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## Item No. 7

**Halifax Regional Council**  
**February 19, 2008**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "Brad Anguish".

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Brad Anguish, Director, Business Planning & Information Management

**DATE:** February 13, 2008

**SUBJECT:** **RFP #06-146 Connecting HRM - Rural Broadband Update**

### INFORMATION REPORT

#### ORIGIN

Council Award for Rural Broadband, March 27, 2007

## **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 based on greatest number of homes serviced for the funds available.

In March 2007, ACOA committed \$1.1 million from the Innovative Communities Fund for the project. HRM also confirmed 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.

In March 2007, Council approved the following recommendations for broadband service, that:

1. Council authorize an award of the Rural Broadband RFP to Aliant, the highest scoring proponent, subject to staff's acceptance of contract terms for a total cost of \$2,468,717 (including net HST) from capital account, and
2. Council authorize an award of the Rural Broadband RFP to Eastlink for broadband service to citizens in Peggy's Cove and West Dover subject to staff's acceptance of contract terms for a total cost of \$150,000 (including net HST) from capital account CID00903.

As stated in the Information Report to Council, February 2007, staff anticipated that the broadband system would be deployed by the end of December 2007.

## **DISCUSSION**

Contracts were signed with Aliant in July 2007 and with EastLink in October 2007. Aliant's cost share contribution is \$1.6M, and EastLink's cost share contribution is \$250K towards the funding of this infrastructure. Aliant completed its rollout to approximately 4,200 homes in eastern HRM in December 2007, and EastLink completed its rollout to approximately 170 homes in the Peggy's Cove and West Dover areas in January 2008. An independent internet service provider has also recently deployed service (independent of HRM's initiative) in the Musquodoboit Valley area. As of the end of the initial Connecting HRM phase, there are approximately 1,300 homes remaining unserved throughout

HRM.<sup>1</sup>

HRM has continued to work with the Province of Nova Scotia in support of the provincial effort to extend broadband coverage to all unserved areas in Nova Scotia. In the autumn of 2007, the Province awarded contracts for broadband service throughout all other regions of Nova Scotia. The Province is now embarking on a process to extend coverage to unserved areas within HRM. HRM is supporting these efforts, and to date has supplied a listing of the unserved civic addresses within HRM, and Additional information will be provided as it becomes available

### **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/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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<sup>1</sup> The analysis of unserved civic addresses in HRM is based on the best available data provided by the three internet service providers (ISPs). The actual number of unserved civics may be higher across HRM based on technical anomalies within the identified serviced areas.