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**Item No. 15.1.10**  
**Halifax Regional Council**  
**December 14, 2021**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
Denise Schofield, Acting Chief Administrative Officer

**DATE:** December 10, 2021

**SUBJECT:** **Winter Snow and Ice Control, Exercising of Contractually Defined Options**

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**ORIGIN**

This report relates to the service delivery of snow and ice control for streets, sidewalks, walkways, and trails within the Halifax Regional Municipality.

**LEGISLATIVE AUTHORITY**

**Halifax Regional Municipality Charter, Section 79A provides:**

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 2020-004-ADM, the Procurement Administrative Order, section 33 provides:**

33. (1) The exercising of any option under a contract is subject to the identification and availability of sufficient funds approved by Council through the business planning and budget process.

(2) Subject to alternate direction from Council at the time of contract award, the authority to exercise any contractually defined option, including an option to extend a contract, is as follows:

<b>Option Authority</b>	<b>Total Cost of Exercising Option</b>
Manager	\$10,000
Director	\$500,000
CAO	\$1,250,000
Council	Any Amount

**RECOMMENDATION ON PAGE 2**

## **RECOMMENDATION**

It is recommended that Halifax Regional Council delegate authority to the Executive Director of Transportation and Public Works to exercise any contractually defined options, including option years, for each of the following contracts:

1. 17-052 Winter Streets and Roads, Winter Sidewalk, Walkways, and Trails- Snow and Ice Control- PB#- Zone 2- Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas;
2. 19-025 WSZ3 Winter Streets and Roads Winter Sidewalk, Walkways & Trails- Snow & Ice Control- Bedford and Hammonds Plains Area;
3. 19-042 Winter Sidewalks, Walkways & Trails- Snow & Ice Control- Zone SWZ6B- Halifax Peninsula North; and
4. 19-043 Winter Sidewalks, Walkways & Trails- Snow & Ice Control- Zone SWZ7- Halifax Clayton Park, Fairview Area.

## **BACKGROUND**

There are four (4) existing contracts for Winter Snow and Ice Control for Sidewalks, Walkways and Trails within the Halifax Regional Municipality. The existing areas all have the option to extend option years as per their original award for which the option year awards have previously been approved. Contractually defined options, including the option to exercise option year extension require approval. The seasonality of snow and ice control services has a limited window to exercise contractually defined options which can cause significant delays for having contracts in place before the winter season, November 1 to May 15 begins.

## **DISCUSSION**

Snow and Ice contracts experience significant time constraints, substantially limiting the time in which the approval to exercise contractually defined options can be difficult to obtain in a timely manner. They are subject to Consumer Price Index (CPI) escalations for the year over year increase/decrease over time. The current CPI adjustments are based on the year over year figures which are not published until mid-October. Each contract clearly defines when a CPI escalation is applicable and which addition(s) it applies to, dependent on if the addition occurred during the previous or upcoming winter season.

Area addition and deletion adjustments are made to contracts throughout the year. A final reconciliation occurs in the months of May and June to capture changes that occur during the contract season. New infrastructure installed over the summer and fall, which will require winter maintenance for the upcoming season, is added to the contracts just prior to the start of each season. Information required for the confirmation of these changes is typically available in the month of October, following the completion of projects. The final figures are then available through the GIS system after the data has been uploaded. The GIS system information is then used for the final calculations for contract adjustments.

The authority to exercise contractually defined options is further subject to meeting the following requirements:

- There is a continued need for the services performed under this contract
- There are sufficient funds budgeted and available to exercise the option
- The Department making the request wishes to exercise the option
- The Contractor's performance has been satisfactory
- The contract includes options to support this request

Because of the value of these contracts, Council approval would typically be required in order to exercise any annual contract renewals. Section 33 of the Procurement Policy allows Council to delegate its authority "at the time of contract award". While these tenders were awarded in previous years a contract renewal is essentially a new award, thus it is still policy compliant for Council to delegate its authority at this time. The delegation of authority recommended in this report would only apply to the following existing contracts.

<b>Solicitation No.</b>	<b>Area</b>	<b>Tender Title</b>	<b>Vendor</b>	<b>Approval</b>
17-052	WSZ2	Winter Streets and Roads, Winter Sidewalk, Walkways, and Trails- Snow and Ice Control- PB#- Zone 2- Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas	Dexter Construction Company Limited	Item No. 14.1.1 Halifax Regional Council, June 20, 2017 report and minutes.
19-025	WSZ3	Winter Streets and Roads Winter Sidewalk, Walkways & Trails- Snow & Ice Control- Bedford and Hammonds Plains Area	Dexter Construction Company Limited	Item No. 15.1.4 Halifax Regional Council, June 4, 2019 report and minutes.
19-042	SWZ6B	Winter Sidewalks, Walkways & Trails- Snow & Ice Control- Zone SWZ6B- Halifax Peninsula North	Leahey's Landscaping	Item No. 15.1.4 Halifax Regional Council, June 4, 2019 report and minutes.
19-043	SWZ7	Winter Sidewalks, Walkways & Trails- Snow & Ice Control- Zone SWZ7- Halifax Clayton Park, Fairview Area	Leahey's Landscaping	Item No. 15.1.4 Halifax Regional Council, June 4, 2019 report and minutes.

See footnote 1 for solicitation 17-052 approval<sup>1</sup> and footnote 2 for solicitation approval<sup>2</sup> of 19-025, 19-042, and 19-043.

### **FINANCIAL IMPLICATIONS**

Council has previously approved the awards for the listed contracts including the option years which are subject to Consumer Price Index (CPI) adjustments resulting in no change to the original bids amounts, and therefore option year value adjustments. This is solely to delegate authority to the Executive Director of Transportation & Public Works to exercise the options for contractually defined option years. There are no changes to the original award values.

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this report. To reach this conclusion, consideration was given to financial, legal and compliance, and service delivery risks.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

<sup>1</sup> See [Halifax Regional Council, June 20, 2017, Item 14.1.1 Report](#) and [Minutes](#)

<sup>2</sup> See [Halifax Regional Council, June 4, 2019, Item 15.1.4 Report](#) and [Minutes](#)

**ALTERNATIVES**

Regional Council could choose not to approve the recommendation. This would result in delays in the execution of contract renewals subject to the current requirements to exercise contractually defined options.

Regional Council could directly exercise the option to renew the four contracts and not delegate any authority to the Executive Director of Transportation & Public Works. This would result in staff returning to Council in future years should any further contract renewals be required.

**ATTACHMENTS**

No attachments.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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