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Item No. 4
Halifax Regional Council
December 9, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by Director

Greg Keefe, Director of Finance and ICT, CFO

DATE: August 18, 2014

SUBJECT: Surplus Halifax Transit Fleet

INFORMATION REPORT

ORIGIN

Item 14.1 of the August 5, 2014 meeting of Council, Council requested a staff report on developing a process for donating buses, as they become surplus to Halifax Transit Fleet, to support non-profit transit systems in other municipalities and of N.S. and local community transit services at no additional cost or obligation to the Halifax Municipality.

LEGISLATIVE AUTHORITY

Section 13 of Administrative Order 35, the Procurement Policy, provides a framework for the disposal of surplus assets.

BACKGROUND

Processes and procedures for the disposal of surplus assets are derived from the framework established by the Procurement Policy (Section 13).

The policy provides for the disposal of surplus assets as follows:

- Surplus assets are to be re-used within HRM business units and its ABC's prior to their disposal outside of HRM;
- When surplus assets are considered solid waste they are disposed of in an environmentally responsible manner, consistent with the principles of sustainable development and in accordance with governing legislation for waste disposal;
- If assets cannot be re-used, they can be
 - Sold by the most effective means in order to obtain the highest net value for the Municipality
 - Donated without competition to any not-for-profit corporation, association, or entity or any Municipality, Crown Corporation, School Board, or any level of government with the approval of Halifax Regional Council

- Disposed of in the most effective manner when the sales cost exceeds the anticipated revenue.

DISCUSSION

HRM generates a variety of surplus items including: vehicles (buses, light and heavy vehicles, fire apparatus, police vehicles, boats); heavy and light equipment; electronics; IT equipment; furniture and miscellaneous items.

Vehicles including buses (conventional and Access-A-Bus), light and heavy vehicles, fire apparatus and police vehicles are declared surplus to requirements when they reach their end of useful life span and no longer meet the needs of HRM. Beyond this point, vehicles are costly to maintain and are impractical to service to meet the appropriate regulations (URB, NFPA) governing the respective maintenance and operation of these vehicles.

Once vehicles are declared surplus to requirements, they are usually, at minimum, stripped of any salvageable equipment that HRM may be able to reuse. Some vehicles, such as conventional buses, are cannibalized for useful parts as applicable so that only a shell remains for disposal. Once stripped of useful parts, vehicles are then sold at auction for parts or disposed of as scrap.

While policy provides HRM with the ability to donate surplus items to a not-for-profit corporation, association or entity or any municipality. vehicles are seldom donated for a variety of reasons. Firstly, vehicles that are declared surplus to requirements are at their end of useful life and there would be an inherent liability associated with their donation to an organization or another municipality for reuse. Furthermore, due to the specialized nature of many of HRM vehicles, once past their useful life, they are prohibitively costly to, bring up to and, maintain to the appropriate standard.

Since Access-A-Buses are less specialized than conventional buses they can be adapted and maintained for a variety of community uses, however, these buses have complex systems and can be costly to maintain. On occasion, HRM has donated an Access-A-Bus to a not-for-profit organization but this is a rare. It is HRM's normal process to retain requests for the donation of surplus Access-A-Buses on file and process requests on a first-come, first-served basis as buses are declared surplus. In accordance with policy these requests require the approval of Regional Council.

FINANCIAL IMPLICATIONS

When HRM donates an Access-A-Bus to a non-profit organization or a municipality, the proceeds from their sale at auction are foregone. This amount is estimated and identified to Council when their approval of the donation is sought.

COMMUNITY ENGAGEMENT

There was no community engagement associated with this information report.

ATTACHMENTS

There are no attachments to this report

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