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Halifax Regional Council
February 27, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Donna Davis, A/Director, Business Planning & Information Management

DATE: February 20, 2007

SUBJECT: Rural Broadband

INFORMATION REPORT

ORIGIN

Council request for a go-forward plan of action on the Rural Broadband project.

BACKGROUND

On February 7, 2006 Halifax Regional Council approved the inclusion of Rural Broadband as one of the priority projects to be considered for the Municipal Rural Infrastructure Funding program. Further, Council directed staff to investigate additional funding sources from other government agencies and private sector parties.

In April 2006, HRM released a Request for Proposal (RFP) to secure an agreement with a private sector Internet Service provider to co-fund, build, manage, market and maintain broadband internet access in the unserved areas of the Halifax Regional Municipality. Tenders closed in early fall 2006 and an evaluation committee was established to select the highest ranking proponent. This process was completed in late fall of 2006, however, the tender award could not be advanced to Council until the HRM received funding confirmation from the other government partners.

The week of February 12, 2007, HRM received an offer letter from ACOA committing \$1.1 million in funding from the Innovative Communities Fund for the project. During that same week, HRM received verbal notification that an additional \$945,919 was being invested by the Federal Government through their share of the MRIF program, with the Province of Nova Scotia investing \$607,200 as their share of the MRIF Program.

DISCUSSION

Staff have entered into discussions with ACOA around the terms and conditions of the funding offer. Staff are awaiting a Letter of Offer from the MRIF Secretariate and will review the offer with the Secretariate immediately upon receipt.

Based on the assumption that the MRIF Secretariate forwards a funding offer to HRM prior to the end of February and that the terms and conditions of the offers can be agreed to within the two weeks subsequent to the offer, Staff will target the Council meeting of March 20, 2007 to present their recommendation for the award of the RFP. Once approved by Council, Staff will commence negotiating a contract(s) with the successful Internet Service Provider(s).

Based on the above schedule and allowing an additional month to finalize the terms and conditions of the contract(s) with the Internet Service Provider(s), it is expected that the broadband system would be fully deployed by the end of December 2007.

BUDGET IMPLICATIONS

There are no budget implications contained in this report. All capital funds for the Rural Broadband project will be provided through the Innovative Communities Fund, the Municipal Rural Infrastructure Fund, and from the Internet Service Provider(s). HRM has no responsibility to operate the broadband system, nor will HRM receive any revenues from the broadband system. All operating costs and associated revenues are the responsibility of the Internet Service Provider(s).

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.

ATTACHMENTS

n/a

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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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