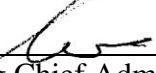


Item No. 11.1.2
Halifax Regional Council
December 7, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Wayne Anstey, Acting Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 16, 2010

SUBJECT: Award - Tender No. 10-083, EMP Mini Hybrid

ORIGIN

Recommendation Report: January 26, 2010: EcoTrust Applications

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve a budget increase of \$101,825.00 to Project No. CTI000695, Transit Emissions Reductions, with funding from the EcoTrust Program;
2. Award Tender No. 10-083 to Cummins Eastern Canada for a total tender price of \$203,649.70 (net HST included), with funding from Project No. CTI00695, as outlined in the Budget Implications section of this report; and
3. Approve the execution of the Contribution Agreement by the Mayor and Municipal Clerk as per Attachment A.

BACKGROUND

Following a successful trial of the EMP Mini Hybrid (as per report <http://www.halifax.ca/council/agendasc/documents/100112ca1111.pdf>), Council approved an EcoTrust application for the technology (as per report <http://www.halifax.ca/council/agendasc/documents/100126ca10111.pdf>).

The Mini Hybrid thermal system replaces a transit buses traditional hydraulic fan with a slide-in, controllable, electric fan package. The retrofit provides a number of benefits, including:

- Reduced Fuel Consumption of approximately 10%; resulting in
- Reduced GHG Emissions;
- Reduced risk of Hydraulic Failures or Fire Incidents;
- Reduced Noise; and
- Reduced Maintenance Costs.

In June, staff learned this application for 50% of the costs (up to \$107,980) would be reimbursed by the EcoTrust Program.

DISCUSSION

Staff issued Tender No. 10-083 (for eight units) in October 2010, which closed on November 16, 2010.

There was a single response from Cummins Eastern Canada at \$24,410.00 (plus HST) per unit, supplied and installed.

This tender reduced the price of the units by approximately \$2,000 per unit from the last purchase completed in January 2010. Each installation will:

- Reduce GHG's by approximately 9 tonnes per year;
- Reduce fuel consumption by approximately 3,800 liters per year; and
- Provide annual operating savings of \$4,500 per year.

The units will be installed during regular maintenance over the next two months.

BUDGET IMPLICATIONS

Based on the estimated tender price of \$203,649.70 (net HST included), funding will be available in Project No. CTI00695 - Transit Emissions Reductions. The budget availability has been confirmed by Financial Services.

Budget Summary:	<u>Project No. CTI00695 - Transit Emissions Reductions</u>	
	Cumulative Unspent Budget	\$ 105,220.12
	Add: EcoTrust Funding	\$ 101,825.00
	Less: Tender No. 10-083	<u>\$ 203,649.70</u>
	Balance	\$ 3,395.42

* This purchase was estimated in the Approved 2010/11 Project Budget at \$25,000 per unit.

The balance of funds will be used for further Fuel Efficiency projects.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation. If approved, this will increase the 2010/11 gross project budget but not the net budget.

ALTERNATIVES

None recommended

ATTACHMENTS

Attachment A – Contribution Agreement

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 by: Richard MacLellan, Manager, Sustainable Environment Management Office, 490-6056
Scott Sears, Quality Analyst, 490-4412

Procurement Review: _____
Anne Feist, Operations Manager, Procurement (490-4200)

Report Approved by: _____
Phillip Townsend, Director, Infrastructure and Asset Management, 490-7166

Ken Reashor, P.Eng., Director, Transportation and Public Works, 490-4855

Original Signed

Attachment A

THIS CONTRIBUTION AGREEMENT made in duplicate as of the _____ day of _____, 2010.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NOVA SCOTIA, as represented by the Minister of Environment (the "Province")

OF THE FIRST PART

- and -

HALIFAX REGIONAL MUNICIPALITY, (the "Grant Recipient")

OF THE SECOND

PART

WHEREAS the Grant Recipient will install hybrid technology on eight Metro Transit Busses to reduce greenhouse gas and air pollutant emissions by improving fuel economy through the replacement of the hydraulic cooling system with an electric system as proposed in the application to the ecoNova Scotia Municipal Program, (the "Project");

