
Halifax Regional Council
October 1, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

Original Signed

SUBMITTED BY:

~~George McLellan, Chief Administrative Officer~~

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~~Dan English, Deputy Chief Administrative Officer~~

DATE: September 23, 2002

SUBJECT: Mid-Life Refit, Dartmouth III

ORIGIN

The Halifax Regional Municipality contracted with Shelburne Ship Repair (STENPRO) for the mid-life refit of the Dartmouth III. The total cost of the award was \$1,310,481.88.

RECOMMENDATION

It is recommended that :

1. Halifax Regional Municipality approve an increase to Capital Account No. CVD00054, Mid-Life Refit (Dartmouth III) in the amount of \$45,000.00 with funding to be provided by a transfer from CRESPOOL.

BACKGROUND

This is the second major refit that has been carried out on HRM's harbour ferries. The contract was awarded by Council to Shelburne Ship Repair to carry out the work.

While the ferry service has been operating for 200 years HRM's expertise is in the operation and maintenance of the vessel not the design or major reconstruction of the vessel. It is felt that the major refit not only allows HRM to extend the life of the vessel for another 20 years but also allows the service to be upgraded with new engine systems, radar system, and other safety system.

DISCUSSION

The last refit was slowed considerably by problems of specification, delivery of goods by suppliers and other operational issues that extended the time the vessel was out of service which resulted in a reduction of service capacity to the travelling public and a reduction in overall revenue.

It is felt that by creating a team of three basic groups the work will remain on schedule, on budget and ensure compliance with the terms of the contract. The three working groups would be: Transit Operations (Ferry Staff); Administration (Contract Administration through Fleet Services and Procurement) and lastly; the Engineering Consultant (Proposed Marine Surveyor).

The Engineering Consultant would act as the technical specialist on HRM's behalf completing inspections thereby insuring the quality of the work required to assure the mid-life refit will extend the life of the vessel the expected 20 additional years.

BUDGET IMPLICATIONS

Due to the value of the contract awarded for this work, the capital budget allocated for this project does not allow for these additional expenses. The funds of \$45,000 inclusive of the non-refundable portion of the H.S.T would be required for the intended purpose. These funds would be required from Account # CRESPOOL, as the Capital Budget in Account No. CVD00054, Mid-Life Refit (Dartmouth III) is currently at its spending limit. Staff has reviewed the current status of CRESPOOL and has determined that there are sufficient funds to cover this expenditure. This project meets the criteria for use of the Capital Pool Funds as per the Capital Pool Procedures Report, dated May 8, 2001 and approved by Council May 14, 2001.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Regional Council could reject the approval of the award. The funds could be taken from the current budget but would require a reduction in the scope of work in the tender or HRM could undertake to complete the project management task with current staff. This is not the recommendation course of action.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Paul Beauchamp, General Manager of Fleet Services

Report Approved by: Original Signed
Geri Kaiser, Director, Shared Services