



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

Item No. 14.2.1
Halifax Regional Council
May 24, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Linda Mosher, Chair, Audit & Finance Standing Committee

DATE: May 16, 2016

SUBJECT: Multi-Year Funding Commitment — Cogswell Interchange Redevelopment Program

ORIGIN

May 11, 2016 meeting of the Audit & Finance Standing Committee, Item No. 12.1.3

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states “to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

It is recommended by the Audit & Finance Standing Committee that Halifax Regional Council direct staff to amend section “m” of the 2016/17 Budget Resolution to include the Cogswell Interchange Redevelopment Project CT000007 in the amount of \$58M as shown in revised “Schedule One – Multi-Year Funding Commitments” outlined in attachment one of the staff report dated April 28, 2016, as approved by Regional Council March 8, 2016 item 17.1, to allow multi-year tenders to be awarded. The Approved Budget for the Cogswell Interchange Redevelopment Project (CT000007) is \$58M in Years 2017/18 to 2019/20 of the 2016/17 Approved Capital Budget Book.

BACKGROUND

A staff report dated April 28, 2016 pertaining to a Multi-Year Funding Commitment for the Cogswell Interchange Redevelopment Program was before the Audit & Finance Standing Committee for consideration at its meeting held on May 11, 2016.

For further information, please refer to the attached staff report dated April 28, 2016.

DISCUSSION

The Audit & Finance Standing Committee considered the staff report dated April 28, 2016 at its meeting held on May 11, 2016 and forwarded the staff recommendation to Halifax Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated April 28, 2016.

RISK CONSIDERATION

As outlined in the attached staff report dated April 28, 2016.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated April 28, 2016

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.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521.

HALIFAX

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

Item No. 12.1.3
Audit & Finance Standing Committee
May 11, 2016

TO: Chair and Members of Audit and Finance Standing Committee

Original Signed

SUBMITTED BY:

Amanda Whitewood, Director/CFO, Finance and Information, Communication
and Technology

DATE: April 28, 2016

SUBJECT: Multi-Year Funding Commitment – Cogswell Interchange Redevelopment
Program

ORIGIN

Approved 2016/17 Capital Budget

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

HRM Charter, Section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; HRM Charter, Section 79(1) - Specifies areas that the Council may expend money required by the Municipality; HRM Charter, Section 35(2)(d)(i)

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council direct staff to amend section "m" of the 2016/17 Budget Resolution to include the Cogswell Interchange Redevelopment Project CT000007 in the amount of \$58M as shown in revised "Schedule One – Multi-Year Funding Commitments", as approved by Regional Council March 8, 2016 item 17.1, to allow multi-year tenders to be awarded. The Approved Budget for the Cogswell Interchange Redevelopment Project (CT000007) is \$58M in Years 2017/18 to 2019/20 of the 2016/17 Approved Capital Budget Book.

BACKGROUND

The Cogswell Interchange Redevelopment project is a large multi-year project. The project requires the ability to award multi-year tenders.

DISCUSSION

The Capital Budget is developed on a cash flow basis so that projects that span multiple years are required to be stated in terms of their anticipated actual expenditures by fiscal year. Aligning budgets with actual cash flows allows HRM to use the available budget capacity for other priority projects.

HRM has recently created a list of Multi-Year funding commitments and is approved in section "m" of the 2016/17 Budget Resolution and is detailed in "Schedule One – Multi-Year Funding Commitments". This list enables multi-year projects to use Regional Council's approval of the entire project budget to award multi-year contracts without taking up budget capacity before the expenditures are actually incurred.

The Cogswell Interchange Redevelopment Project (CT000007) has advanced to the stage where Requests for Proposals for multi-year design and consultant contracts are necessary to move forward and therefore, needs to be added to the schedule. By adding the Cogswell Interchange Redevelopment Project to the Multi-Year Funding Commitment schedule, RFP's can be issued for multi-year tenders.

At the time of the 2016/17 Capital Budget was being developed, the Cogswell Interchange Redevelopment Project was inadvertently not included on the Multi-Year Funding Commitment schedule. This administrative transaction is to provide the authority to issue RFP's for the multi-year spending on the early stages of the project including design work.

