
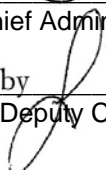




P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.1.1
Halifax Regional Council
December 1, 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: November 10, 2015

SUBJECT: Award RFP No. 15-150 – Dartmouth 4 Pad Arena Design-Build-Operate

ORIGIN

Long Term Arena Strategy, approved by Regional Council on August 14, 2012.

The approved 2015/16 Project Budget, see Supplementary Sheet page A15

May 26, 2015 Regional Council motion:

MOVED by Councillor Fisher, seconded by Councillor McCluskey that Halifax Regional Council direct staff to:

1. Proceed with a Request for Proposals (RFP) for the Design, Build and Operation (DBO) of the new Dartmouth 4-Pad with components as outlined under the summary of RFP requirements in Table 1 and return to Regional Council for contract award;
2. Include the potential for provision of space requested by private sector and provincial sport organizations on a cost recovery basis in the RFP; and
3. Continue to explore potential partnership opportunities with private sector and provincial sport organizations.
4. That the RFP include a provision that the proponent must include energy modelling for heat and water recovery and that the RFP evaluation criteria include a category for energy performance of the design solution indicative of its importance to the Project.
5. Begin immediately to investigate all naming rights opportunities including building (facility), individual ice pads, and individual meeting rooms.

MOTION PUT AND PASSED.

Recommendations Page 2

LEGISLATIVE AUTHORITY

- Halifax Regional Municipality Charter, Section 79(1): Council may expend money required by the Municipality for:
 - k) recreational programs; (x) lands and buildings required for a municipal purpose; (y) furnishing and equipping any municipal facility; and (ah) ... ice arenas and other recreational facilities.
- Administrative Order No. 35, the Procurement Policy, requires Council to approve the award of contracts exceeding \$500,000 for Tenders and RFPs.
- Halifax Regional Municipality Charter, Section 111(5): the Municipality cannot enter into a commitment to pay money over a period extending beyond the end of the current fiscal year where the total commitment exceeds five hundred thousand dollars, unless the proposed commitment has been approved by the Minister.
- The Halifax Regional Municipality Charter, Section 35(2)(d)(i), states the CAO may “enter into contracts on behalf of the Municipality and may delegate this authority to employees of the Municipality”.

RECOMMENDATIONS

It is recommended that Halifax Regional Council:

1. Award RFP No.15-150 (design-build component) to the highest scoring proponent, EllisDon Corporation with a Guaranteed Maximum Price of \$40,773,729 (HST fully refundable) with funding from Project No. CB000049 – Dartmouth Multi-Pad, as outlined in the Financial Implications section of this report, and authorize and direct the CAO or his delegate to negotiate and execute the design-build agreement on behalf of Halifax Regional Council which achieves the key business terms set out in Attachment B to this report to the satisfaction of CAO or his delegate, subject to review by Legal Services
2. Award RFP No.15-150 (operate component) for pre-opening and operating services, and furniture, fixtures, and equipment acquisition, to the highest scoring proponent, Nustadia Recreation Inc. at a cost of \$1,683,210 (HST fully refundable) with funding from Project No. CB000049 – Dartmouth Multi-Pad, as outlined in the Financial Implications section of this report, and authorize and direct the CAO or his delegate to negotiate and execute an operating agreement on behalf of Halifax Regional Council which achieves the key business terms set out in Attachment C to this report to the satisfaction of the CAO or his delegate, subject to review by Legal Services;
3. Authorize and direct the CAO to execute agreement(s) with Nova Scotia Environment and others in respect of wetland compensation requiring HRM to set aside lands adjacent to the building site from future development, in form and content necessary to meet the terms and conditions of the Wetland Alteration Approval to be issued by Nova Scotia Environment;
4. Direct staff not to include any or all of the optional building components at the estimated additional total cost of \$ 1,940,000.00 (HST fully refundable) as outlined in the discussion section of this report in the design of the Dartmouth Multi-pad as per the approved May 26th 2015 Regional Council report; and
5. Direct staff and the building operator to continue to explore potential partnership components at an estimated total cost of \$935,000.00 (HST fully refundable) through cost recovery agreements

as outlined in the Discussion section of this report with any required negotiations to be completed by March 1, 2016 in order to be included in the design of the building.

BACKGROUND

The Long Term Arena Strategy (LTAS) presented to Regional Council in August of 2012 took a broad view of all aging arenas in HRM, and resulted in Council directing staff in July 2014, to advance with planning for a 4-pad arena in Dartmouth.

