



West Hants
something inspiring awaits

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐
--------------------------------------	--	---	--

To: Committee of the Whole

Submitted by:

Todd Richard

Date: February 11, 2025

Subject: Riverview Rd, Hantsport - Services & Street Renewal (WHRMPW24-08)

LEGISLATIVE AUTHORITY

Nova Scotia Municipal Government Act, Section 65 authorizes Council to expend funds for municipal purposes.

RECOMMENDATION or DECISION REQUEST

It is recommended for Committee of the Whole to recommend to Council that:

Council approve the award of tender WHRMHPW24-08 for Riverview Road (Hantsport) Services & Street Renewal to the low compliant bidder, Gary Parker Excavating Ltd, for the tendered price of \$3,498,693.20 plus a 15% construction project contingency of \$524,803.98 for a total of \$4,023,497.18 plus applicable taxes.

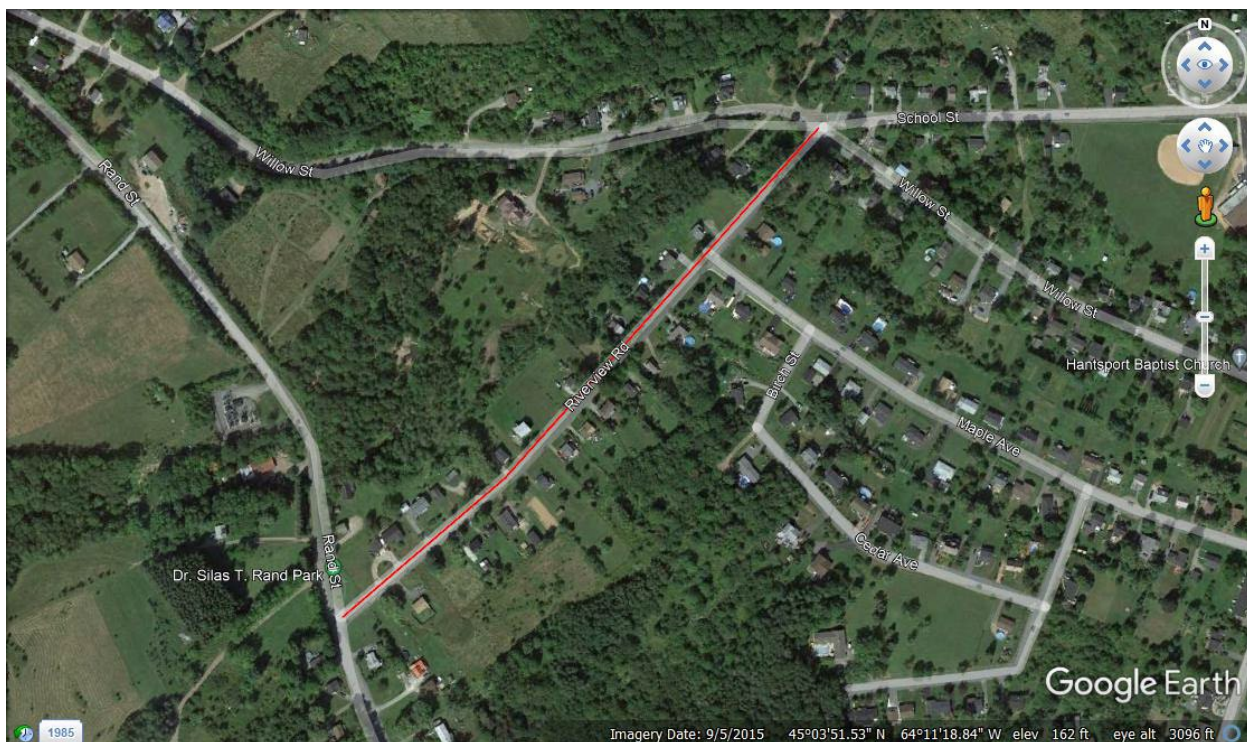
BACKGROUND

Property ☒	Public Opinion ☐	Environment ☐	Social ☒	Economic ☒	Councillor Activity ☐
---	---	---	---	---	--

As identified in the approved capital budget, Riverview Road (from Rand St to Willow St) was identified as a priority for sections of water service upgrades and street renewal. This determination was based on the age and condition of the water main, the need for improved storm water management along Riverview Road and the width and condition of the existing roadway and sidewalk. Detailed design of the section of street was completed and we are now at the stage to proceed with reconstruction of Riverview Road.

This project includes the following infrastructure improvements:

- replacement of water main with 250mm DR18 PVC pipe, including all required valves and fittings
- installation of 3 new fire hydrants,
- replacement of PRV chamber
- replacement of water service laterals to occupied and empty lots
- installation of temporary water service during construction
- installation of new storm water mains with 200-450mm DR35 pipe
- installation of 7 new storm manholes, 15 new catch basins
- French drain construction
- street reconstruction with new surge, geotextile, gravels and asphalt roadway
- addition of concrete curb on both sides of the street
- addition of new concrete sidewalk on the south side of the street
- reinstatement of driveways, sidewalk and associated topsoil, sod and seed landscaping
- removal and disposal of existing services
- street paint marking where required



DISCUSSION

On November 28, 2024 staff issued a public tender on NS Procurement for construction services for this project, closing on January 9, 2025. The call for proposals resulted in five bids being submitted for evaluation.

