


Item No. 11.1.4
Halifax Regional Council
January 14, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: December 18, 2013

SUBJECT: Metro Transit Advanced Capital Funding

ORIGIN

This report originates from:

- Approved 2013-14 Project Budget;
- Regional Council award of RFP #12-123, Supply of up to Eighty 12.2 Meter Transit Buses; and
- Regional Council approval of the site for Lacewood Terminal.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve advanced capital funding in project account CB000013, Lacewood Terminal Replacement, for 2014-15 in the amount of \$3,350,000 as per the Financial Implications section of this report.
2. Approve advanced capital funding in project account CVD00434, Conventional Transit Bus Expansion, for 2014-15 in the amount of \$2,350,000 as per the Financial Implications section of this report.

RECOMMENDATION CONT'D ON NEXT PAGE

3. Approve advanced capital funding in project account CVD00435, Conventional Transit Bus Replacement, for 2014-15 in the amount of \$1,320,000 as per the Financial Implications section of this report.
4. Approve advanced capital funding in project account CVD00430, Access-a-Bus Replacement, for 2014-15 in the amount of \$50,000 as per the Financial Implications section of this report.

BACKGROUND

Lacewood Terminal

On July 23rd, 2013, Regional Council approved the location of the new Lacewood Terminal in Clayton Park. The terminal will be located along Lacewood Drive, between the Canada Games Centre and the Mainland North Linear Parkway Trail, directly across from Radcliffe Drive.

The new terminal will have high existing and potential transit ridership within walking distance, as well as potential for active transportation connections. It will increase transit access to the Keshman Goodman library, Canada Games Centre, baseball diamonds, Halifax West High School, Soccer Nova Scotia, and other recreational opportunities at the Mainland Common. A preliminary concept design has been prepared which includes:

- 12 bus bays and layover space for buses
- An employee lobby and washrooms
- An interior passenger waiting area and washrooms
- Traffic signals at the intersection with Radcliffe Drive

On October 8th, 2013, Regional Council approved Tender 13-189, to allow for civil work to begin on the terminal site, and this first phase of construction began in November 2013. The contractor will be working this fall and winter to clear and fill the site. By spring, the site will be level, and just below the grade of the street. The tender price to complete this work was below previous estimates. As a result the overall project budget can be decreased by \$1,500,000.

The next step is to issue a tender to select a proponent to complete the design and construct the terminal. Approving the capital funding in advance will allow this second phase of construction to begin in the spring of 2014, and for the terminal to be completed in the 2014/15 fiscal year.

Conventional Bus Expansion

On March 19, 2013, Halifax Regional Council approved the award Request for Proposal P12-123, Supply of Up to Eighty (80) 12.2 Meter Transit Buses, to the highest scoring proponent, New Flyer Industries. The RFP is a three-year agreement. Subsequently, Halifax Regional Council authorized the purchase of 22 buses in year one of this contract.

The lead-time required to purchase conventional transit buses through this contract and prepare them to enter service is approximately 11 months after issuance of the purchase order. As a result, advanced funding from the 2014-15 project budget is required in order to have buses from year two of the contract delivered in the fiscal year from which funding is allocated at the time they are required for service.

Conventional Bus Replacement

Upon approval of the 2013-14 Project Budget, Regional Council also approved state of good repair items in the 2014-15 Project Budget. As a result, funding for seven replacement buses has already been approved by Regional Council. The \$1,500,000 reduction in the Lacewood Terminal budget provides an opportunity to accelerate the replacement of transit buses that have exceeded their effective lifespan by purchasing an additional three replacement buses.

Access-a-Bus Replacement

Approval of the 2013-14 Project Budget included approval of \$400,000 from the 14/15 Project Budget for Access-a-Bus replacements. The intent was to purchase four replacement Access-a-Buses with this budget. However, it is now known that the unit cost for Access-a-Buses has the potential to be higher than original estimates. As a result, an additional \$50,000 is funding is required in order to create a requisition for four replacement Access-a-Buses and issue the RFP.

DISCUSSION

Lacewood Terminal

The construction of the new Metro Transit Lacewood Terminal was originally estimated to cost approximately \$8,500,000. However, the cost of site preparation work was lower than expected, and the total budget has been reduced to \$7,000,000.

As part of the 2013/14 budget, funding in the amount of \$3,650,000 was approved for this project in Project Account CB000013 – Lacewood Terminal. An additional \$3,350,000 million is required to complete the construction in 2014/2015.