The July 2014 Council direction indicated that the new 4-pad is to be located on Commodore Drive (Harbour East All-weather Fields) and intended to be open for the fall of 2017. As part of the Regional Council motion, staff was directed to continue to explore opportunities for “funding from other levels of government and potential private sector partners.”

On May 26, 2015, Regional Council approved the motion (above) providing direction to staff regarding the initiation of the Design-Build-Operate process to construct a four-pad arena in Dartmouth. As discussed at that time, the project proceeded with the base building assumption similar to the BMO Centre design with improvements, and included consideration of proposed or requested enhancements.

DISCUSSION

Request for Proposals (RFP) # P15-150, Design-Build-Operate (DBO) for Dartmouth 4-Pad Arena Project was publicly advertised on the Nova Scotia Public Tenders website on June 22, 2015, and closed on September 10, 2015, and resulted in submissions by three proponents:

- Buttcon Limited & Sportstar Capital Inc.
- EllisDon Corporation & Nustadia Recreation Inc.
- Marco Maritimes Limited & Canlan Ice Sports Corp.

The Design-Build and Operate components were evaluated by two separate teams consisting of staff from Corporate Facility Design & Construction, Facility Services, Planning, Parks & Recreation, Finance, Corporate Real Estate, and the General Manager of the Halifax Forum, facilitated by Procurement. Evaluation was completed based on the Evaluation Criteria listed in Appendix A.

The RFP was scored using a two-envelope process. Envelope one was the technical component of the RFP and envelope two consisted of the financial elements of the proposals. Proponents were required to meet or exceed a score of 75% of the maximum technical score in the first envelope in order to enable the review of the second envelope. Only one submission achieved the required 75% of the maximum technical score and the remaining two cost proposals remained unopened.

Detailed scoring results for each of the three proponents are included in Attachment A – RFP Evaluation Criteria

EllisDon Corporation/Nustadia Recreation Inc. proposal scored 186.10 out of the possible 200 points.

As part of the Request for Proposal Process, the highest scoring proponent was invited to enter into negotiations with the Municipality, subject to the framework stated in the RFP.

As per the framework described in the RFP, representatives of the Evaluation Committee, with Procurement and Legal Services staff, have negotiated two (2) separate contracts which are subject to Council approval: a design/build Guaranteed Maximum Price (GMP) contract with EllisDon Corporation and a separate operating contract with Nustadia Recreation Inc. which also includes the provision of arena expertise during the design/build phase of work. This approach will provide HRM with better

control over each of the two distinct but connected aspects of this project, while still retaining risk allocation where HRM desired.

Final approval and execution of the terms and conditions of the contracts remains subject to Halifax Regional Council's (i) approval of the award and (ii) Council's direction to the CAO and Municipal Clerk to execute the resulting contracts. The Key Terms and Conditions of each of these contracts have been included in Attachment B and C.

PROJECT SCOPE SUMMARY

Based on Council's direction from the May 26, 2015, Regional Council meeting, the following components are included in the Guaranteed Maximum Price (GMP);

Recreation Programming Requirements

1. **Base Arena Requirements**
The proposed facility will include a similar design and layout as the BMO Centre in Bedford. The recreation programming components include one ice surface with approximately 350 spectator seats and three ice surfaces with minimal seating (approximately 80 in each), office space, community meeting space and support space for arenas, such as dressing rooms (five per sheet), and official's rooms (one per sheet). Amenities that support the operation of the building include food and beverage service provider(s) and a small retail space for skate sharpening and sale of related equipment.
2. **Olympic Ice Surface**
The proposed design includes one ice surface expanded from National Hockey League to Olympic field of play. This includes additional building footprint for the ice surface, spectator seating (space only), and storage space.
3. **Burnside Fields Support Amenities**
The building design has incorporated inclusion of four (4) change rooms in addition to program spaces in the base arena requirements that will complement and enhance services for turf and volleyball user groups at the site. The site design was developed in order to ensure that the sport program components in the campus are fully integrated and reflect a safe, welcoming and accessible suite of sport and recreation opportunities for all age groups.
4. **Based on the Public Art Policy, the allowance of 1 percent of the base building cost or \$394,475 has been included. Staff will work with the Design-Build Contractor to ensure these funds are used to enhance the facility with a functional art component.**
5. **Sports Fields Parking – 584 parking spots have been identified for the entire complex including a new parking area directly in front of the all-weather fields.**
6. **Improved spectator experience in all "non-spectator" arenas**
The proposed design of the 4-pad arena incorporates additional and improved viewing areas in the arenas.