AND WHEREAS the Province, through ecoNova Scotia for Clean Air and Climate Change, support projects that reduce greenhouse gas and air pollutant emissions;

AND WHEREAS the Grant Recipient is willing to develop the Project;

NOW THEREFORE in consideration of the mutual covenants contained herein, the parties agree as follows:

1.0 PROGRAM AREAS TO WHICH FUNDING APPLIES

- 1.01 The Grant Recipient agrees to perform activities that address the Project which is more fully described in Schedule "A" attached hereto.
- 1.02 Unless the parties otherwise arrange, the Grant Recipient shall obtain, supply and pay for all labour, materials, facilities and approvals necessary or advisable to develop the Project.
- 1.03 Nothing in this Agreement shall be interpreted or construed to prohibit or limit the right of the Grant Recipient to provide services for any person, government or agency.

- 1.04 (a) Unless advised otherwise by the Province, the contact person for Nova Scotia Environment is Robert Cuthbert, telephone (902) 424-8269, fax (902) 424-0503, email econovascotia@gov.ns.ca.
- (b) Unless advised otherwise by the Grant Recipient, the contact person for the Grant Recipient is Richard MacLellan, telephone (902) 490-6056, email macleiri@halifax.ca.

2.0 TERM OF AGREEMENT

- 2.01 Subject to Articles 3.01 (Provincial Funding) and 7.0 (Termination), this Agreement shall be for a term ending **February 28, 2011**.

3.0 PROVINCIAL FUNDING

- 3.01 The Province's obligation to pay money to the Grant Recipient under this Agreement is subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.
- 3.02 Subject to Articles 3.01 and 7.0, the Province agrees to provide funding for the Project to a maximum of the amount of **\$107,980** Canadian. Payment is subject to the conditions set out in Schedule "A" attached to and forming part of this Agreement. The payment schedule is as follows:
- (a) Upon completion of the milestones listed in Schedule "A", the Grant Recipient is eligible to receive the following payments upon request:
- (a) Milestone 1, Purchase and Installation: \$91,783.00
 - (b) Milestone 2, Final Measurement and Submission of Final Report: \$ 16,197.00

- 3.03 The Grant Recipient agrees to the terms and conditions outlined in Schedule "A," including parameters of the eligible costs and the requirements for the report in the progress and results of the project.
- 3.04 The Grant Recipient shall not commit or purport to commit the Province to pay any money except as authorized by this Agreement.

4.0 GRANT/ACKNOWLEDGEMENT

- 4.01 The Province requires that the Grant Recipient visibly recognize the federal and provincial governments support via ecoNova Scotia in all materials, publications and programs related to the grant.
- 4.02 The federal and provincial governments support via ecoNova Scotia must also be acknowledged by speakers during all public events related to the grant.

- 4.03 The federal and provincial governments support via ecoNova Scotia must be recognized in any and all advertising used to promote projects funded by the grant.
- 4.04 Recognition of the federal and provincial governments support via ecoNova Scotia must be commensurate with that given to corporate or other sponsors or donors for similar support.
- 4.05 Prior to publishing, the Grant Recipient must forward final material, including acknowledgement, to the ecoNova Scotia Coordinator. At its sole discretion, the Province reserves the right to order the acknowledgement removed.

5.0 RECORDS/DOCUMENTS

- 5.01 In order for the Province to be informed about the nature of the development of the Project, the Grant Recipient agrees to permit the Province, its employees, agents or auditors, full access to all records, accounts and facilities and to meet with members of staff of the Province at mutually agreeable times.
- 5.02 It is understood that in the event of a serious incident or breach of this Agreement, initial contact with the Grant Recipient shall be made through the President or equivalent representative of the Grant Recipient and, in the event of such an incident or breach, that any contact with staff of the Grant Recipient shall be arranged through the Grant Recipient.

