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**Item No. 15.1.5**  
**Halifax Regional Council**  
**November 22, 2022**

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

**SUBMITTED BY:** Original Signed

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Denise Schofield, Acting Chief Administrative Officer

**DATE:** November 14, 2022

**SUBJECT:** **New Procurement Policy, Administrative Order 2022-012-ADM**

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### **ORIGIN**

Procurement Policy review and the need for revisions to existing Procurement Policy (Administrative Order 2020-004-ADM):

### **LEGISLATIVE AUTHORITY**

#### **Halifax Regional Municipality Charter**

**35(2)(d)(i)** The Chief Administrative Officer may subject to policies adopted by the Council, make or authorize expenditures, and enter into contracts on behalf of the Municipality, for anything required for the Municipality where the amount of the expenditure is budgeted or within the amount determined by the Council by policy, and may delegate this authority to employees of the Municipality,

**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.

**111(5)** The Municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the end of the current fiscal year.

#### **Public Procurement Act**

**12(1)(a)** A public sector entity shall publicly tender for all goods, services, construction and facilities in accordance with the applicable regional, national or international trade agreements by public advertisement on the procurement web portal;

**12(1)(m)** A public sector entity shall adopt or adapt its procurement policies to be consistent with the requirements of this Act.

**12(3)** When evaluating a bid, the public sector entity shall obtain best value and is not limited solely to purchase price and life-cycle cost considerations, but may also consider environmental and social factors, delivery, servicing and capacity of the bidder to meet criteria as stated in the bid received.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Repeal Administrative Order #2020-004-ADM – the Procurement Policy;
2. Repeal the *Changes to Cost Sharing for Capital Projects Policy*;
3. Adopt Administrative Order 2022-012-ADM as set out in Attachment 1 to establish a new Procurement Policy for the Municipality.

## **BACKGROUND**

- HRM's current Procurement Policy (Administrative Order # 2020-004-ADM) was approved by Halifax Regional Council on July 7, 2020.
- Appendix A and Appendix B, the Supplier Code of Conduct (including Living Wage requirements) and the Social Value Framework were approved by Halifax Regional Council on September 29, 2020, with an effective date of April 1, 2021.
- The previous titles of "Director" and "Manager" were changed to "Executive Director" and "Director" respectively on April 1, 2021
- The current organizational structure including the creation of two (2) Deputy CAO positions was announced on October 27, 2021

## **DISCUSSION**

The current Procurement Administrative Order is consistent with the requirements of the Nova Scotia Public Procurement Act and applicable trade agreements (i.e., CFTA and CETA) regarding the procurement of goods, services and construction. A number of revisions are required in order to recognize recent changes made to HRM's administrative structure; to adopt gender neutral language; to reduce "red tape" for bidders and HRM staff; and to provide for clearer and more adaptive approval processes. The proposed amendments aim to balance efficiency with accountability in accordance with industry best practices.

Due to the number of edits, the current Administrative Order must be repealed and replaced. The new Administrative Order will, however, remain substantially similar in structure and content.

### **Summary of key improvements to the existing Procurement Policy**

**Interpretation:** Definitions have been amended to correspond with the current titles of Deputy CAO, Executive Director, and Director. A definition of the Auditor General (AG) has been added. Since the AG does not report to the CAO, the Policy needs to recognize their authority under the Procurement Policy as an autonomous department which reports directly to Halifax Regional Council.

**Gender Neutral Pronouns:** The proposed policy replaces his and her pronouns with gender neutral pronouns, recognizing the diversity of HRM staff and our communities.

**Pre-Requisites to Award a Contract:** The prerequisites to award a contract have been amended to align

with Section 79A of the HRM Charter. Under the Charter, expenditures in any given fiscal year must explicitly be provided for in an operating or capital budget with limited exceptions. Making this change will help ensure fiscal accountability in compliance with the statutory requirements. It will also facilitate and guide unique procurement activities such as *advance capital tendering*. Identifying the applicable section of the Charter allows the Policy to maintain alignment with the Charter if the Charter is amended in the future.

**Multi-year contracts:** The proposed policy acknowledges that the municipality routinely enters into contracts with commitments extending beyond the current fiscal year. The policy proposes that the CAO be authorized to award such contracts if the amounts are included in Council's approved multi-year capital plan or, if they are operating in nature, to a maximum of \$5 million and a 5-year term. Corresponding edits have been made to the Requisition section of the policy to authorize business units to commence the procurement process for multi-year projects, subject to similar constraints.

**Cost sharing:** Numerous municipal projects involve the contribution of funding (aka "cost-sharing") from third parties, including the federal and provincial governments. The proposed policy makes clear that cost sharing commitments from third parties must be confirmed in writing by the business unit responsible for the project prior to the award of any contract where the projected funding for the purchase is contingent on the receipt of such cost sharing. The policy authorizes the CAO, DCAO, Executive Directors and Directors to approve and sign such cost sharing agreements as necessary, consistent with other authority limits in the policy.

Occasionally, third-party requires or results in an increase to the scope of a previously approved project and project budget. In such circumstances (except for cost sharing from Halifax Water for integrated projects) the policy proposes that Council approval be required if the cost sharing agreement will increase the project budget or multi-year capital plan by more than \$1 million. With these changes to the Procurement Policy, the *Cost Sharing for Capital Projects Policy* adopted by Council in 2007 will then be redundant and can be repealed.