Building Design Considerations

1. **National Energy Code for Building Changes – EllisDon/Nustadia's proposal incorporates all of the National Energy Code changes that came into effect in 2015. The proposal is based on three energy conservation strategies: reduced load, design an energy efficient ice and HVAC plant, and recover energy from waste heat sources.**

2. Wetland Requirements – HRM has received a permit for the Wetland alterations from the Nova Scotia Environment. An allowance has been carried to complete the compensation work, however, the amount of wetland impact cannot be finalized until site work has begun and the total impact can be measured.
3. Site Development – Campus style integration of the existing facilities has been incorporated into the design to ensure the existing fields and sport courts are inclusive for the site including waiting areas, parking and landscaping.
4. New Intersection – The changes to the existing driveway configuration at the Harbour East All-weather fields will be reviewed by Traffic Management staff as part of the Design Review process with the successful proponent.

The following optional building component items are not included in the Guaranteed Maximum Price (GMP)

The RFP requested that the proponents address optional design and cost implications on a number of components that were not included in the approved scope from the May 26, 2015 Council report and any value added components presented in their proposal. The following items are for Council's consideration:

Proponent's optional building components

1. Increased Structure/Snow Load – The May 26, 2015 report to Council did not recommend including in the RFP that the new facility be designed to Post Disaster levels. EllisDon's proposal, as a value added, included an increase to the structural design load. This premium cost is for structural and associated construction costs to increase the National Building Code (NBC) Importance category to 'High'. The price for this optional work is \$790,000.
2. Roof Deck Viewing Platform – The May 26, 2015 report to Council did not recommend the addition of a roof top patio as the projected elevation of the building did not support it. EllisDon's proposal for the building elevation does allow for a roof top patio, with a portion being covered. A viewing area of approximately 3,000 sq. ft. could be included in the design, overlooking the all-weather soccer pitch. The price for this optional work is \$400,000.

Building Design Considerations

Staff was directed by Council to include a provision that the proponent must include energy modelling for heat and water recovery and that the RFP evaluation criteria include a category for energy performance of the design solution indicative of its importance to the Project. Based on this direction, staff has concluded the following regarding heat and water recovery, and energy performance:

- The water usage that would be replaced at the Dartmouth 4-Pad with a rainwater harvesting system would result in a net annual operating savings of approximately \$3,000. The rainwater harvesting system has an installation cost of approximately \$100,000. Therefore, the anticipated payback period would be 30 to 35 years. This exceeds the life expectancy of most of the components of the system by one or more lifetimes. Therefore, a rainwater harvesting system is not recommended.
- Staff has compared the cost benefit of the propane versus electric ice resurfacers, including capital and operational savings and benefits. After reviewing with industry professionals, the electric ice resurfacers are less efficient compared to the propane models within a multi-pad facility. Therefore, the net additional capital cost of \$100,000 for electric ice resurfacers is not recommended.

Potential additional programming space

In the May 26, 2015 report, staff indicated that stakeholder feedback related to improvements to pre and post ice-time warm up and activity areas would be explored. The proposed facility design has incorporated two areas included in the GMP. A third area (approximately 5,000 sf) could be included in the design as a second level of the tenant 1 space outlined below. If negotiations do not lead to a tenancy agreement, the potential programming space could not be constructed. The additional cost for a 2nd level multi-purpose/warm up space/indoor track is \$750,000, which is not recommended.

The following optional partnership components are not included in the Guaranteed Maximum Price (GMP)

The RFP requested that the proponents address design and cost implications related to potential partnership components that were additional options to the approved scope from the May 26, 2015 Council report. The following items are for Council's consideration of continued negotiations towards partnership agreements for their inclusion:

- Consideration for seating in the proposed Olympic field of play (300-500)

Staff indicated to Regional Council that additional seating is not required for municipal purposes, but could be explored through a partnership. The proposed design has provided consideration and pricing as an option for 300-500 seats in the Olympic arena, as requested by Speed Skate NS and other ice sports. Speed Skate Nova Scotia indicated in their support letter of April 22, 2015 that, "Speed Skate NS, with our partners in sport, also commit to helping (HRM) secure funding to help pay for the enhancements described above (i.e. Olympic arena and seating)". To date, Speed Skate NS have not indicated capacity to assist in the funding, but are consistent in the desire to have 300-500 seats in the facility design. The optional cost for the additional seating is \$575,000.

