

HALIFAX

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

Item No. 14.1.2
Halifax Regional Council
December 13, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: November 21, 2016

SUBJECT: **Public Transit Infrastructure Funding Applications, Access-A-Bus and Alderney Ferry Terminal Pontoon Advanced Funding, and the Approval of a Sole Source Award for 15 vehicles from Overland Custom Coach Ltd (2007)**

ORIGIN

June 21, 2016 – Halifax Regional Council approval for federal infrastructure funding applications.

August 16, 2016 release by the Government of Canada of federal–provincial bilateral agreements on infrastructure and list of approved projects and funding.

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.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that Regional Council:

1. Waive the requirement to appear at Audit and Finance Committee because of the time sensitive nature of the federal funding application;
2. Direct staff to apply for funding under the Public Transit Infrastructure Fund (PTIF) program for the purchase of Access A Bus vehicles, and for the replacement of the Alderney Ferry Terminal Pontoon;
3. Approve a sole source contract to Overland Coach LTD (2007) for the procurement of up to 15 Access-A-Bus vehicles for a total amount of up to \$1,880,000 subject to federal cost sharing; and
4. Approve advanced funding for the purchase of up to 15 Access-A-Bus vehicles and for the replacement of the (Alderney Ferry Terminal Pontoon in the amount of \$3,200,000) as per the Financial Implications of this report, subject to confirmation of federal cost sharing equal to 50% of the total cost.

BACKGROUND

Public Transit Infrastructure Funding (PTIF)

The March 22, 2016 Government of Canada budget specified a nationwide fiscal stimulus program with a significant portion of the funding earmarked for public transit related projects. Phase 1 of the Government's long term infrastructure plan will begin rolling out over the next two years, with an immediate focus on maintenance and rehabilitation. In Nova Scotia, \$32.2 million is available over 2 years in the Public Transit Infrastructure Fund (PTIF).

On June 21, 2016, Regional Council approved a list of 16 proposed transit projects, totaling \$58.21 million, to be submitted for consideration for cost shared funding approval under the PTIF.

On 16 August 2016, The Government of Canada and Province of Nova Scotia ratified an infrastructure stimulus agreement, and projects submitted by Halifax were formally approved by the Federal Government.

The Municipality is pursuing this PTIF funding should additional funding become available through the program.

Advanced funding for the purposes of advanced tendering is being requested for these projects to ensure the requirement of PTIF to complete projects by March 31st, 2018 is achieved. Critically, the purchase of Access-A-Bus vehicles is time sensitive, regardless of whether the PTIF application is successful.

Access-A-Bus Vehicles

Overland Custom Coach Ltd. was awarded a three year contract to provide up to 25 Access-A-Bus vehicles by Regional Council in 2014. On November 10, 2015, Regional Council approved the advanced funding for the 16/17 procurement of 7 accessible transit vehicles. Advanced funding was sought to mitigate the risk of the elimination of General Motors (GM) Savanna Chassis with diesel engine during the final year of the contract.

The manufacture of these vehicles has been concluded however General Motors has a surplus of 15 new and unused Canadian 2015 Chevrolet Express diesel shuttle bus chassis as the result of a failed fleet purchase by another customer. GM is willing to offer these chassis to Halifax Transit however they have stressed that these chassis are on a first-come-first-serve basis and will not guarantee their availability. Due to the time sensitive nature of this opportunity advance funding and sole source approval are being

sought.

Ferry Terminal Pontoon

Both the Halifax and Alderney Ferry Terminal Pontoons are nearing the end of their useful lives. These pontoons are of steel hull construction and are costly to maintain due to the quality of the materials used in original construction and the requirement to maintain the coating systems required for a marine environment. Further, the deckhouses on these pontoons are restricted in the space available to accommodate overhead doors suitable for an industrial setting in sometimes harsh environmental conditions.

DISCUSSION

Access-A-Bus Vehicles

The importance of this specific chassis/engine configuration relates to our already trained, tooled staff complimented with a comprehensive parts inventory specific to this vehicle. Halifax Transit currently only operates diesel engines in its Access-A-Bus fleet. Diesel engines have an extended lifecycle compared to that of gasoline; have fewer electrical issues from a compression ignition design; have lower maintenance costs; and have more power and better fuel economy - on average, diesel engines are rated about 25% more fuel efficient than similarly sized and power rated gasoline engines. A diesel engine is designed to last longer and drive longer without repair. If Halifax Transit cannot get an order in with our supplier for this chassis/engine combination, the only other alternatives are a large displacement gasoline engine or a smaller, diesel power bus. The implications of having to use a gasoline engine include: additional fuel costs; additional cost associated with parts acquisition and additional cost associated with the provision of training for technicians that currently do not work on gasoline engines. In addition, some personnel would be required to work off-site every evening to fuel the gasoline vehicles as Halifax Transit only stores diesel on site. The implication of this is the interruption of the fueling and cleaning routine for the entire fleet; it is likely that service time would increase from 12 minutes per vehicle escalating the requirement for additional personnel.

