

HALIFAX

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

Item No. 14.1.1
Halifax Regional Council
June 13, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: _____
Jane Fraser, Acting Chief Administrative Officer

DATE: May 30, 2017

SUBJECT: Metro X Bus Donations

ORIGIN

Halifax Regional Municipality has received two requests for the donation of buses. The Town of Bridgewater has requested two, and the Halifax Christian Academy has requested one.

LEGISLATIVE AUTHORITY

Halifax's policy on the disposal/donation of Surplus Assets is contained in section 48 of the Procurement Policy (Administrative Order 2016-005-ADM).

Section 48 – Disposal of Surplus Assets

...

(3) Surplus Assets shall be sold by the most effective means in order to obtain the highest net value for the Municipality.

...

(5) Notwithstanding subsection (3) of this section, Surplus Assets may be sold at less than market value or donated to a not-for-profit corporation, association, or entity or any Municipality, Crown Corporation, School Board, or any level of government. Such sales or donations shall be approved by the CAO unless the undepreciated value of the Surplus Assets exceeds \$10,000, in which case such sales or donations shall be approved by Council.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the donation of two buses to the Town of Bridgewater and one bus to the Halifax Christian Academy, and direct the CAO to negotiate and execute a donation agreement with each recipient to transfer ownership of the assets of the buses "as is, where is".

BACKGROUND

The Town of Bridgewater has requested two buses to be used as a pilot to determine the viability of a public transit service; the town's request is attached to this report.

The Halifax Christian Academy is a non-profit daycare located in Timberlea. The Academy provides an afterschool program for approximately thirty children. They currently have one bus, which has been deemed unserviceable due to mechanical issues. The proposed use for the bus is for transportation of children from the elementary school as well as school related field trips. The Halifax Christian Academy's formal request is attached.

DISCUSSION

As part of their fleet replacement program, Halifax Transit is decommissioning its older Metro X buses. The buses in serviceable condition that would be best suited for donation are bus numbers 516, 517 and 519; provided these buses are properly maintained, they may provide several more years of service.

In donating these buses, the the Town of Bridgewater and the Halifax Christian Academy would be accepting the buses "as is, where is" with no risk to the municipality occurring with the transfer of ownership. The Town and Academy would be responsible for transportation of the buses to their location, as well as scheduling inspections with Provincial authorities to ensure they are roadworthy.

FINANCIAL IMPLICATIONS

There is a limited market for these buses, an appraisal was completed, and it is estimated that Halifax could potentially sell these buses for between \$5,000 and \$7,000 each.

Finance estimates the opportunity cost of not selling these assets, given their prevailing market price to be effectively zero. In addition, donation of these assets is consistent with Halifax Transit's fleet upgrade strategy of replacing assets at the end of their economic useful life. In addition, administrative costs associated with selling low value public assets often make the sale process unnecessarily costly.

RISK CONSIDERATION

These buses would be donated "as is, where is" and Halifax would not be responsible for transportation, or future maintenance and as such there is no material legal or financial risk associated with the donation of these assets.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Not to donate the buses.

ATTACHMENTS

Attachment 1 - Town of Bridgewater request for two buses

Attachment 2 - Halifax Christian academy request for one bus

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: Bruce Wilson, Team Lead, Inventory Management, 902.476.8557



April 2, 2017

His Worship Mayor John Savage and Council
Halifax City Hall
PO Box 1749
Halifax, NS B3J 3A5

Dear Mayor Savage and Members of Regional Council,

The Town of Bridgewater is embarking on a public transit pilot this fall. Our goal is to provide a single-loop transit service throughout our town, improving accessibility to the breadth of our community for all demographics.

Bridgewater Town Council firmly believes it is our obligation to the public to ensure that people from all walks of life, regardless of ability, age or income, are able to travel throughout Bridgewater in a reliable and affordable manner.

To that end, we are looking to the Halifax Regional Municipality for assistance in getting this exciting project on the road through the donation of two of your 2009 GMC 5500 32-passenger buses which are scheduled to be decommissioned this month. It is our understanding that the buses are valued at less than \$10,000 each but it would mean a tremendous cost savings to the Town for establishing a pilot public transit system. We are seeking the donation of two buses to minimize service disruptions due to maintenance or breakdowns.

Our staff have already been in contact with your procurement department and it is our understanding that there are buses available, but due to the value of the donation it requires approval of regional council in order to proceed. We have included a copy of this letter to your procurement department to begin the administrative process required to consider our request.

It is our most sincere hope that Halifax Regional Council will strongly consider approving the donation of the two buses so that the Town of Bridgewater can realize its goal of affordable, reliable public transit for all our residents.

If you have any questions, please do not hesitate to contact me.

Sincerely,


Original Signed

David Mitchell
Mayor

cc: Bruce Wilson, HRM Procurement

**HALIFAX CHRISTIAN ACADEMY**

April 7, 2017

Halifax Transit
200 Ilsley Avenue
Dartmouth, NS
Attn: Mr. Bruce Wilson

Dear Mr. Wilson,

We are a non-profit daycare centre located in Glengarry Estates in Timberlea. We provide an after school program for approximately 30 children from the Beechville, Lakeside, Timberlea area, for which we transport children from the local elementary school. Our 72 passenger school bus that we have been using has recently been rejected due to major mechanical issues. Besides the after school program, we also used this bus to take our daycare preschool children on field trips throughout the year. Now we are earnestly in need of alternate transportation and would like to request the donation or sale of one of the Halifax Transit buses that you plan to retire. We serve approximately 75 families in this area and your contribution to our needs would be greatly appreciated. Thank you for considering our request.

Sincerely,

Original Signed

Edna McLeod, Director
HCA Early Childhood Centre
902-876-1141