

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MARCH 7, 2000
MINUTES

- PRESENT: Mayor Walter R. Fitzgerald
Deputy Mayor John Cunningham
Councillors: Steve Streach
Gordon R. Snow
Keith Colwell
Ron Cooper
Harry McInroy
Jack Greenough
Condo Sarto
Bruce Hetherington
Clint Schofield
Graham L. Downey
Sue Uteck
Sheila Fougere
Russell Walker
Bill Stone
Graham Read
Stephen Adams
David Merrigan
Robert Harvey
Peter Kelly
Reg Rankin
Jack Mitchell
- ABSENT: Councillor Jerry Blumenthal (regrets)
- STAFF: Mr. Ken Meech, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Mr. Kulvinder Dhillon, Director of Public Works and Transportation
Mr. Maurice Lloyd, Project Manager, Harbour Solutions
Ms. Vi Carmichael, Municipal Clerk
Ms. Julia Horncastle, Assistant Municipal Clerk

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The meeting was called to order at 2:00 p.m. by Mayor Walter R. Fitzgerald.

At a later point in the meeting, Mayor Fitzgerald recognized former Councillor Larry Uteck who was present in the gallery.

1. APPROVAL OF MINUTES - September 14, 1999 and February 22, 2000

MOVED by Deputy Mayor Cunningham and Councillor Greenough that the minutes of September 14, 1999 and February 22, 2000 be approved, as circulated. MOTION PUT AND PASSED.

2. HARBOUR SOLUTIONS

2.1 Presentation by staff

Mr. Ken Meech, Chief Administrative Officer, provided opening remarks advising the next step in the process is to issue the final RFP to the three short listed consortiums in the endeavour to clean up Halifax harbour. He advised the presentation will provide background and detail on the contents of the agreement. If Council is comfortable with the information provided, the process will proceed to the next step, requesting the final proposal from the three short listed proponents.

Mr. Kulvinder Dhillon, Director of Public Works and Transportation, advised the objective is to treat the raw sewage that is currently being discharged into Halifax harbour. He provided a brief background on the process to date, from initiation of the process by Council to the call for proposals to the current meeting where Council direction is being sought with respect to the recommendation to issue the final RFP to the three short listed proponents. Mr. Dhillon advised the RFP would be for Halifax Harbour Solutions Project which includes (i) design, build and commission the collection system; (ii) design build, commission and operate the sewage treatment plant and outfalls; and, (iii) design build and operate the sludge management system. He advised it is suggested that HRM prepare in-house benchmark costs for the project for comparison purposes to the final price submitted by the three proponents.

Mr. Maurice Lloyd, Project Manager, Harbour Solutions, summarized the RFP for Council including roles and responsibilities of HRM and the proposed private partner.

2.2 Presentations

Brian Lee Crowley, Atlantic Institute for Market Studies

Mr. Crowley distributed a copy of his remarks to members of Council. Reading from his

prepared text Mr. Crowley addressed the following topics:

- What evidence is there that this deal will save HRM and the taxpayers money
- What about employment
- Can we pick the deal apart and just get a private partner to build the plants and collection system, while we operate it in-house
- Preserving Halifax's reputation

Peter Doig, Chamber of Commerce

Mr. Peter Doig, made a presentation on behalf of the Metropolitan Halifax Chamber of Commerce, noting both this Council and the broader Halifax community deserve to be congratulated for the hard work which has brought us to this stage. He noted this process has progressively moved forward and stated, it is the view of the Chamber of Commerce that partnerships between the public and private partner are beneficial and in the best interests of the taxpayers. He advised the Chamber of Commerce urges Council to move forward with the partnership approach.

Ms. Rosalee Grette Lydon

A copy of a letter dated March, 2000 from Ms. Lydon was circulated to Council.

Ms. Lydon advised her special interest was the ecosystem of the harbour. She referenced a staff report dated February 25, 1997 entitled "Halifax Harbour Wastewater Management" and addressed the 12 Principles put forward in that report. Ms. Lydon stated that going with a PPP does not satisfy or fulfil any of the principles except Principle 10, design. She stated there is more to harbour cleanup than treating sewage waste in a treatment plant. She reiterated she does not believe the P3 process is the way to go.

Councillor Hetherington stated one of the benchmarks should be a full shadow bid. He stated documentation should be provided to Council on what changes were made in the RFP.

In response to Councillor Kelly, Mr. Dhillon advised savings based on the traditional way of design, tender, build and operate by a private proponent is approximately \$4 million per year. On further question, Mr. Dhillon advised the expected cost per cubic metre of treatment is \$0.11 per gallon.

Councillor Kelly noted no information has been provided that would give Council a comprehensive response to costing and the benefits arrived through the P3 versus current practice. He advised he supports the need for a shadow bid as well as ensuring HRM is protected through this process with the ability to opt out if it is deemed appropriate. In response to Deputy Mayor Cunningham, Mr. Dhillon advised there are combined sewers

in the older parts of Halifax and Dartmouth but there are only sanitary sewers in the newer parts on both sides of the harbour.

Councillor Schofield advised he was not in support of the public private partnership approach and reiterated the need for a shadow bid to prove that this is the way to go.

Councillor Greenough noted the proposal before Council is not connected to privatizing HRM treatment plants and water supply systems.

MOVED by Councillors Greenough and Stone that it be recommended to Regional Council that the request for proposals go forward as recommended by staff and the consultant with the addendum that the Halifax Regional Municipality will prepare its own shadow bid.

Councillor Streach advised he wanted it noted, for the record, he supported the request for proposals seeking public private partnership.

In response to Councillor Cooper, Mr. Lloyd advised the reason the detail on management and design is specified is that part of the initial evaluation process was to ensure there is still the technical expertise to do the design and, HRM is getting the same people in response to the RFP as in response to the RFQ.

In response to Councillor Cooper, Mr. Meech advised HRM would have every intention of forcing organizations to connect to the system once there is the ability to have them connect.

Councillor Downey stated a decision should not be made until a commitment is received from other levels of government.

In response to Councillor Hetherington, Mr. Meech advised sites will have to be identified and HRM will have to obtain ownership of those not currently owned by the Municipality.

MOTION PUT AND PASSED

3. ADJOURNMENT

MOVED by Councillors Hetherington and Greenough that the meeting be adjourned at 4:55 p.m. MOTION PUT AND PASSED.

Vi Carmichael
Municipal Clerk

