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Item No. 15.1.1
Halifax Regional Council
May 17, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Denise Schofield, Acting Chief Administrative Officer

DATE: April 7, 2022

SUBJECT: Award - 21-021 RFP – Supply and Deliver up to sixty (60), 40 Foot Battery Electric Transit Buses and Chargers

ORIGIN

The 2021-2022 Capital Budget approved the Project No. CV210011, Multi-Year Capital Projects.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39, subsection 79A(1) provides:

Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- (a) the expenditure is included in the Municipality’s operating budget or capital budget or is otherwise authorized by the Municipality;
- (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
- (c) the expenditure is legally required to be paid.

Administrative Order 2020-004-ADM, the *Procurement Policy*, subsection 28(1) provides:

28(1) The approval authority limits for the awarding of contracts are as follows:

Method	Manager	Director	CAO	Council
Competitive Procurement	Per delegation of authority from Director [not to exceed \$100,000]	\$100,000	\$1,250,000	Any amount

RECOMMENDATION

It is recommended that Halifax Regional Council award RFP 21-021 to the highest scoring proponent, Nova Bus Ltd., for the purchase of up to sixty (60) 40 ft battery electric buses and chargers, thirty (30) in 2022/23, and thirty (30) in 2023/24, for a total purchase of \$94,739,857 (net HST included) with funding from CV210011 – Multi Year Capital Projects (Electric Bus Procurement).

BACKGROUND

The approved 2022/23 Capital Budget includes approval of project no. CV210011, Electric Bus Procurement as a multi-year capital project. The scope of this project includes the replacement of sixty (60) existing diesel-powered buses that are at the end of their useful life, with sixty (60) zero emission battery electric buses. The procurement of the sixty (60) battery electric buses and chargers was tendered under tender no. 21-021.

DISCUSSION

Request for Proposal 21-021 for battery electric transit buses and chargers was issued and posted to the NS Tender/Procurement website on November 3rd, 2021 and closed on January 14th, 2022. The RFP called for the supply and delivery of up to sixty (60) battery electric buses and chargers.

Submissions were received from the following three proponents with the following meeting minimum technical requirements:

1. Nova Bus Ltd.*
2. New Flyer Industries

**Recommended proponent.*

A team consisting of staff from Halifax Transit, facilitated by Procurement, evaluated the proposals in five (5) key areas:

1. Technical compliance with the RFP
2. Reliability, Warranty and Quality
3. Operating
4. Bus Operations
5. Cost

A two-envelope process was used to evaluate the RFP responses; envelope one was the technical submission component of the RFP, with envelope two consisting of the lump sum project cost. Only those proponents that received 75% or better on the technical submission (52.5 points out of a maximum score of 70 points), had their project cost envelopes opened and evaluated.

FINANCIAL IMPLICATIONS

Funding in the amount of \$94,739,857 (net HST), is available in the Capital project CV210011- Electric Bus Procurement. The availability of the funds has been confirmed by Finance. This project includes the expansion of the Ragged Lake Transit Center to accommodate battery electric buses and anticipated future fleet growth, 60 replacement battery electric buses (BEB), charging infrastructure and Ragged Lake Transit Centre energy efficiency retrofits.

The funding for this project is cost shared, with the Federal Government providing 40% funding, the Provincial Government 33%, and HRM the remaining 27%.

The Capital Budget of \$105,000,000 was approved as a multi-year project on April 12, 2022 as part of the 2022/2023 Capital Budget which will be split over two years.

Budget Summary:	<u>Capital Account No. CV210011 (Electric Bus Procurement)</u>	
	Cumulative Uncommitted Budget Available	\$105,000,000
	Less: Tender No. 21-021	<u>\$94,739,857</u>
	Balance	\$10,260,143

*This project was estimated in the Approved 2022/2023 Capital Budget at \$95,905,000.00.

This project was part of Strategic Transit Projects – Rapid Transit Strategy and Electric Buses, approved by Regional Council on May 26, 2020.

Upfitting costs are included in the award amount for such things as Drivers Protection Barriers, manufacturer extended warranties (both Bus and battery), specialty tools, and training. A portion of the balance funds will also be used towards the Ragged Lake Transit Centre expansion and energy retro fit.

RISK CONSIDERATION

Given the global supply chain issues, there exists a low-level risk associated with the manufacturers ability to procure parts and equipment necessary for the assembly of these buses, which could lead to a delayed delivery schedule.

The older fleet of vehicles are costly to maintain, exhibit high downtime. and are less environmentally friendly than BEB's and procuring more diesel-powered buses to replace the aging fleet is in contradiction of our Halifax goals.

The recommended vendor, Nova Bus Ltd., is financially solvent, having operated in the province of Quebec since 1979, and have provided documentation within their submission to support this assertion. At present there are 255 Nova Bus vehicles in active service in the Halifax Transit fleet.

ENVIRONMENTAL IMPLICATIONS

The buses purchased through this contract will be used to immediately replace diesel vehicles that are at, and beyond, their useful life. Some of these vehicles currently in operation do not have diesel particulate filters or other modern emissions control systems, and as a result their replacement will result in a significant reduction in GHGs at an individual asset level.

In addition, as part of HRM's HalifACT commitment to a net-zero community by 2050. This is the first step towards the zero-emission target, as these vehicles are completely electric.

Halifax Transit is currently working towards a sustainable fuels strategy that is forecast to result in the total elimination of diesel-powered buses from the service in the long term, and this is the first phase of that target.

ALTERNATIVES

Regional Council could choose not award RFP 21-021 to Nova Bus Ltd., defer procurement recommendations, and retender the contract.

ATTACHMENTS

No attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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