


HALIFAX

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Item No. 14.1.6
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: 30 March 2017

SUBJECT: Halifax Regional Fire & Emergency – Disposal of Surplus Firefighting Equipment

ORIGIN

Halifax Regional Fire & Emergency (HRFE) is considering options for the disposal of used firefighting and rescue equipment which may include transfer to the Nova Scotia Volunteer Fire Service and/or Composite Fire Departments. The equipment is surplus to the operational needs of HRFE.

LEGISLATIVE AUTHORITY

HRM Charter section 120(1) states that “The Municipality shall maintain a capital reserve fund” and 120(3)(a) states that the capital reserve fund includes “funds received from the sale of property”.

Administrative Order 2014-015-ADM, Respecting Reserve Funding Strategies.

Administrative Order 2016-005-ADM, the Procurement Administrative Order, Sections 48(3) and (5) which state:

- 48(3) Surplus Assets shall be sold by the most effective means in order to obtain the highest net value for the Municipality.
- 48(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 sale of surplus HRFE firefighting and technical rescue equipment at below market value to Volunteer and Combination Nova Scotia Fire Departments with the proceeds to be transferred to the Fleet Vehicle and Equipment Reserve (Q531).

BACKGROUND

In the past five years, HRFE has made a concerted effort to modernize and standardize its firefighting and technical rescue equipment to improve fire ground effectiveness, realize training and maintenance efficiencies, and provide for enhanced firefighter safety. When new equipment is placed into service, surplus items are removed from operations and stored in the Logistics warehouse at 43 Borden Avenue.

Over time, HRFE Logistics accumulated a significant amount of firefighting and rescue equipment which is in working condition, has been maintained and serviced where possible but no longer meets the front-line operational requirements or reserve needs of HRFE. Typically, this equipment goes to public auction in order to obtain the highest net value for the municipality.

DISCUSSION

Supporting the volunteer fire service in Nova Scotia

Each municipality in Nova Scotia decides what level of fire protection they want to provide, if any. The level of local service depends on the ability of the community to support it. At the present time, many Nova Scotia Fire Departments are volunteer based, and rely heavily on fundraising as their primary source of revenue to obtain firefighting equipment. Their fundraising capability is limited due to declining populations and increased competition from other not-for-profit, community organizations. Squeezed between a lack of funding and the high cost of equipment, most rural volunteer departments are ill-equipped – they struggle to afford new equipment or even repair and maintain old equipment. Much of the ageing equipment no longer meets National Fire Protection Association standards.

The cost to purchase new firefighting and rescue equipment for smaller departments can be a deterrent in acquiring much needed items for even some basic firefighting functions. If the fire departments opt to purchase used equipment from out of province sources, they can incur shipping fees with no certainty on the condition of the equipment.

There are businesses which will act as an intermediary and sell the equipment on behalf of the seller. However, they will charge a percentage of overall sales and then sell to any group or organization providing little relief to those departments most in need.

Although surplus to our needs, the equipment could still have value for rural, volunteer and combination fire departments. A combination fire department is one that uses both career and volunteer firefighters.

It is HRFE's intent to first sell to Nova Scotia Fire Departments. We would advertise through the Nova Scotia Fire Officers Association and the Nova Scotia Fire Marshal's Office and using a combination of social media (NS Fire Department Chat Groups). The sale would likely occur once the Regional Council Report has been approved, sometime mid to late September 2017. This would give ample time for NS Departments to plan funding / or raise funding.

Departments interested will be required to pre-register with HRFE (via email), confirming which department they are representing and how they intend to pay for any purchased merchandise. As for determining who gets the equipment – it will be based on the winning bid at the auction.

The sale of HRFE's surplus firefighting equipment at little cost, in trade for waiving liability, could go a long way to meeting the equipment and safety needs of small Nova Scotia community fire departments. HRM Administrative Order 2016-005-ADM, the Procurement Administrative Order, Section 48(5) permits the sale of surplus assets at less than market value or their donation to a not-for-profit corporation, association, or entity or any Municipality. Approval of Council is required where the undepreciated value of the surplus assets exceeds \$10,000. Otherwise, the CAO may approve the sale or donation.

FINANCIAL IMPLICATIONS

Selling surplus HRFE assets (firefighting and rescue equipment) at less than market value to volunteer and/or combination Nova Scotia Fire Departments may reduce the potential proceeds from the sale compared to the unrestricted sale of these assets on the open market. However, the sale of these assets at less than market value will still provide revenue which was not anticipated when the Operating and Reserve Budgets were approved.

Budget Summary, Obligation Reserve, Q531 Vehicle Fleet and Equipment Reserve

Balance in Reserve, March 31, 2017	\$2,217,442
Pending expenditures at March 31, 2017	\$ (735,174)
Budgeted Contributions 2017/18	\$ 232,124
Budgeted Withdrawals 2017/18	<u>\$ (575,000)</u>
Projected Net Available Balance, March 31, 2018	\$1,139,392

Obligation Reserve, Q531 Vehicle Fleet and Equipment Reserve

This reserve is to provide funding for replacement of fleet vehicles and equipment with a useful life of less than 10 years. Source of funds are the proceeds received through the sale of all surplus vehicles and equipment. The recommendation does not have a negative affect to the reserve balance, as the recommendation is a contribution to the reserve.

RISK CONSIDERATION

Should this equipment be made available to Nova Scotia Volunteer and/or Combination Fire Departments, the following conditions would apply: the equipment would be provided on a "as is, where is" basis, and the fire departments would be responsible for all future maintenance and repairs and waive any liability to Halifax Regional Municipality. Risk is therefore considered low.

COMMUNITY ENGAGEMENT

Representatives from Volunteer and Composite Nova Scotia Fire Departments regularly contact HRFE expressing their need for our surplus firefighting and rescue equipment.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

Regional Council can direct an unrestricted sale of the assets on the open market with the proceeds of the sale going to the Fleet Vehicles and Equipment Reserve (Q531). Any group or organization could then bid on the assets. This alternative is not recommended for the reasons outlined in the Discussion section of this report.

ATTACHMENTS

Attachment A - List of Used Surplus HRFE Fire Equipment for Disposal

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.

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Attachment A - List of Used Surplus HRFE Fire Equipment for Disposal

Bunker Gear

147 Bunker Gear Pants
146 Bunker Gear Coats

Rescue Harnesses

60 different types of fall arrest harnesses / fall restraint harness / non-retractable and retractable lanyards

Gas Power Pumps

4 Portable Water Pumps

Electric Smoke Ejector Fans

3 Smoke Ejector Fans: Electric

Rescue Equipment (Hydraulic Tools)

5 Honda / Tecumseh Power Units
72 Total Holmatro Tools including Rams / Combi Tools / Shears / Combi Tools / Foot Pumps / Long Ram Core / Combi Tool Core / Holmatro Power Packs / Holmatro Pumps

Positive Pressure Ventilation Fan (PPV):

15 (and one for parts): Supervac / LFI / Tempest / Ramfan

Saws

64 Stihl / Huskvarna / Partner / Cutters Edge / Jonsered / Echo / Dolmar

Generators

10 Kipor / Honda

Nozzles

338 - 1 ½" – Akron / TFT / Angus / Elkhart
152 - 2 ½" – Akron / TFT / Elkhart / POK