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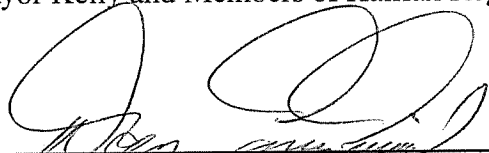


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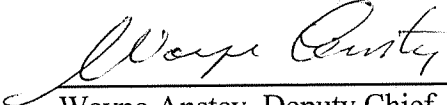
Halifax Regional Council
June 12, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: May 30, 2007

SUBJECT: Award - RFP #07-008, Halifax Inland Terminal Plan

ORIGIN

At the January 25, 2006 meeting of Halifax Regional Council, a motion was passed to apply for funding under the Transportation Planning and Modal Integration Initiatives Program to conduct the Halifax Inland Terminal Plan. Funding was subsequently awarded to HRM and on January 23, 2007, Regional Council authorized the Mayor and Clerk to enter into a cost-sharing agreement with Transport Canada to undertake the study along with three other funding partners.

RECOMMENDATION

It is recommended that Council:

- award RFP No. 07-008, Halifax Inland Terminal Plan to Marinova for a Total Tender Price of \$116,864.42(net HST included); and
- increase Capital Account CDE00105 Regional Planning Program by \$97,214 for project cost-sharing as outlined in the Budget Implications section of this report.

BACKGROUND

The Port of Halifax is one of Canada's largest commercial ports and truly one of the finest harbours in the world. Located on the Great Circle route at 44°38' N 63°33' W, the Port of Halifax, is the only port on the east coast of North America capable of handling fully laden post-Panamax vessels. The Halifax Port Authority (HPA) was established in 1999 as an Agent of the Crown. The Port Authority administers and promotes the Halifax Harbour including two container terminals – South End and Fairview Cove. The Port is located within the jurisdictional boundaries of Halifax Regional Municipality

In 2005 a study was commissioned jointly by HRM and HPA, with funding under the Transportation Planning and Modal Integration Initiatives Program, to explore opportunities to alleviate some of the symptoms presented by trucking activity in the region. It was hoped that these solutions could create a "win-win" scenario in smoothing logistical challenges for the freight industry and providing a platform for future growth of the Port, the Municipality and the regional economy.

The Halifax Inland Terminal and Trucking Options Study (Marinova Consulting Ltd) was completed in February 2006 and endorsed in principle by Halifax Regional Council. The report identified economic and environmental benefits associated with creation of a Halifax Inland Terminal. This concept would see moving a vastly expanded CN Intermodal yard at Richmond Terminal to a site outside the city, where it would handle truck traffic and domestic intermodal cargo, as well as being the hand-off for international cargo destined for the port's container terminals. Containers would be continuously shuttled to and from the intermodal yard by either a port-run or short line port railway.

The study included best practices research, economic analysis, stakeholder consultation and a site selection process. The report noted the following benefits associated with a Halifax Inland Terminal:

- Significant economic benefits and employment with construction and operation
- Increases capacity at both existing terminals and postpones capital investment in additional waterfront facilities
- Better truck turnaround times for impex cargo
- Truck volumes reduced in Halifax urban core
- Urban reuse opportunities for existing Richmond Terminal and rail yards at Fairview and Dartmouth
- Creates co-location synergies for new distribution facilities

The study makes the following conclusion:

The actual cost to operate the terminal will depend on negotiations amongst the interested parties and how much each is willing to contribute towards achieving a positive outcome. That is, it will depend on the cost to acquire the land in a prepared state, the contribution of various levels of government including HRM, the contribution of HPA, the cost to operate the shuttle and the terminal after consolidating [the existing Richmond Terminal] and [the Halifax Inland Terminal], and the cost of labour and equipment.

It is therefore recommended that the Halifax Port Authority and partners adopt a plan now, to have [the Halifax Inland Terminal] built by the time the port [reaches capacity]. Negotiations should begin regarding the Rocky Lake site and some combination of HRM, HPA and CN should acquire this property in a prepared state.

The Halifax Inland Terminal Plan is a joint project by Halifax Regional Municipality, the Province of Nova Scotia, the Halifax Port Authority, and CN, with additional funding from Transport Canada's Transportation Planning and Modal Integration Program.