FINANCIAL IMPLICATIONS

The approval of \$58M is for the purpose of awarding multi-year design and consultant contracts. This transaction is administrative in nature and the actual amount of anticipated expenditures is less than \$3M which is in accordance with the 2016/17 Approved Capital Budget. There is no budget increase required in 2016/17.

The addition of the Cogswell Interchange Redevelopment Project in the amount of \$58M will bring the total of Multi-Year Funding Commitments to \$121.03M as shown in Attachment #1.

RISK CONSIDERATION

There exists a significant risk to the program if the committee does not approve the recommendation. The Cogswell Redevelopment is entering into the design phase which will require the engagement of the prime design contract. Without approval of this recommendation, there is insufficient funding in 2016 to proceed with the design.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES


The RFP could be divided in such a manner as to align with the budget year-by-year allocation but numerous impacts include; a greater overall total design cost, reduced market place interest and could impact the design intent and continuity.

ATTACHMENTS

- Attachment 1 – Revised Schedule of Multi-Year Funding Commitments
- Attachment 2 – Cogswell Interchange Redevelopment Capital Supplemental Form
- Attachment 3 – Original Schedule One of the 2016/17 Budget Resolution

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: John Spinelli, Director, Cogswell Redevelopment Project 902.293.8567
Mike Matheson, Senior Financial Consultant, 902.237.7180

Report Approved by:  Original Signed
Jane Fraser A/Deputy Chief Administration Officer 902.490.4630

Financial Approval by:  Original Signed
Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308

Attachment 1

Schedule One – Multi-Year Funding Commitments

Project Start	Budget Category	Project Name	Project #	2015	2016	2017	2018	2019	2020	Grand Total	
2015	Buildings	Cole Harbour Place	CB000045	970,000	1,375,000	1,375,000				3,720,000	
		Dartmouth Multi-Pad	CB000049	2,000,000	34,000,000	7,000,000				43,000,000	
		Dartmouth Sportsplex Revitalization	CB000006	-	4,400,000	13,120,000	3,280,000			20,800,000	
	Equipment & Fleet	Fire Apparatus Replacement	CVJ01088	2,335,000	-	3,665,000				6,000,000	
		Halifax Transit New Transit Technology	CM020005	1,000,000	5,700,000	16,115,000				22,815,000	
	Parks & Playgrounds	Cole Harbour Turf	CP110002	100,000	3,800,000					3,900,000	
	Traffic Improvements	Herring Cove Road Widening	CTX01116	200,000	300,000					500,000	
2016	Business Tools	Accident Reporting BI and RMV	CI000006	100,000		285,000				385,000	
		Corporate Epayment Solution	CI000008		125,000	100,000				225,000	
		Enterprise Asset Management	CID00631		2,700,000	1,580,000				4,280,000	
		HR ESS/MSS	CI990032		-	670,000	520,000			1,190,000	
		Permitting, Licensing, and Compliance Replacement Solution	CI990013		400,000	1,210,000	1,615,000			3,225,000	
		Public Wifi	CI000013		945,000	525,000	525,000	525,000	525,000	3,045,000	
		Recreation Services Software	CI000005		900,000	1,645,000	1,205,000	1,520,000		5,270,000	
		Revenue Management Solution	CI990009		250,000	1,940,000	1,350,000	1,150,000		4,690,000	
		Rostering	CI000015		150,000	1,000,000	170,000			1,320,000	
		Source Management	CI000016		100,000	415,000				515,000	
		Traffic Improvements	Cogswell Interchange Redevelopment	CT000007		3,000,000	15,000,000	23,000,000	20,000,000		61,000,000
		Grand Total			6,605,000	58,245,000	65,645,000	31,665,000	23,195,000	525,000	185,880,000
						Advanced Funding Commitment = \$121.03M					

2016/2017 Capital Budget Form

Project Name:	Cogswell Interchange Redevelopment
Project Number:	CT000007
Business Unit:	Operations Support
Project Manager:	John Spinelli
Project Type:	Service Improvements
Discrete/Bundled:	Discrete
Budget Category:	Traffic Improvements

Project Summary:

