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Item No. 12.2.4
Audit & Finance Standing Committee
June 21, 2023

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: -Original Signed-

Cathie O'Toole, Chief Administrative Officer

DATE: June 13, 2023

SUBJECT: Award - 23-057 Supply and Delivery of Driver Protection System (DPS)

ORIGIN

The 2023/24 Capital Budget was approved by Halifax Regional Council on April 25, 2023, including the approval of Project No. CV230001, Operator Safety Barriers.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39

79A (1) 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 One, the Procedures of Council Administrative Order, Schedule 2 - Audit and Finance Standing Committee Terms of Reference

8. The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

- (a) new programs or services not yet approved or funded;
- (b) programs or services that are being substantially altered;
- (c) proposed changes in any operating or project budget items;
- (d) the commitment of funds where there is insufficient approved budget;
- (e) new or increased capital projects not within the approved budget;
- (f) increases in project budget due to cost sharing; and
- (g) the creation or modification of reserves and withdrawals not approved in the approved budget.

RECOMMENDATIONS ON PAGE 2

RECOMMENDATION

It is recommended that Audit & Finance Standing Committee recommend that Regional Council:

1. Approve a transfer of \$1,021,683 (net HST included) from Project Account No. CM200006 Conventional Bus Replacement;
2. Approve a budget increase of \$1,021,683 (net HST included) to Project Account No. CV230001 Operator Safety Barriers;

BACKGROUND

The approved 2023/24 Capital Budget includes approval of Project No CV230001, Operator Safety Barriers. Halifax Transit installed shields as part of the response to COVID-19, but they were not intended to be a significant defence against violent incidents. These new safety barriers will have a fixed door incorporating a sliding two-piece glass system, designed to securely attach to the vehicle. These will prevent sudden intrusions into the Operator's area. This project is to improve Operator safety by retrofitting the Halifax Transit Fleet. The fleet retrofit was tendered under RFQ No. 23-057. The scope of the RFQ is the supply and Delivery of Driver Protection Systems (DPS) for 370 conventional transit buses.

DISCUSSION

There have been incidents of aggression against Operators that have resulted in Operators being assaulted and injured on the job. This is not specific to Halifax Transit; such incidents are on the rise throughout Canada. Halifax Transit is committed to improving the safety of employees, and as a result, has decided to retrofit the existing fleet with DPS.

RFQ No. 23-057 was publicly advertised on the Province of Nova Scotia's Procurement website on April 1, 2023, and closed on May 19, 2023. There was only one (1) qualified bidder.

The only bid meeting the required specifications as outlined in the RFQ is as follows:

Company	Price	Total Cost (Net HST Included)
NFI Parts (New Flyer Industries)	\$3,300,247	\$3,441,696

The amount of \$2,685,000 available in the account CV230001 (see Financial Implications section) was based on a previous quote from NFI and since then (due to market fluctuations), the prices have increased. The current available funds are not sufficient to cover this increase.

Project #CM200006, Conventional Bus Replacement account has available funds of \$1,021,683. Halifax Transit will not be utilizing these funds for bus replacement as the plan is to replace the aged fleet with a sustainable fuel type, which has allocated funds. Hence, the transfer of these funds will not result in any impact on conventional bus replacement.

The proposed work includes retrofitting the entire Halifax Transit fleet of buses with a Driver Protection System. The installation will be performed by Halifax Transit staff at both garage locations, utilizing the skills of Body Mechanics.

The DPS will be customized to Halifax Transit's Fleet. Staff expect the delivery of prototype units in fall 2023 with production units to follow in the winter 2023 and estimate the completion of installation by March 31, 2024.

Should these recommendations be approved by Audit and Finance Standing Committee, a separate report for contract award will be prepared for CAO approval.

FINANCIAL IMPLICATIONS

Based on the bid response to tender #23-057, the total required to procure 370 DPS units is \$3,441,696 (net HST), and funding in account CV230001 (Operator Safety Barriers) is insufficient. Staff request that all available funds from account CM200006 (Conventional Bus Replacement) be transferred to CV230001. A portion of the funds will cover the shortfall from the award of the RFQ and the remaining funds will be for contingency.

Budget Summary:	<u>Project No. CM200006 – Conventional Bus Replacement</u>	
	Cumulative Unspent Budget	\$1,021,683
	Less: Transfer to CV230001	<u>\$-1,021,683</u>
	Balance	\$0

Budget Summary:	<u>Project No. CV230001 – Operator Safety Barriers</u>	
	Cumulative Unspent Budget	\$2,685,000
	Plus: Approved Increase	\$1,021,683
	Less: RFQ No. 23-057 with Increase	<u>\$-3,441,696</u>
	Balance	\$264,987

* This project was estimated in the Approved 2023/2024 Project Budget at \$2,685,000

The balance of funds remaining will be used for contingency.

RISK CONSIDERATION

The intent of this project is to improve Operator safety and protection. By not approving the project, the risk of Operator injuries resulting from events of aggression from passengers may increase.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

As per the Social Value Questionnaire provided to procurement with the bid submission, the proposed proponent scored a 5/10.

ALTERNATIVES

The Audit & Finance Standing Committee could choose not to approve the funds' transfer. This is not recommended as it may result in proceeding with a reduced scope or cause delays in the project.

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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