This chassis is the last of the “truck based” cab and chassis options available, as manufacturers aren’t offering high capacity options. This will reduce our available wheelchair positions in a smaller platform.

Access A Bus vehicles can be loaded with up to four (4) Access-A-Bus passengers with power carts (motorized wheelchairs) equating to almost 3200 lbs. of payload; the diesel option with higher power output and better fuel economy is almost a requirement.

The impact of moving to a smaller less robust vehicle will have service implications which are currently being studied by Halifax Transit’s Operations Department. An Access-A-Bus Service Plan is being developed to reflect the limitations noted above. The procurement of the Overland vehicles provide the requisite amount of time to determine the future needs of the service which will inform the procurement strategy in 18/19.

Ferry Terminal Pontoon

The availability of PTIF funding provides an opportunity to replace the Alderney Ferry Terminal Pontoon. In addition to securing PTIF funds for the pontoon, the savings related to cost sharing the para-transit vehicles must be leveraged as a portion of the municipal share of the pontoon project.

The pontoon at the Woodside Ferry Terminal was replaced in 2015 with a unit that incorporates materials and a deckhouse structure that is more suitable for the operating environment; a significant reduction in operating costs will be realized with this new design. The Alderney project will replace the pontoon in that

location with a unit that is nearly identical to the Woodside pontoon for similar savings and operational efficiencies.

The following table describes the advanced funding approvals requested with PTIF funding:

| Project Name | Project Account | Proposed Gross Budget | HRM Funding | PTIF Funding | Advanced Funding Request |
|--|-----------------|-----------------------|--------------------|--------------------|--------------------------|
| Access A Bus Expansion | CDV00429 | \$250,666 | \$125,333 | \$125,333 | \$250,666 |
| Access A Bus Replacement | CDV00430 | \$1,629,334 | \$814,667 | \$814,667 | \$1,629,334 |
| Ferry Terminal Pontoon Rehabilitation | CBX001171 | \$3,200,000 | \$1,740,000 | \$1,460,000 | \$2,150,000 |
| Total | | \$5,080,000 | \$2,680,000 | \$2,400,000 | \$4,030,000 |

FINANCIAL IMPLICATIONS

2017/18 Advanced funding allocations are outlined above. These reflect the receipt of funds from the PTIF program as well as HRM funds.

Of note, there is sufficient funding for both of these projects to proceed *only* if the PTIF applications are successful and PTIF funding is achieved. Should Halifax Transit be unsuccessful in achieving sufficient PTIF funding to proceed with both projects, the Ferry Terminal Pontoon replacement project will not proceed at this time, and the Access-A-Bus purchase will be reduced from 15 vehicles to 12 vehicles to stay within the projected 2017/18 project budget.

The following table describes the advanced funding approvals requested if PTIF funding application is not successful. These projects will be presented on the advance capital funding list for Council's consideration.

| Project Name | Project Account | Proposed Gross Budget | Advanced Funding Request |
|---------------------------------|-----------------|-----------------------|--------------------------|
| Access A Bus Expansion | CDV00429 | \$235,000 | \$235,000 |
| Access A Bus Replacement | CDV00430 | \$1,330,000 | \$1,330,000 |
| Total | | \$1,565,000 | \$1,565,000 |

RISK CONSIDERATION

There is a risk that the PTIF applications will not be successful. Should this occur, the Ferry Terminal Pontoon replacement will not occur, and the number of Access-A-Bus vehicles being purchased will be reduced.

There is also a risk that the Chevrolet Express diesel shuttle bus chassis could be sold before HRM is

able to secure their purchase. The recommendation for a sole source purchase is the primary mitigation of this risk as it will reduce the time required to execute the purchase.

COMMUNITY ENGAGEMENT

There was no community engagement associated with this report.

ENVIRONMENTAL IMPLICATIONS

Environmental implications have not been identified associated with this report.

ALTERNATIVES

Council could deny this request and instruct Halifax Transit to tender for an alternative vehicle; this course of action is not recommended because the service and operational cost considerations are not well understood at this point in time.

ATTACHMENTS

None

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: Wendy Lines, Manager Bus Maintenance 902.490.3241

Report Approved by: _____
Dave Reage, Director, Halifax Transit, 902.490.5138

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