This project will include the removal of the existing Cogswell area roadways, bridges, elevated structures, walls and underground infrastructure systems. Installation of new roadways, roundabouts and realignment of existing streets to facilitate improvement of vehicle, pedestrian and bicycle flows. Creation of several public park spaces with the new availability of land parcels created from the Cogswell Redevelopment Program while maintaining harbour views as well as improving waterfront connectivity. The program will improve circulation into and out of the downtown area as well as provide a link from the downtown area to the north end. Creation of several land parcels for development of high value residential/mixed-use facilities by 3rd party developers. The layout of these areas shall conform to the existing small block footprint which will maintain and extend the existing urban structure concepts. The phased release of these land parcels should substantially contribute to the ongoing construction costs for the Cogswell program .

Total Capital Request: (5 Years) \$

61,000,000

Supports Outcome Area:

Economic Development (Council Priority)

Project Status a) concept; b) design; c) tender ready; or d) permits and approvals secured

Concept

How advanced are the budget estimates? Class D, C, B or A

Class 'D'

CAPITAL COSTS - Cash Flow

Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21
Gross Budget:	3,000,000	15,000,000	23,000,000	20,000,000	-
Funding Source:					
Reserve Q146 - Planned Strategic Projects	3,000,000	15,000,000	23,000,000	20,000,000	-
	-	-	-	-	-
Total Funding:	3,000,000	15,000,000	23,000,000	20,000,000	-
Net budget:	-	-	-	-	-

Ongoing Operating Costs

	2016/17	2017/18	2018/19	2019/20	2020/21
Annual Revenues:	-	-	-	-	-
Annual Operating Costs:	-	-	-	-	-
Net Annual Operating Costs:	-	-	-	-	-

Detailed Work Plan 2016/17:**Estimate**

Internal staffing allocations	600,000
3rd party external consultants	150,000
Construction site office start-up and operating costs	125,000
Prime Design Consultant costs	1,850,000
Issue RFP & engage Constructor	275,000
	-
	-
Total Estimated Work Plan 2016/17	3,000,000
Less Projected Carry Forward from Previous Years	-
Gross Budget Request for 2016/17	3,000,000

Schedule One - Multi-Year Projects

Project Start	Budget Category	Project Name	Project #	2015	2016	2017	2018	2019	2020	Grand Total
2015	Buildings	Cole Harbour Place	C8000045	970,000	1,175,000	1,375,000				3,720,000
		Dartmouth Multi-Pod	C8000049	2,000,000	34,000,000	7,000,000				43,000,000
		Dartmouth Sportsplex Revitalization	C8000006	-	4,000,000	13,120,000	3,200,000			20,320,000
	Equipment & Fleet	Fire Apparatus Replacement	CVJ01088	2,335,000	-	-	3,665,000			6,000,000
		New Transit Technology	CM0270005	1,000,000	3,700,000	16,115,000				20,815,000
	Parks & Playgrounds	Cole Harbour Turf	CP110002	300,000	3,800,000					4,100,000
		Traffic Improvements	Herring Cove Road Widening	CT001116	200,000	300,000				
2016	Business Tools	Accident Reporting DI and RMV	C0000006		100,000	785,000				885,000
		Corporate Payment Solution	C0000008		125,000	100,000				225,000
		Enterprise Asset Management	C0000631		2,700,000	1,580,000				4,280,000
		HR ESS/MSS	C9900032		-	670,000	520,000			1,190,000
		Permitting, Licensing, and Compliance Replacement Solution	C9900013		400,000	1,210,000	1,615,000			3,225,000
		Public WiFi	C0000013		945,000	525,000	525,000		525,000	3,045,000
		Recreation Services Software	C0000005		900,000	1,645,000	1,205,000	1,520,000		5,270,000
		Revenue Management Solution	C9900009		250,000	1,940,000	1,350,000	1,150,000		4,690,000
		Rosiering	C0000015		150,000	1,000,000	170,000			1,320,000
		Source Management	C0000016		100,000	415,000				515,000
Grand Total				8,685,000	55,245,000	58,645,000	8,645,000	3,195,000	525,000	124,895,000

* This Est supersedes the Est in schedule 1, Item #3, April 28, 2015