- Additional Tenant Space

Staff was directed to explore capital costs associated with preparing two potential tenant spaces. Preliminary discussions with the interested parties resulted in a scope of work and estimated cost.

1. tenant 1	\$ 270,000
2. tenant 2	\$ 90,000

In each case, detailed negotiations would be required to outline market-value terms and conditions for the space. These negotiations would need to be complete by March 1, 2016, in order to proceed with the project timeline without risk to the completion date. If Council directs staff to continue negotiations with the potential tenants but mutual tenancy agreements are not able to be achieved, the tenant spaces would not be constructed.

Project Milestones

Regional Council directed that the Dartmouth Multi-Pad be completed for opening in fall 2017. The following are the milestones required to achieve that timeline:

December 1, 2015	Staff Reports to Council
January 2016	PO issued for DBO
March 1, 2016	Finalize potential tenant agreements
Spring 2016	Building Permit issued
December 2016	Building to be weather tight
August 2017	Substantial Completion
September 2017	Building Open to the public

Fall 2017

Grand Opening Ceremony

OPERATING AGREEMENT – NUSTADIA RECREATION INC

Nustadia Recreation Inc. (NRI) currently operates twenty-eight ice-pads in over twenty facilities, and specializes in meeting the needs of municipal and institutional users including the successful operation of the BMO Centre, the Emera Oval, Devonshire Arena and the Lebrun Arena.

NRI, incorporated in 1992, has corporate experience focussing on arena and recreation facility development and operations. Nustadia currently has over 300 employees nation-wide.

Highlights of the proposed Operating Agreement illustrate operational synergies and benefits related to the operation of the new Dartmouth 4-Pad, and extends to efficiencies and economies of scale related to the BMO Centre. Specific highlights include:

- Operation of the Dartmouth 4-Pad and the BMO Centre utilizing an integrated management model with one General Manager to oversee both facilities. This results in operational and policy synergies as well as cost savings. NRI proposes a reduction in the cost of management salaries in the new facility, as well as the BMO Centre;
- Scheduling of the new Dartmouth 4-Pad will be carried out through the existing staff at the BMO Centre. The staffing capacity will exist with the addition of a part time administrative position;
- Building operating systems are already in place and would be cooperatively operated and scheduled;
- Systems, contracts, financial reporting, communications, governance, and auditing are established, approved and functional;
- A marketing representative will be hired, to be shared between both facilities to promote tournament and event opportunities as well as traditional advertising and sponsorships;
- High degree of knowledge and positive relationship already exists with the local market and context in HRM, across the Province and Atlantic Canada;
- Implementation of the Regional Council approved Community Access Plan including the Ice Allocation Policy will take place;
- Annual contributions to a Capital Reserve Fund and Life Cycle Plan will take place as a required expenditure budget line, similar to the BMO Centre; and
- As exists currently at the BMO Centre, the Fixed-Fee Operating Fee allows Regional Council to maintain authority over pricing and budget, relative to the desired operating outcomes of the facility. As is currently the practice at the BMO Centre, NRI manages the operating agreement in order to achieve Regional Council's objectives.

Nustadia Projected Operating Surplus and Capital Reserve Contributions

Financial proforma and operating results for the Dartmouth 4-Pad Arena are based on the existing operating model at the BMO Centre and are predicated, as previously directed by Regional Council, on declaring the following three ice surfaces surplus to recreation needs:

1. Gray Arena
2. Bowles Arena
3. Lebrun Arena

Regional Council has directed that the Devonshire Arena, also being replaced by the Dartmouth Multi-Pad, be demolished with the land retained for future recreation needs.

The projected Nustadia operating surplus of approximately \$210K in the first full year of operation is net of all operating costs (including the management fee) and contribution to capital reserve.

Recent trends in arena management in HRM have generally moved to a private sector operating model. This model was initiated with the construction and opening of the BMO Centre 4-pad arena as a risk-management mitigation regarding the introduction of a new and complex recreation asset to the region.

Council awarded that Operating contract to NRI as Canadian leaders in multi-pad arena operations, in order to negate risks associated with operation. HRM's relationship with the proponent has expanded over the past five years to include their management of other HRM facilities as outlined in Table 1.

