


HALIFAX

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Item No. 11.1.12
Halifax Regional Council
June 16, 2015

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: April 13, 2015

SUBJECT: **Cost Sharing Agreement – Variable Message Signs**

ORIGIN

The approved Project Budgets for 2012/13 and 2013/14 (Supplemental Reports page K25 and K23 respectively) include funding for one-half the cost of designing, constructing and operating Variable Message Signs in co-operation with Halifax Harbour Bridges. At the request of the Transportation Standing Committee Halifax Harbour Bridges (HHB) and HRM staff gave a presentation at the committee's April 26, 2012 meeting on the possibility of partnering on a Variable Message Sign (VMS) project. This partnership opportunity had been identified previously by the Transportation Standing Committee (March 1, 2012, item 8.1). At its meeting of January 23, 2015 Regional Council defeated a motion to reallocate funding previously identified for this project.

LEGISLATIVE AUTHORITY

HRM Charter section 73(a) provides that "The Municipality may enter into and carry out agreements for highway construction, improvement and maintenance and other purposes pursuant to the Public Highways Act."

Additionally, HRM Charter section 74 (1) states: "The Municipality may agree with one or more municipalities, villages, service commissions, the Government of the Province or of Canada or a department or agency of either of them or a band council pursuant to the Indian Act (Canada) to provide or administer municipal or village services." Halifax Harbour Bridges (HHB) is a Commission of the Province of Nova Scotia reporting to the Minister of Finance.

Whereas the proposed Cost Sharing Agreement represents a commitment by HRM to pay money over a period extending beyond the end of the current fiscal year, and the total commitment by HRM exceeds five hundred thousand dollars, section 111(5) of the HRM Charter requires that the Agreement be approved by the Minister of Service Nova Scotia and Municipal Relations.

(Recommendation on next page)

RECOMMENDATION

It is recommended that Halifax Regional Council:

- (1) Authorize the Chief Administrative Officer and Deputy Chief Administrative Officer to negotiate and enter into a Cost Sharing Agreement (substantially in accordance with the draft agreement attached hereto) with Halifax Harbour Bridges for the design, ownership and operation of Variable Message Signs; and
- (2) Request that the Minister of Service Nova Scotia and Municipal Relations approve the Cost Sharing Agreement in accordance with section 111(5) of the HRM Charter.

BACKGROUND

Variable Message Signs are typically installed over a major roadway to provide a changeable message to motorists. This type of messaging has been shown to be very effective in alerting motorists to incidents, weather conditions, and planned road closures, resulting in fewer collisions and reduced travel times. Data from the Transportation Research Board shows that large urban areas experience more traffic delay as a result of roadway incidents than they do from chronic congestion due to capacity deficiencies. Improved management of traffic gained through messaging can have just as great a reduction in delay as a roadway capacity project.

This project first entered the five-year project budget planning cycle in 2009-10. That year, one of the approved Council Focus Areas was intergovernmental co-ordination on network optimization. HHB was specifically identified as an agency where co-ordination of this nature was needed.

This project expands on work initiated by Halifax Harbour Bridges (HHB). In 2008, HHB installed six VMS at various locations on the harbour bridges and their approaches which they continue to operate. For HRM, having access to this type of messaging is an important tool in managing traffic flows when weather, construction or unanticipated incidents affect portions of the road network. Intelligent systems like this help to move traffic more effectively. HHB and HRM share an interest in providing messaging to motorists at additional key decision points within the region and have identified the following as location priorities:

- Highway 102 at Miller Lake
- Highway 102 at Bayers Lake
- Highway 101 near Beaver Bank Road
- Highway 118 at Dartmouth Crossing
- Barrington Street near Cornwallis

The 2012/13 Budget, Project No CTX0115, included \$60,000 in funding to partner with HHB in the design of five VMS within the region, and the 2013/14 budget (page K23) included \$1,000,000 towards the cost of constructing the signs plus \$10,000 in annual operating cost of capital.

Nova Scotia Transportation & Public Works (NSTIR) was approached about partnering in the program, but declined. All but the Barrington Street sign will be placed on NSTIR roadways and they are engaged in the review and approval of the signs.

DISCUSSION

In addition to dividing the design and construction costs equally, the attached Agreement with Halifax Harbour Bridges outlines how the signs will be operated. The signs will be connected to the control centre operated by HHB, which is manned 24 hours a day and 365 days a year. Those costs will continue to be borne by HHB, but the direct cost of operating the sign (power, communication, insurance

and routine inspection/maintenance) will be split. A protocol has been established that allows HRM to provide messaging related to its roadway network and both HRM and HHB will have full access to the messaging capability when required. Contact will be channeled through Traffic Services.