6.0 CONFLICT OF INTEREST

- 6.01 The Grant Recipient shall avoid situations which might cause a conflict of interest and shall immediately notify the Province if any such conflict does or might appear to arise.
- 6.02 The Grant Recipient agrees that it has read and understands the Code of Conduct for Civil Servants contained in Chapter 9 of Management Manual 500 available on the Internet at www.gov.ns.ca/psc and that, as a condition of its engagement under this Agreement, it will observe the Code.

7.0 TERMINATION

- 7.01 Either the Province or the Grant Recipient may terminate this Agreement at any time without cause or liability upon providing 30 days notice in writing to the other party.
- 7.02 The Province may immediately terminate this Agreement if the Grant Recipient breaches or defaults on any term or condition and fails to remedy the same in a manner deemed satisfactory to the Province within five (5) days of being given written notice of the breach or default.

7.03 The termination of this Agreement shall not affect any rights, duties, obligations or liabilities that arise or have accrued prior to the effective date of termination.

7.04 Where the Agreement is terminated or expires, the Grant Recipient shall, if requested, immediately turn over to the Province copies of all documents, records, reports and other materials which have been maintained by the Grant Recipient or its officers, employees, members and staff pursuant to this Agreement.

8.0 RELATIONSHIP

8.01 Pursuant to this Agreement, the Grant Recipient is recipient of a discretionary grant of funding from the Province. The Grant Recipient and any employee, servant, agent, contractor or volunteer of the Grant Recipient are not an agent, employee or servant of the Province.

8.02 The Grant Recipient has no authority to bind the Province to any agreement and agrees that it will not hold itself out as having any authority within the Province or on behalf of the Province.

9.0 NOVA SCOTIA WORKERS' COMPENSATION ACT COVERAGE

9.01 If applicable, the Grant Recipient will ensure that coverage under the Nova Scotia *Workers' Compensation Act* is maintained for all of its employees and for any contractor of the Grant Recipient which performs work on the Project.

10.0 CONFIDENTIALITY

10.01 This Agreement is subject to the provision of the *Freedom of Information and Protection of Privacy Act* and the Province shall make any decision respecting release of this Agreement in compliance with that Act.

11.0 COMPLIANCE WITH LAWS AND PROVINCE'S PROCEDURES

11.01 The Grant Recipient shall comply and shall require its contractors and employees to comply with all applicable laws, orders, rules and regulations.

11.02 The Grant Recipient shall ensure compliance with related procurement policies and procedures, their own or the Province's, whichever applies.

12.0 MISCELLANEOUS

12.01 All references to monetary amounts in this Agreement or any Schedule shall be to Canadian dollars.

12.02 Time shall be of the essence in this Agreement.

12.03 This Agreement shall be governed by and construed in accordance with the laws in force in Nova Scotia. The parties hereto submit to the jurisdiction of the court of Nova Scotia.

12.04 This Agreement constitutes the whole Agreement unless amended in writing and signed by both parties.

12.05 No modifications or waiver of the obligations of any party to this Agreement shall be effective unless made in writing and signed by each of the parties to this Agreement.

12.06 Any notice, demand or request herein provided or permitted to be given by any party to another shall be in writing and may be served by personal service or fax, addressed as follows:

(a) To the Province: Nova Scotia Department of Environment
c/o ecoNova Scotia

PO Box 442

5151 Terminal Road, 5th Floor

Halifax, NS B3J 2P8

Attention: Deputy Minister

Telephone: (902) 424-6767

Fax: (902) 424-0575

(b) To Grant Recipient: Halifax Regional Municipality

PO Box 1749

Halifax NS B3J 2X1

Attention: Mr. Richard MacLellan

Acting Manager

Telephone: (902) 490-6056

Email: macleiri@halifax.ca

Any party may at any time give notice in writing to the other of any change of address of the party giving such notice and the address therein specified shall be deemed to be the address of such party for the purpose of giving notice hereunder.