Table 1 NRI Operated HRM Facilities

Facility	Nustadia Recreation Inc
BMO Centre 4-Pad Arena	2010 - Ongoing
Emera Oval	2012 - Ongoing
Devonshire Arena	2012 - Ongoing
Lebrun Arena	2015

FINANCIAL IMPLICATIONS

Capital Cost

Based on the highest scoring proponent team, EllisDon's Guaranteed Maximum Price of \$40,773,729 and Nustadia's Pre-opening Services (including FFE allowance) of \$1,683,210, funding is available from Project No. CB000049 – Dartmouth Multi-Pad. This project is eligible to claim 100 percent HST. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB000049 – Dartmouth Multi-Pad</u>
	Cumulative Unspent Budget \$ 42,995,151
	Less: RFP No. P15-150 \$ 42,456,939 *
	Balance \$ 538,212

The following table outlines both the optional building components and potential partnership components as indicated in recommendations four (4) and five (5) of the Recommendations section of this report.

Optional Building Design Components	
Item	Cost
Increase structural/Snow Load	\$790,000
Roof Deck Viewing Platform	\$400,000
Second Level Warm-Up Space	\$750,000
Total	\$1,940,000
Operational Partnership Components	
Item	Cost
Olympic Field of Play Seating	\$575,000
Tenant #1 Space	\$270,000
Tenant #2 Space	\$90,000
Total	\$935,000

Should Regional Council direct that additional components be included in the design of the Dartmouth Multi-Pad, their inclusion would result in additional capital costs, pending budget capacity.

Operating Cost

Operator is required to operate the building based on an annual approved operating budget. The annual Fixed Fee Management Fee is included in the proposed proforma and, as current practice at BMO Centre, is considered a line-item in the operating budget for the facility. The 2017/18 operating budget will include the financial information related to operating the new facility.

- Annual Fixed Fee Management Fee – Equal to 90 percent of the Management Fee for BMO Centre - \$215,000
- Costs associated with potential tenant spaces and partnership components as outlined would be cost recovery with no impact on the project or operating budget.

Dartmouth 4 Pad Funding Strategy Summary:

2015 Approved Budget

Capital Project No. CB000049 - Dartmouth Multi-Pad was approved by Regional Council in the 2015/16 Capital Budget on April 28, 2015, with funding from the Planned Strategic Projects Reserve Account Q146.

The 2016/17 Proposed Capital Budget has been updated to allocate the expected cash flow spending of the project budget as \$34,000,000 in 2016/17 and \$7,000,000 in 2017/18, to reflect the proposed construction schedule. \$2,000,000 was budgeted to be spent in 2015/16.

COMMUNITY ENGAGEMENT

Community consultations related to the design of the building have been completed with key stakeholders and user groups. Broad discussions have not taken place with the sport or business community relating to the possible provision of lease space other than with the two potential proponents indicated in this report.

ENVIRONMENTAL IMPLICATIONS

HRM has received an approved Wetland Alteration Permit, in compliance with the regulations of the Nova Scotia Environment (NSE).

ALTERNATIVES

- Alternative 1: Regional Council may choose not to approve the RFP Award. This is not recommended by staff.
- Alternative 2: Regional Council may direct the CAO or delegate(s) to enter into further negotiations with Ellis Don and Nustadia to include one or more of the optional building components at the additional estimated costs outlined and direct the CAO to execute the final Design/Build and Operating contracts, subject to the satisfactory negotiation of these options and additions and approval to form by Legal Services.
- Alternative 3: Regional Council may direct the CAO or delegate(s) to enter into further negotiations with Ellis Don and Nustadia to include one or more of the optional partnership components at the additional estimated costs prior to the completion of negotiated agreements for cost recovery and direct the CAO to execute the final Design/Build and Operating contracts, subject to the satisfactory negotiation of these options and additions and approval to form by Legal Services.