In the Fall of 2014 by HHB went through a public tendering process, in compliance with the Halifax Harbour Bridge Commission Procurement Policy, and awarded a contract to Dexter Construction for approximately \$2,080,000. As the Agreement states that HRM's contribution is not to exceed \$1,000,000, HHB has agreed to fund the additional \$80,000 capital cost.

The attached agreement has been reviewed by HRM Legal Services.

FINANCIAL IMPLICATIONS

Financial implications associated with this Agreement have already been approved through the 2013-14 Project Budget process for Project No. CTX01115 – Dynamic Messaging Signs, including \$10,000 Operating Cost of Capital for annual repair and maintenance for five signs, once the signs are constructed. Future funding requirements associated with this Agreement for capital replacement, in approximately 15 years, will be incorporated as part of the long-term project budget planning process.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken.

ENVIRONMENTAL IMPLICATIONS

Operation of the signs will consume power, although we believe that impact is more than offset by the reduction in collisions and greenhouse gas emission through vehicle exhaust resulting from improved traffic management.

ALTERNATIVES

Regional Council may reject or modify the Agreement.

ATTACHMENTS

ATTACHMENT - COST SHARING AGREEMENT Between Halifax Dartmouth Bridge Commission acting as Halifax Harbour Bridges (HHB) and Halifax Regional Municipality (HRM)

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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Report Approved by: _____
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Original Signed

COST SHARING AGREEMENT

Between

Halifax Dartmouth Bridge Commission acting as Halifax Harbour Bridges (HHB)

and

Halifax Regional Municipality (HRM)

Regarding the Design, Ownership and Operation of Variable Message Signs

1. Purpose

The purpose of this Agreement is to confirm the mutual understanding of HHB and HRM in the design, installation and operation of certain Variable Message Signs (VMS) within HRM. It has been agreed that VMS shall be installed and operated at locations agreed to between the Parties within the regional roadway network where the display of messages to vehicular traffic will have benefit to both Parties (the "Project").

2. Scope

This Agreement is limited to VMS purchased, installed and/or operated in accordance with the Project. This Agreement does not cover any other VMS purchased, installed or operated by either Party.

3. Project Team

The Project Team shall consist of various representatives of HRM and HHB, including but not limited to the following "Project Managers":

- Operations Manager (HHB)
- Manager, Regional Transportation Planning, Planning & Development (HRM)

4. Sign Ownership

All VMS installed under the Project will be owned by HHB. Ownership responsibilities include all liability, permits, decommissioning, removal and salvage. HHB agrees to own and operate in good working condition each VMS for a minimum of twelve (12) years from the time of installation, unless a shorter time period is agreed to by both Parties.

5. Capital Cost

It is agreed that the capital cost of construction related to the Project, including siting, property rights, engineering design, and contract administration will be shared equally between both Parties but that

HRM's total contribution to the capital cost of the Project will not exceed one-million-sixty-thousand dollars (\$1,060,000) without the express approval of HRM Regional Council.

6. Operating Costs

It is agreed that the operating costs for the VMS, including electrical power, communication ability, periodic inspection, servicing and maintenance will be shared equally between both Parties. Once per year, HHB will provide a statement accounting for these expenses and HRM will pay to HHB one half of the total cost thereof.

7. Capital Replacement Cost

It is understood that each VMS may require replacement of the sign and its supporting structure in its entirety or of individual major components from time to time. It is agreed that during the term of this Agreement these costs will be shared equally between both Parties.

8 Damage to VMS

HHB shall keep and maintain the VMS and related equipment in a good state of repair, normal wear and tear excepted, during the term of this Agreement. All maintenance costs (including insurance deductibles, should a claim be submitted by HHB for damage to the equipment) shall be shared equally between both Parties.

9. Expenditures

All costs/expenditures outlined in this Agreement shall be agreed upon between the Parties and made by HHB in accordance with HHB's procurement procedures and the provisions of the *Public Procurement Act*. Except where set out otherwise in this Agreement, HHB shall provide HRM with invoices or supporting documentation for each expenditure made, and HRM shall pay HHB for its share of such expenditures within thirty (30) days of receipt thereof.