The bids received included:

- | | |
|--|-------------------------------------|
| • Dexter Construction Company Ltd. | \$4,818,360. ⁰⁰ plus HST |
| • Gary Parker Excavating Limited | \$3,498,693. ²⁰ plus HST |
| • Mid-Valley Construction (1997) Limited | \$4,933,370. ⁰⁰ plus HST |
| • Harbour Construction Co. Limited | \$4,575,950. ⁵⁰ plus HST |
| • ITS Construction | \$4,377,312. ⁰⁰ plus HST |

As this work is bid as a unit price contract, there may be need for some variance to project scope as work proceeds with actual physical execution. It has been recommended that a contingency of 15% for this project should be sufficient for project variance.

Road Rehabilitation	
<i>Earthwork</i>	<i>\$87,349.00</i>
<i>Storm System</i>	<i>\$673,139.40</i>
<i>Street Construction</i>	<i>\$1,022,136.00</i>
<i>Landscaping</i>	<i>\$107,700.00</i>
<i>Additional Items (incl Traffic Control)</i>	<i>\$139,551.60</i>
<i>Environmental Protection</i>	<i><u>\$8,802.00</u></i>
Total Road Rehabilitation	\$2,038,678.00
Water System	\$769,872.40
Sanitary System	\$513,007.20
Sidewalk Construction	<u>\$177,135.60</u>
Sub-Total:	\$3,498,693.20
15% Project Contingency:	<u>\$524,803.98</u>
Total (applicable taxes extra):	\$4,023,497.18
Applicable Taxes:	<u>\$172,608.03</u>
Contract Award Total:	\$4,196,105.21

NEXT STEPS

Pending contract approval of Council; staff will award the construction tender to the successful proponent. Construction is planned to begin in Spring / Summer 2025. Given this project greatly exceeds estimated budget amount it will require notification to and approval from the UARB for the water portion (Watermain & PVR Chamber \$767,164.40 plus applicable taxes.)

FINANCIAL IMPLICATIONS

Procurement Timeline: 60 days

Posted to Procurement	November 28, 2024
Closing Date	January 9, 2025
Price Expiry Date	March 10, 2025
Days Remaining	28

2024-25 Capital Budget – Operating Reserve

Tender Pricing	\$3,498,693.20
Project Contingency (15%)	\$524,803.98
Non-Recoverable Tax (4.29%)	<u>\$172,608.03</u>

Tender total	\$4,196,105.21
2024-25 Budget Value	
Sewer	\$426,600.00
Water	\$270,900.00
Sidewalks	\$93,375.00
Roads	<u>\$936,369.00</u>
Total Budget	\$1,727,244.00
Over Budget Variance	\$2,468,861.21

Proposed Funding:

	Road Rehabilitation	Water System	Sanitary System	Sidewalk Construction	Total
Subtotal	\$2,038,678.00	\$769,872.40	\$513,007.20	\$177,135.60	\$3,498,693.20
Contingency*	\$305,801.7	\$115,480.86	\$76,951.08	\$26,570.34	\$524,803.98
Net HST	\$100,570.18	\$37,981.65	\$25,309.21	\$8,738.99	\$172,608.03
Total	\$2,445,057.88	\$923,334.91	\$615,267.49	\$212,444.93	\$4,196,105.21
Hantsport Infrastructure Reserve	\$401,426.25		\$307,633.74		\$709,059.99
Sewer Reserve			\$307,633.75		\$307,633.75
Depreciation		\$369,334.91			\$369,334.91
Post-Consolidation Funding	\$243,631.63				\$243,631.63
Long-term Borrowing	\$1,800,000.00	\$554,000.00			\$2,354,000.00
Sustainable Services Growth Fund / Canada Community Building Fund				\$212,444.93	\$212,444.93
Total	\$2,445,057.88	\$923,334.91	\$615,267.49	\$212,444.93	\$4,196,105.21
*Contingency categories are an estimation and will be applied where required.					

The total cost including non-refundable HST and contingency is \$4,196,105.21. With this project coming in \$2.46 million over budget it will result in an increase draw from reserves, and more long-term borrowing.

Estimated debt servicing for general operating will increase from \$76,521 to \$106,271. Since debt servicing is not budgeted in advance for the Utility, this will add an estimated \$32,708 to debt servicing once the project is completed.

ALTERNATIVES

1. Council may choose not to proceed with this project.

ATTACHMENTS

None

CHIEF ADMINISTRATIVE OFFICER REVIEW

The report and proposals align with the infrastructure upgrades required to complete the project (water, sewer, roads and sidewalks). The cost of the project does not align with the budget as noted in the report and exceeds the anticipated budget / costs by approximately \$2.5 million. The report highlights the alternative funding sources, and the increased debt servicing associated with the project, including additional approvals by the UARB for the water component.

Should Council proceed with the project, the additional borrowing and debt servicing will be factored into our 2025 /26 budget deliberations to ensure our debt service ratio (affordability) is maintained. This emphasizes the importance of prioritizing items within future the Capital budgets and removing items or adjusting schedules for projects if need be, to accommodate the increased costs of projects such as this one.

The project has been planned and does require execution. The debt servicing will increase by \$29,750 for the non-water related components as supported by the general operating budget vs what was anticipated. This increase is manageable as we forecast 2025/26 operating pressures to that budget. The additional cost of debt servicing to the water utility operating budget may be more challenging but with a combined utility the cost is applied to the consolidated utility.

I do support the recommendation as the work is needed. Budget approval is a primary function of the Council. Staff await Council's decision on the matter.

Report Prepared by:



Todd Richard, Director of Public Works

Report Reviewed by: _____
Rob Butler, Engineering Technologist

Report Approved by:  _____
Mark Phillips, Chief Administrative Officer