The purpose of the Plan is to develop a sound business plan for the construction and operation of an inland terminal at Rocky Lake that is sensitive to the needs of the community in which it will reside. While the Halifax Inland Terminal and Trucking Options Study carefully examined a number of options to container movement and candidate locations for a terminal site, the objective of the Halifax Inland Terminal Plan is to take the recommended site at Rocky Lake and develop a sounder, more detailed business plan. The ultimate goal is to provide sufficient evidence to convince a private sector firm, or a partnership, to construct and operate such a facility.

DISCUSSION

A Terms of Reference setting the scope of work was prepared and a Request for Proposals was issued and closed on February 8, 2007 for RFP # 07-008, Halifax Inland Terminal Plan.

Proposals were received from the following firms:

Marinova
Hatch Mott Macdonald
Marshall Macklin Monaghan

A team consisting of staff from Halifax Regional Municipality, CN, the Halifax Port Authority, and the Province of Nova Scotia, evaluated the proposals based on the criteria listed in Appendix A - Evaluation Scorecard:

The final scoring for all proponents is as follows:

Company	Scoring (max. 100)
Marinova	86
Hatch Mott Macdonald	80
Marshall Macklin Monaghan	67

The study is anticipated to be complete by the end of 2007. Staff will return to Council upon completion.

BUDGET IMPLICATIONS

CDE00105 Regional Planning Program

Budget Summary:	Capital Account No. CDE00105	
	Cumulative Unspent Budget	\$989,252.62
	Less: RFP No. 07-008	\$116,864.42
	Plus: Contributions from partners (see below)	<u>\$ 97,214.00</u>
	Balance	\$969,602.20

* This project was estimated at \$117,909.06 (including net HST)

Funding has been committed from the following project partners:

Transport Canada	\$ 57,914	(Contract with HRM signed)
Province of Nova Scotia	\$ 19,650	(Letter of commitment received)
Halifax Port Authority	\$ 19,650	(Contribution received)
Halifax Regional Municipality	<u>\$ 19,650</u>	
Total Tender Cost	\$116,864	

In addition to the funding commitments above, CN has committed to a contribution of engineering services equal to the financial contribution by the Province of Nova Scotia, Halifax Port Authority, and the Halifax Regional Municipality.

The balance of funds will be used for further projects associated with implementation of the Regional Plan.

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.

ALTERNATIVES

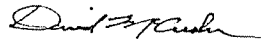
There are no recommended alternatives.

ATTACHMENTS

Appendix "A"

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.

Report Prepared
and Approved by:



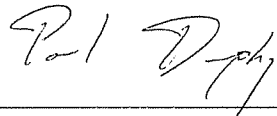
David McCusker, Manager, Regional Transportation, 490-6696

Financial Approval by:



for Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Report Approved by:



Paul Dunphy, Director, Community Development

APPENDIX A
HALIFAX INLAND TERMINAL PLAN
PROPOSAL EVALUATION CRITERIA

Criteria	Max. Score	Marinova	Hatch Mott Macdonald	Marshall Macklin Monaghan
1. Expertise of Firm, Project Team, Organization and Personnel <ul style="list-style-type: none"> • Recent experience of firm and personnel with projects of a similar nature (5) • Skill mix of firm and personnel, including relevant experience, research/data collection and analysis, report writing and presentation (10) • Depth of team (10) • References (5) 	30	26	24	22
2. Proposed Methodology <ul style="list-style-type: none"> • Detailed methodology to meet objectives of the study and desired outcomes (15) • Quality and comprehensiveness of approach (10) • Consideration of options and solutions to meet objectives (10) • Demonstrate a realistic schedule with a work plan that identifies critical milestones and includes a critical path (5) 	40	32	31	23
3. Understanding the Study <ul style="list-style-type: none"> • Demonstrate a solid understanding of the subject matter and study requirements • Comprehension of associated issues • Ability to convey ideas and concepts through oral presentations and written reports • Recognition of unique and innovative opportunities suited to our situation 	15	13	11	8
4. Submission Quality <ul style="list-style-type: none"> • Completeness • Clarity & Conciseness 	5	5	4	4
5. Fee Proposal <ul style="list-style-type: none"> • Fee 	10	10 (\$116,864.42) net HST incl.	10 (\$117,578.08) net HST incl.	10 (\$117,834.59) net HST incl.
Total	100	86	80	67