10. Centralized Operation

It is agreed that HHB will assume full responsibility for establishing and operating a central control centre to communicate with the VMS and manage their messaging and operation including all associated costs (HRM shall not be responsible for contributing to such costs). The control centre will be operated twenty-four hours a day and every day of the year and be capable of receiving messaging instructions from HRM at any time.

11. VMS Messaging

It is agreed that HHB and HRM will have equal access to the messaging capability of all VMS installed under the Project.

The majority of messaging will be related to (in order of precedence):

- (1) emergencies such as evacuation, amber alerts, weather events, etc

- (2) scheduled or unforeseen major roadway incidents;
- (3) maintenance or capital roadway projects;
- (4) real time driver feedback on roadway performance; and
- (5) any other type of messaging agreed to by both parties.

The parties, in consultation with the Provincial Traffic Authority, shall maintain and adhere to an agreed-to schedule of approved messages and messaging display protocols and guidelines.

13. Discontinuance & Decommissioning of VMS

HRM may elect to discontinue contributing to the Capital Cost, Operating Cost and Capital Replacement Cost of any VMS at any time by providing three (3) months' notice to HHB, and in so doing HRM immediately forfeits its access to the messaging capability of that VMS. Such VMS will continue to be owned by HHB but will no longer be considered part of the Project.

HHB may elect to discontinue contributing to the Capital Cost, Operating Cost and Capital Replacement Cost of any VMS at any time by providing three (3) months' notice to HRM, and in so doing HHB must (i) offer HRM the option to purchase the VMS at fair market value, or if HRM declines (ii) arrange to decommission and remove such VMS.

The costs of decommissioning and removing VMS shall be shared equally between the Parties, and HRM shall be entitled to 50% of any proceeds received from any sale or disposition of the VMS.

14. Term

This Agreement will be effective as of the date of its execution and shall remain in effect for a period of fifteen (15) years.

This Agreement may be renewed for successive one year terms upon the written consent of the Project Managers.

15. Termination

HRM may terminate this Agreement without penalty at any time upon providing three (3) months' written notice to HHB.

Upon the expiry or termination of this Agreement HHB shall retain ownership of all VMS. HHB is under no obligation to sell or dispose of the VMS following the expiry or termination of this Agreement, however, if HHB decides to sell or dispose of any VMS HHB must (i) offer HRM the option to purchase the VMS at fair market value, or if HRM declines (ii) provide HRM with 50% of any proceeds received from the sale or disposition of the VMS.

16. Amendments

This Agreement may be amended only by written agreement, signed by both HHB and HRM.

17. Notices

Any written notice required under the Agreement shall be given to the other party at the following address:

Halifax Harbour Bridges

Operations Manager
P. O. Box 40, 125 Wyse Road
Dartmouth, NS, B2Y 3Y2
Telephone: 902-466-7691

Halifax Regional Municipality

Manager, Traffic Services, Transportation & Public Works
P.O. Box 1749
Halifax, NS, B3J 3A5
Telephone: 902-490-4816

18. Dispute Resolution

Except as set out otherwise in this Agreement, all decisions regarding the Project shall be made jointly by the Project Managers. In the event that the Project Managers cannot reach agreement on any particular decision, the Project Managers shall elevate the matter to the Chief Executive Officer and General Manager of HHB and the Chief Administrative Officer of HRM. If the Parties still cannot reach agreement on the decision to be made, the Parties shall refer the matter to binding arbitration.

All disputes shall be heard by a single arbitrator (if the Parties agree upon one); otherwise, the matter will be heard by a panel of three arbitrators, one to be appointed by each Party and a third to be chosen by the nominees.

The decision of the arbitrator(s) shall be final.

19. Ministerial Approval

The parties acknowledge that, in accordance with section 111(5) of the *Halifax Regional Municipality Charter*, this Agreement is subject to the approval of the Minister of Service Nova Scotia and Municipal Relations as it relates to a commitment by HRM to pay money over a period extending beyond the end of the current fiscal year, and the total commitment by HRM exceeds five hundred thousand dollars (\$500,000).

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their respective officers duly authorized in that behalf on the dates set forth below.

HALIFAX HARBOUR BRIDGES

HALIFAX REGIONAL MUNICIPALITY

Wayne F. Mason
Board Chair

Richard Butts
Chief Administrative Officer

Date: _____

Date: _____

Steve Snider
CEO and General Manager

Michael Labrecque
Deputy Chief Administrative Officer

Date: _____

Date: _____

APPROVAL OF MINISTER OF SERVICE NOVA SCOTIA AND MUNICIPAL RELATIONS

Hon. Mark Furey
Minister

Date: _____