- 12.07 Those provisions of this Agreement which, by their terms, are intended to survive or which must survive in order to give effect to the continuing obligations of the Province and the Grant Recipient shall survive the termination of the Agreement.
- 12.08 This Agreement shall be binding upon the parties hereto, their respective heirs, administrators, successors and assigns.
- 12.09 The Grant Recipient agrees that any recourse or remedy arising with this Agreement arises from contract, and that it shall not have a claim or remedy, in damages or otherwise, in tort arising with performance or non-performance of this Agreement.
- 12.10 The Grant Recipient certifies that it has reviewed and fully understands this Agreement and agrees this Agreement constitutes the whole agreement between the parties, and no representation or statement not expressly contained herein shall survive this Agreement or be binding upon the Province.
- 12.11 Any discretionary authority or right under this Agreement is not subject to the expectations, reasonable or otherwise, of the parties to the agreement and any action taken pursuant to a discretionary provision is deemed to be an exercise in good faith.
- 12.12 No term or provision of this Agreement shall be deemed waived and no breach excused, unless the waiver or consent to the breach is in writing, signed by the party making the waiver or giving the consent. Any consent by a party or waiver of a breach by the other, whether expressed or implied, shall not constitute to, waiver of, or excuse for any different or subsequent breach or continuation of the same breach, unless expressly stated.
- 12.13 If any term or provision of this Agreement shall be found to be illegal or unenforceable, this Agreement shall otherwise remain in full force and effect, and such term or provision shall be deemed removed from the Agreement.
- 12.14 Where anything is required to be done by the Province pursuant to this Agreement, it may be done by anyone duly authorized by the Province to act on its behalf.
- 12.15 The signatories to this Agreement hereby personally warrant that they have the full power and authority to enter in this Agreement on behalf of their respective parties and that the person signing this Agreement on behalf of each has been properly authorized and empowered.
- 12.16 The Grant Recipient shall provide such other information as the Province may from time to time reasonably request.

12.17 Where commercially reasonable, the Grant Recipient shall employ and purchase Nova Scotia contractors, labour, products, material and services in the operations of the Project. Further, the Grant Recipient shall make all commercially reasonable efforts to enhance its business operations in Nova Scotia by increasing the employment of Nova Scotia residents, and locating any new business premises in the province.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

SIGNED, SEALED & DELIVERED

in the presence of

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HER MAJESTY THE QUEEN IN

RIGHT OF THE PROVINCE OF

NOVA SCOTIA

Stirling Belliveau

Minister of Environment

HALIFAX REGIONAL

MUNICIPALITY

Peter Kelly

Mayor

Cathy Mellett

Municipal Clerk

Schedule "A":

Terms and Conditions

The information detailed below is to be utilized as reference to the Contribution Agreement between the Province of Nova Scotia represented by the Department of Environment and Halifax Regional Municipality.

1.0 Project Background

This project will install hybrid technology on eight Metro Transit Busses to reduce greenhouse gas and air pollutant emissions by improving fuel economy through the replacement of the hydraulic cooling system with an electric system.

2.0 Project Deliverables

The Grant Recipient has committed to undertake the following work as part of the overall project to reduce greenhouse gas and air pollutant emissions. The following milestones must be demonstrated to be complete to the satisfaction of the Province as a condition of project funding from ecoNova Scotia Municipal Program:

- Milestone 1. Purchase and Installation: October, 2010, \$91,793
 - a. Provide confirmation of funding sources other than ecoNova Scotia Municipal Program
 - b. Solicitation according to HRM Procurement Policy
 - c. Delivery and Installation of Technology

- Milestone 2. Measurement and Final Report: January, 2011, \$16,197
 - a. Measurement of Performance of Installed Technology
 - b. Report on comparison to initial performance
 - c. Overall Report on performance of Project
 - d. Submission of final report to ecoNova Scotia Municipal Program as per Section 3.3.4
 - e. Acceptance of the project's final report by the Province

- Milestone 3. Post-completion: January 2012
 - a. Submission of post-completion report to ecoNova Scotia Municipal Program as per Section 3.3.7

3.0 Contribution Details

3.1 Expense Details and Framework

The following table details the maximum eligible project costs and the maximum available contribution from the Municipal Program. This table will be used in determining and evaluating payment claims by Halifax Regional Municipality as indicated in Section 3 of the Contribution Agreement.