ATTACHMENTS

- Attachment A - Evaluation Scoresheet
Attachment B - Key Terms and Conditions of Design/Build Contract
Attachment C - Key Terms and Conditions of Operating 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: Darren Young, Project Manager, Corporate Facility Design and Construction, 490-4903
Report Prepared by: Betty Lou Killen, Recreation Planning Specialist, Parks and Recreation, 490-4833

Report Approved by: _____
Terry Gallagher, Manager, Facility Design and Construction, 476-4067

Report Approved by: _____
Jane Fraser, Director, Operations Support, 490-7166

Report Approved by: _____
Brad Anguish, Director, Parks & Recreation, 490-4933

Legal Review: _____
David Greener, Solicitor, 490-3960

Procurement Review: _____
E.Jane Pryor, Manager, Procurement, 490-4200

Attachment A

Appendix A – Evaluation Criteria Scoresheet
Project - RFP 15-150 – Design, Build and Operate of the Dartmouth 4 Pad

Criteria	Score	EllisDon Corporation & Nustadia Recreation Inc.	Marco Maritimes Limited & Canlan Ice Sports Corp	Buttcon Limited & Sportstar Capital Inc.
Team composition and experience	15	14.10	9.80	9.00
Understanding of HRM needs	25	21.50	16.80	13.60
Business Solution	15	13.40	10.80	9.00
Project Management Methodology	5	4.60	4.00	4.20
Technical Total /60	60	53.60	41.40	35.80
Operating Component	50	42.50	37.5	33.50
Operating Total /50	50	42.50	37.50	33.50
Total	110	96.1 (87%)	78.9 (72%)	69.3 (63%)
Cost (HST Fully Refundable)		\$42,346,679	N/A	N/A

** Marco/Canlan and Buttcon/Sportstar did not achieve the minimum combined technical score of 75% and as result did not have their cost envelopes opened.*

Attachment B

Key Business Terms and Conditions of Design-Build Contract	
Property Address	Harbour East All-weather Fields 261 Commodore Drive, Dartmouth
Owner	Halifax Regional Municipality
Design - Build Contractor	EllisDon Corporation
Scope of Work	A turnkey project including the design, construction, equipping and commissioning of a new 4-pad arena complex.
Start Date	The project start date is planned to immediately follow Council approval of the project and signing of the agreements.
Completion Date	The target date for opening is the Fall of 2017
Arena Facility Complex	The facility will be a two-story complex, consisting of 3 NHL sized arenas and 1 Olympic sized arena with all required amenities as indicated in proposed design drawings to HRM and agreed to by HRM in consultation with a technical advisory group.
LEED	The facility shall be designed, constructed, equipped and operated to a minimum LEED Silver standard and certification requirements.
Furniture, Fixtures and Equipment	Nustadia Recreation Inc is responsible for specifying and procuring all the furniture, fixtures and equipment, which is budgeted for as part of the capital construction costs.
Nustadia Recreation Inc role in Design- Build Contract	Nustadia Recreation will provide services identified in the Operating Agreement Key Terms and Conditions, identified as Pre-Operating Work, and is included in the capital construction costs.

Attachment C

Key Business Terms and Conditions of Operating Agreement	
Property Address	Harbour East All-weather Fields 261 Commodore Drive, Dartmouth
Owner	Halifax Regional Municipality
Facility Operator	Nustadia Recreation Inc
Purpose of Agreement	To operate a 4-Pad public arena complex.
Policy Framework	Nustadia Recreation Inc. to adhere to all relevant policy directives
Proposed Term	20-year initial term with proposed two 5-year extensions, including performance criteria
Operator Duties & Responsibilities	To operate, manage, maintain, and repair the facility for and on behalf of HRM and provide advice to both HRM and the Design-Builder regarding the design of the facility
Base Compensation	Annual Fixed Fee Management Fee – \$215,000.00
Arena Staff	All staff of the 4-pad arena complex are staff of Nustadia Recreation Inc. or suppliers or contractors retained by Nustadia Recreation Inc.
Annual Operating Budget	Nustadia Recreation Inc must prepare an annual operating budget, including a projected 5-Year Operating Plan for approval by HRM
Annual Capitalization Plan	Nustadia Recreation Inc must prepare an annual capital work budget, including a projected 5-Year Capital Work Plan.
Capital Reserve Fund	HRM shall establish and maintain a Capital Reserve Fund using revenues from the facility. Withdrawals from the Capital Reserve Fund shall be at the discretion of HRM for work related to the facility as requested from time to time by Nustadia Inc.
Furniture, Fixtures and Equipment	Nustadia Recreation Inc is responsible for specifying and procuring all the furniture, fixtures and equipment, which is budgeted for as part of the capital construction costs.
Pre-Operating Work by Operator	Nustadia Recreation will work with the Design-Builder to oversee and coordinate various pre-operating requirements. For example this includes development of such items as operations manuals, policies, life cycle plans, initial budgets, leasing, user contracts, marketing, service contracts, hiring and training staff and additional functions. All costs are included in the capital construction cost.