Conventional Bus Expansion

More information on the use of these buses will be brought forward for Regional Council's consideration as part of the 2014-15 Annual Service Plan and Budget. At present, staff expect that these buses and the budget associated with them will primarily be used for two items:

- To mitigate service continuity issues related to the MacDonald Bridge re-decking project and associated closures of the MacDonald Bridge.
- To accommodate service adjustments required due to the replacement/relocation of Lacewood Terminal

After the re-decking is complete (currently slated for Fall 2016), the buses used to mitigate the re-decking challenges would be used either for service expansion or service maintenance, subject to Regional Council approval of the relevant Annual Service Plan. Further details would be provided in that Annual Service Plan.

Conventional Bus Replacement

These buses would be used to replace existing 12.2m transit buses. This will improve the accessibility, reliability and efficiency of the Metro Transit fleet. A total of ten replacement buses would be purchased: seven that have already been approved, and three for which this report is seeking advanced funding.

Access-a-Bus Replacement

These buses would be used to replace existing Access-a-Buses. This will improve the accessibility, reliability and efficiency of the Metro Transit fleet. A total of four replacement buses would be purchased.

FINANCIAL IMPLICATIONS

Lacewood Terminal

Pre-approval by Regional Council of a portion of the total 2014-15 capital budget will allow HRM to issue an RFP and begin the process to design and build Lacewood Terminal. This report is permanently earmarking 2014-15 capital funding of \$3,350,000 for this initiative.

This would result in approximately \$78,500 in operating costs annually to operate and maintain the terminal. The required funding will be built into the 2014/15 operating cost of capital budget as planned for within year 2 of the approved 2013/14 Project Budget.

Conventional Bus Expansion

Pre-approval by Regional Council of a portion of the total 2014-15 capital budget will allow HRM to issue a purchase order to acquire these buses. Although capital funding will not be spent until vehicles are delivered to HRM in 2014-15, this report is permanently earmarking 2014-15 capital funding of \$2,350,000 for this initiative.

There is no operating cost implication of approving advanced capital funding at this time. Operating cost implications related to expansion buses would be brought forward for Regional Council's consideration as part of the 2014-15 Annual Service Plan and Budget.

This would result in approximately \$1,013,600 in operating costs annually (preliminary only, subject to 2014-15 Annual Service Plan and Budget). If Regional Council declined to approve the operating budget increases, all buses purchased would be used as replacement buses.

Conventional Bus Replacement

Pre-approval by Regional Council of a portion of the total 2014-15 capital budget will allow HRM to issue a purchase order to acquire these buses. Although capital funding will not be spent until vehicles are delivered to HRM in 2014-15, this report is permanently earmarking 2014-15 capital funding of \$1,320,000 for this initiative.

Access-a-Bus Replacement

Pre-approval by Regional Council of a portion of the total 2014-15 capital budget will allow HRM to issue a requisition to acquire these buses and issue the RFP. Although capital funding will not be spent until vehicles are delivered to HRM in 2014-15, this report is permanently earmarking 2014-15 capital funding of \$50,000 for this initiative.

COMMUNITY ENGAGEMENT

Lacewood Terminal

A public meeting was held on September 18th, 2013 to gather input and comments on the preliminary design, which will be used to help refine and finalize the design of the terminal.

Conventional Bus Expansion

No community engagement was conducted specifically for this initiative. However, both the Metro Transit Five-Year Strategic Operations Plan (which included community engagement) and consultation undertaken through Metro Transit's "Moving Forward Together" project indicate support for increased transit service in HRM.

Conventional Bus Replacement

No community engagement was conducted specifically for this initiative since it is an operational decision.

Access-a-Bus Replacement

No community engagement was conducted specifically for this initiative since it is an operational decision.

ENVIRONMENTAL IMPLICATIONS

The purchase of buses and the new Lacewood Terminal will provide an opportunity to reduce greenhouse gas emissions through a reduction in single occupant vehicle trips.

ALTERNATIVES

Lacewood Terminal

Regional Council could decide to not approve the early funding for Lacewood Terminal. This is not recommended as it would not allow the full use of the 2014 construction season for the project and would delay completion of the terminal.

Conventional Bus Expansion

Regional Council could decide to not approve the early funding for 40-foot transit buses. This is not recommended as it would impede Metro Transit's ability to mitigate operational issues related to the MacDonald Bridge re-decking project and would prevent adjustments to provide service to the new Lacewood Terminal.

Conventional Bus Replacement

Regional Council could decide to not approve the early funding for 40-foot transit buses. This is not recommended as it would delay the replacement of three buses that have exceeded their effective lifespan.

Access-a-Bus Replacement

Regional Council could decide to not approve the incremental early funding for replacement Access-a-Buses. This is not recommended as it would delay the replacement a fourth bus that has exceeded its effective lifespan.

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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