Expense Category	Total Cost (\$)	Municipal Program Contribution	MP contribution %
Human Resources	0	0	0%
Professional Fees	0	0	0%
Equipment/Supplies	\$215,960	\$107,980	50%
Administration	0	0	0%
Total	\$215,960	\$107,980	---

The following table shows the maximum Municipal Program contribution allocated for the successful completion of each project milestone. This table will be used in determining and evaluating payment claims by the Grant Recipient as indicated in Section 3 of the Contribution Agreement.

Payment Schedule	MP Contribution
Milestone 1: Completion of Purchase and Installation	\$91,793.00
Milestone 2: Completion of Measurement and Final Report	\$16,197.00
Milestone 3: Submission of Post-Completion Report	\$0
Total	\$107,980

3.2 Requests for Payment

Halifax Regional Municipality will use the following guidelines when submitting a request for payment from the Province via the ecoNova Scotia Municipal Program:

- 3.2.1 Halifax Regional Municipality can request grant payments of eligible costs as detailed in Section 3.1 of this Schedule as milestones are completed,
- 3.2.2 Payment requests must be submitted in the form of an invoice which will include a breakdown of the expenses that conforms to the itemized listing of the costs as indicated in 3.1 [for example: a request for costs will be listed as:
 - (1) Professional Fees:
 - a. Engineering design (*Total Cost- \$ MP Request- \$*)],
- 3.2.3 Payment requests must include supporting documentation/invoices and a detailed update of the progress of the project, and
- 3.2.4 The Province will withhold a final payment of 15% of the total project grant (\$16,197.00) pending the submission and acceptance of a final report, as listed in Milestone 2, detailing the results of the project. Details of these requirements can be found in 3.3 (below).

All requests for payment will be forwarded to the Municipal Program Fund Coordinator (contact information can be found in the Contribution Agreement). The Fund Coordinator reserves the right to request additional information at any time.

3.3 Monitoring and Reporting

- 3.3.1 Halifax Regional Municipality will immediately inform the Province of any changes to the funding structure as detailed in Section 4,
- 3.3.2 Halifax Regional Municipality will provide a progress report with each request for payment which will include information on: expenses, project progress as it relates to the Gantt chart and Milestone Objectives and Deliverables presented in the Municipal Program application, and any emissions reductions achieved.
- 3.3.3 Halifax Regional Municipality will accommodate any reasonable request by the Province through the Fund Coordinator to perform a site inspection,
- 3.3.4 Halifax Regional Municipality will complete and submit a final report to the Fund Coordinator. The final report will include:
 - A) the final expense information relating to the project;
 - B) a project summary;
 - C) actual greenhouse gas and air emissions reductions and energy savings demonstrated by the project
 - D) a summary of “lessons learned” and/or “best practices.”
- 3.3.5 Halifax Regional Municipality will give permission to the Province to post this final report and any results on the ecoNova Scotia web page ([www.gov.ns.ca/ecoNova Scotia](http://www.gov.ns.ca/ecoNova%20Scotia)),
- 3.3.6 Upon completion of the project, Halifax Regional Municipality must agree to reasonably accommodate any requests for information or site tours from local businesses or organizations for the purpose of encouraging similar projects, and
- 3.3.7 Halifax Regional Municipality will complete and submit a post-project completion report to the Fund Coordinator twelve (12) months following the submission of the final report, Milestone 3. The post-project completion report will provide an overview of project-related activity carried out following the completion date, and performance data for this period including actual greenhouse gas and air pollutant emissions reduction.

4.0 Funding Structure

As detailed in the Municipal Program application, the Grant Recipient and the Province will agree to the following funding structure:

Halifax Regional Municipality	\$ 107,980.00
Municipal Program	<u>\$ 107,980.00</u>
Total Project Costs:	\$ 215,960.00

5.0 Conclusion

The Province and Halifax Regional Municipality will both work to ensure the benefits of this project are maximized for all parties, with the ultimate objective of reducing greenhouse gas and air pollutant.