


HALIFAX

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Item No. 11.1.1
Halifax Regional Council
March 10, 2015

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: January 23, 2014

SUBJECT: **Sole Source Award – Halifax Regional Water Commission
Regional Centre Local Wastewater Capacity Analysis**

ORIGIN

The Approved 2014-15 Project Budget (page C1) includes \$250,000 for corridor intensification, urban design, and infrastructure analysis, some of which is in conjunction with Halifax Regional Water Commission.

LEGISLATIVE AUTHORITY

In accordance with Administrative Order #35, The Procurement Policy, Section 8(11)(A), which was approved by Regional Council on June 8, 2004 and most recently amended on May 1, 2012, provides for Council authorizing a sole source purchase from a public body.

RECOMMENDATION

It is recommended that Halifax Regional Council, in accordance with the sole source provisions of Administrative Order 35, Section 8(11)(A) sub-section (k) "For the procurement from a public body or a not-for-profit corporation," award a contract for the **Regional Centre Local Wastewater Capacity Analysis to Halifax Regional Water Commission** not to exceed a cost of \$150,000.00 including net HST, with funding from CDV00738 – Centre Plans/Design, as outlined in the Financial Implications section of this report.

BACKGROUND

The updated Regional Plan that was adopted in 2014 places greater emphasis on developing the Regional Centre, which encompasses the Halifax Peninsula and the area of Dartmouth between the Harbour and the Circumferential Highway.

The Plan anticipates a “vibrant and attractive Regional Centre that attracts private investments and more residents”; dedicates an entire chapter to the Regional Centre; and, contains policies that require collaboration with Halifax Regional Water Commission to provide municipal services in a cost effective manner and that reduces degradation of the environment.

DISCUSSION

The Halifax Regional Water Commission (“Water Commission”) has recently completed a *Regional Wastewater Functional Plan* which is a master plan for regional wastewater infrastructure to support existing and future growth areas. However, recent development applications within the Regional Centre indicate that the “local” collection infrastructure, which conveys wastewater to the regional infrastructure, is approaching full capacity.

The *Regional Centre Local Wastewater Capacity Analysis* is the subject of this report, and will study the local wastewater infrastructure between development sites in the Regional Centre and the nearest regional infrastructure: Combined Sewer Overflow, Harbour Solutions Collection System or Wastewater Treatment Facility.

The study will carry out an analysis of the existing local collection system; provide options and cost estimates to upgrade local infrastructure to accommodate the maximum potential population densities for development sites; and, will also determine the population density that will trigger upgrades of the local infrastructure.

If approved by Regional Council, the funds will be used by the Water Commission to engage a third party consultant. The Water Commission has their own procurement policy and is bound by the provisions of NS Public Procurement Act which supports public procurement best practices.

HRM’s participation in the study is achieved by issuing a sole-source award to the Water Commission, and HRM staff will help evaluate proposals, select a consultant and direct the work of the consultant as a member of a technical steering committee for the study.

There are several benefits to the Water Commission carrying out the study, including the following:

- The Water Commission has detailed knowledge of the wastewater system;
- The study can be carried out in a more timely manner, which will help prevent a delay in public consultation for the Centre Plan; and,
- The Water Commission is in a much better position to take advantage of flow monitoring and other synergies with related work that is underway. For example –the *West Regional Wastewater Infrastructure Plan*.

The NS Utility and Review Board have stipulated that growth must be cost neutral, and the Water Commission consequently recovers growth related capital costs for regional infrastructure from development charges. Local infrastructure that is needed to support development is provided directly by developers.

This study relates to local services in a mature urban environment. It is beneficial for planning to undertake a comprehensive study as an input to help Council decide where future development in the

Regional Centre should occur to the greatest benefit of HRM citizens.

Since growth must be cost neutral to the Water Commission, funding this study does not represent a cross subsidization of Halifax Regional Water Commission from the Municipal tax base and is compliant with the 2007 Merger Agreement. The cost of this study is more appropriately a development related benefit which was approved in the 2014/15 Project Budget. Regional Council may choose to recover some or all of the study costs from developments in the Regional Centre using the recommended development patterns and densities as an input into contribution calculations.

FINANCIAL IMPLICATIONS

HRM's commitment of funding to this project is consistent with the approved 2014-15 Project Budget for Centre Plans/Design. This study comprises part of the \$250,000 in funding identified for "intensification corridor, urban design, and infrastructure analysis."

Funding in the amount of \$150,000.00, including net HST is available in Project Account No. CDV00738 - Centre Plans/Design. Budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CDV00738 - Centre Plans/Design</u>	
	Cumulative Unspent Budget	\$ 459,979.78
	Less: Sole Source Award	<u>\$ 150,000.00</u>
	Balance	\$ 309,979.78

The balance of funds will be used for other Centre Plans/Design projects as described in the project Supplemental Report.

Council may recover some or all of the study costs from development in the regional centre, using a charge collected at the time of development and which is based on assigned density.

COMMUNITY ENGAGEMENT

There are no community engagement implications at the assessment stage.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at the assessment stage.

ALTERNATIVES

1. Council could choose not to approve the sole source award to Halifax Water, and the study will not be completed. This is not recommended for the reasons outlined in the report.
2. Council could choose not to approve the sole source award to Halifax Water, and direct staff to engage a consultant directly to complete the study. This is not recommended for the reasons outlined in this report.

ATTACHMENTS

1. Procurement Policy Section 8 (11).

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 902.490.4210, or Fax 902.490.4208.

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Original Signed by Director

Financial Approval by: _____
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

**Appendix A
Administrative Order 35
Procurement Policy Section 8 (11) (A)
Sole Source/Single Source Purchases**

(11) **Alternative Procurement Practices** may be used as follows:

A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.
- (l) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.

The terms and conditions of a sole source/single source purchase shall be negotiated. Sole source/single source purchases over \$25,000 and not exceeding \$50,000 shall be approved by the CAO.