, Supplemental Report Page B37 (Mackintosh Depot Replacement – CB000089). This project account includes the construction of a new building and the partial demolition of the existing buildings.

Regional Council Meeting August 18, 2020, Item No. 11.1.4 Budget Increase to Mackintosh Depot Replacement Account - CB000089.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter. The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Administrative Order*.

Section 28 of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award Tender No. 20-190, Mackintosh Depot Replacement, to the lowest bidder meeting specifications, Bird Construction Group at a cost of \$16,511,602 (net HST included) with funding from Project Account No. CB000089 – Mackintosh Depot Replacement as outlined in the Financial section of this report.

RECOMMENDATION CONTINUES ON PAGE 2

2. Increase Purchase Order No. 2070799716 by \$283,042.63 (net HST included) to EXP Services from Project No. CB000089 – Mackintosh Depot Replacement as outlined in the Financial Implications section of this report.
3. Increase Purchase Order No. 2070805687 by \$70,024 (net HST included) to WSP Canada from Project No. CB000089 – Mackintosh Depot Replacement as outlined in the Financial Implications section of this report.

BACKGROUND

Tender Award

The existing Mackintosh Depot located at 3825 Mackintosh Street was constructed in the 1960s for the Former City of Halifax Operations. The depot is made up of three buildings: The Mackintosh Building, the Mackintosh Annex (also known as the sign shop), and an old guard shack. The property also contains a vehicle refueling station, a salt dome, and a weigh scale for winter maintenance vehicles. The site contains a combination of paved and gravel parking, roadways, and storage areas. Since its construction, the depot's service area has more than tripled in size and the scope of service has increased, placing greater demands on the facility.

The three Mackintosh Depot buildings are in a poor state and currently do not meet operational needs. The service bay areas do not allow for proper vehicle maintenance or storage conditions. Operation and maintenance costs for the facility have been steadily increasing year over year.

The new Mackintosh Depot will provide functional improvements for various business units. Currently, the Transportation & Public Works (TPW) group is located in the existing Mackintosh Depot, and the Parks & Recreation (P&R) West Division group is operating out of the Bell Road Depot. Combining both groups in one central location will allow for operational efficiencies, minimize capital investment, and provide better service delivery to HRM. The building will be built to LEED silver standards, include 14 bays, a large stores area, a flexible office concept, a solar panel array, and electric vehicle charging stations. The site will have improved vehicle flow with adequate parking for fleet vehicles and staff. The new facility is planned to open in Fall 2022.

On August 18, 2020 Halifax Regional Council approved a report to increase the Mackintosh Replacement Depot (CB000089) account to \$21M. This increase allowed for the addition of a third-floor office area to match the growing needs of TPW. Specifically, current agreements with the Province regarding road transfers and continued strong greenfield development within HRM could potentially result in a 20 to 25 percent increase in road assets over the next decade.

Not included in the scope of this Mackintosh Depot Replacement tender is the partial demolition and repurposing of the existing Mackintosh operations building, the specialty salt storage area, and construction of a new vehicle wash building. These items will be sequenced with the Mackintosh Depot Replacement project in order to minimize service impacts. As a result of these changes, staff from Traffic Services will be moved to leased accommodations.

Design Services Purchase Order Increase

On September 4, 2018, RFP #18-169 was awarded to EXP Services Inc. with the scope of designing the new Mackintosh Depot. Phase 1 of the contract included providing design services and tendering for the new building. To date they have been awarded change orders for completing geotechnical testing, siting studies, and the additional design fees for the addition of a third-floor. Phase 2 of the consulting contract will include contract administration services for the new Mackintosh Depot, and the design and construction administration services for the secondary tender mentioned above. Phase 2 services were not included in the original RFP award for cash flow purposes.

Commissioning Services Purchase Order Increase

In December 2018, WSP Canada was awarded Phase 1 of the commissioning contract, which included design review and the development of commissioning plans. Phase 2 of the commissioning package will include construction commissioning as well as functional performance testing and verification. Phase 2 services were not included in the original RFP award for cash flow purposes.

DISCUSSION

Tenders were called on December 3, 2020, with closing on February 3, 2021. Bids were received from the following companies:

Name of Company	Bid Price (Net HST Included)
*Bird Construction Group	\$16,511,602
Lindsay Construction Limited	\$16,659,689
Avondale Construction Limited	\$17,346,777
Iron Maple Constructors	\$17,504,040
Marco Group Limited	\$18,159,321

***Recommended proponent**

Scope of work and Schedule:

- Construction of new 50,000 sq. ft. facility including 3-storey office area, 14 drive-through bay garage, and new stores warehouse.
- Landscaping
- 200 panel PV solar system
- Electric vehicle charging stations
- Emergency generator

It is anticipated that work will commence within four weeks of the tender award and take approximately 18 months to complete.

Staff has recommended an increase to PO # 2070799716 for EXP Services in the amount of \$283,043 (net HST included). A summary of the changes are as follows:

PO Award (net HST included)	\$ 653,735
CO increases approved to date (net HST included)	\$ 261,221
Request for Increase (net HST included)	<u>\$ 283,043</u>
New Contract Value (net HST included)	\$1,197,999

The total amount of changes (approved and pending) is \$544,264 (net HST included), which represents a cumulative increase of 83%. This increase of \$283,043 (net HST included) will account for contract administration, and the Phase 2 construction tender. This was excluded from the original RFP award for cash flow purposes.

Staff has recommended an increase to PO # 2070805687 for WSP Canada in the amount of \$70,024 (net HST included). A summary of the changes are as follows:

PO Award (net HST included)	\$24,980
Request for Increase (net HST included)	<u>\$70,024</u>
New Contract Value (net HST included)	\$95,004

The total amount of changes (approved and pending) is \$70,024 (net HST included), which represents a cumulative increase of 280%. This increase will account for Phase 2 of the commissioning contract.

This was excluded from the original RFP award for cash flow purposes.

FINANCIAL IMPLICATIONS

Based on the lowest bid price of \$15,833,000 plus net HST of \$678,602 for a net total cost of \$16,511,602, funding is available in the Approved 2020/21 Capital Budget from Project Account No. CB000089 – Mackintosh Depot Replacement. The budget availability has been confirmed by Finance

Budget Summary: **Project Account No. CB000089 – Mackintosh Depot Replacement**

Cumulative Unspent Budget	\$20,008,152
Less: Tender No. 20-190	\$16,511,602*
Less: Increase to PO 2070799716	\$ 283,043
Less: Increase to PO 2070805687	\$ 70,024
Balance	\$ 3,143,483

* The project was estimated prior to tender at \$16,500,000 (net HST included).

The remaining funds will be used to complete the construction of the vehicle wash building, salt storage area, and partial demolition and repurposing of the existing Mackintosh building.

RISK CONSIDERATION

Risks associated with construction safety will be mitigated through a construction safety plan.

Unforeseen site conditions have been mitigated through an Environmental Site Assessment, and multiple bore hole test pits in the construction area.

Risks associated with maintaining work operations through construction mitigated by having construction on an adjacent site to the existing Mackintosh Depot and sequencing the work to limit impacts.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications identified.

ALTERNATIVES

Regional Council may choose not to approve these recommendations; however, this is not recommended by staff as this project is required to ensure service delivery and a suitable work environment.

ATTACHMENTS

N/A

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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