### **Authority Limits**

**CAO:** The proposed policy allows the CAO to approve most Procurement contract awards. The CAO's authority in the current policy is limited to \$1,250,000. This amendment is recommended as appropriate for the following reasons:

- recognizes that Halifax Regional Council has approved the current fiscal year's capital and operating budgets, as well as the multi-year capital plan, before a solicitation is issued.
- mitigates the risk of perception of political influence in the award process, as experienced by other jurisdictions such as the Government of Canada (Gomery Commission, Charbonneau Commission, WE Scandal etc), City of Toronto (Toronto Computer Leasing Inquiry), City of Brampton (Consulting Services Inquiry) and others.
- recognizes that the courts generally treat contract award decisions as administrative in nature (i.e., limited discretion to by-pass low-bidder or highest-scoring proponent).
- recognizes that most awards that are currently presented to Regional Council are approved via the consent agenda
- allows for more effective use of the staff time currently required to draft Council recommendations and appear before Council
- allows for speedier approvals of procurement awards which, based on vendor feedback, could result in lower priced or better value bids
- recognizes HRM Charter Section 35(2)(d)(i) which contemplates that the CAO can authorize and enter into all contracts as long as the amount of the expenditure is budgeted or within the amount determined by the Council by policy.
- reflects the outcome of a scan of the award authority for policy compliant and fully budgeted awards in Canadian jurisdictions with similar populations or total budgets, including Brampton, ON (pop 663K), Winnipeg, MB (pop 757K), Hamilton, ON (pop 776K), Mississauga, ON (pop 878K).

Councillors will continue to receive weekly notices of awards made by the CAO and the quarterly Procurement Award report to Regional Council as required by the policy.

**Deputy CAO:** The proposed policy recognizes the DCAO role created in 2021 and relieves some administrative burden for routine awards from the CAO. The proposed policy allows a DCAO to approve procurement contract awards valued up to \$1,000,000.

**Executive Director:** The proposed policy authorizes Executive Directors to approve procurement contract awards up to \$500,000 (currently \$100,000) This proposed amendment increases the accountability of the Executive Director over their Council approved budgets and the actions of their departments. Given the controls embedded in Council's approved Fiscal and Procurement policies there is very little risk in this approach, relieving HRM of some of the inefficiencies related to our current award processes.

In all cases, any award that exceeds the Council approved Project budget or requires an increase or adjustment to HRM's fiscal budget continues to require Audit & Finance Standing Committee and Halifax Regional Council approval.

**Contract Amendments:** The current policy requires cumulative amendments exceeding the greater of \$20,000 or 20% of the originally approved contract to be approved by Regional Council. The proposed Policy allows the CAO to approve all amendments that do not exceed the applicable Project budget but continues to require the CAO to report all amendments exceeding the greater of \$20,000 or 20% to the next sitting of the Audit and Finance Committee. The existing requirement is based on the 2015 Auditor General report on the Washmill Lake underpass project. Since 2015, other mechanisms have been put in place to mitigate project scope-creep risks including the requirement to get approval of project budget increases from the Audit & Finance Standing Committee and Regional Council.

Business Units who are accustomed to the contract amendment process have shared that commercial reality does not allow them to shut down projects for 3 to 6 weeks in order for staff to draft and present a report seeking Regional Council approval if a contract amendment exceeds 20%. Staff have sometimes had to seek Council approval for amendments totaling mere hundreds of dollars even though there was ample project budget remaining. In the meantime, the work has to be done for reasons such as safety and schedule.

The proposed policy recognizes that Council should be informed when Contract amendments are growing and therefore the policy still requires reporting of those amendments currently approved by Council. The CAO also has the option of declining approval of a contract amendment and forwarding the decision to Regional Council. As with contract awards, any contract amendment that exceeds the Council approved Project budget, requires an increase, or adjustment to the HRM's fiscal budget continues to require Audit & Finance Standing Committee and Regional Council approval.

**Contract Options and Terminations:** The proposed policy allows the CAO to approve the exercising of Contract options (provided sufficient funds are budgeted) and to approve the termination of a contract of any value. Currently the CAO's authority is limited to \$1,250,000.

The proposed Policy requires any options to be defined in the contract and that the value of the options be considered in the posting of the solicitation and the approval of the award. Therefore, exercising options to extend a contract or purchase optional goods and services already considered in the contract should be considered as a contract management/administrative function.

Contract terminations are occasionally required for a variety of reasons. The policy requires consultation with Legal Services and Procurement prior to any contract termination.

**Contract Assignments:** The proposed policy contemplates that the Director of Procurement (in consultation with an Executive Director, DCAO or CAO) may assign or consent to the assignment of any

procurement contract. The current policy requires Regional Council to approve all contract assignments exceeding \$1,250,000.

Many requests for contract assignments are the result of supplier mergers/acquisitions/corporate reorganizations. In most instances HRM's consent cannot be unreasonably withheld – although HRM can and does conduct due diligence prior to providing its consent. The assignment of a contract does not change the obligations of the supplier nor HRM's contractual rights – only the legal parties to the contract.

**Exemptions (Appendix A):** Appendix A of the policy lists those expenditures that are exempt from public tendering obligations. The proposed policy has been amended to recognize the new role of DCAO, the need for the CFO/Executive Director of Finance to approve payments to entities such as Nova Scotia Power, the Government of Canada, Halifax Water, and the Province of Nova Scotia. The approval authorities of Appendix A have been amended to reflect the constraints of the HRM Charter more closely.

**Supplier Code of Conduct (Living Wage):** The proposed policy continues to require certain suppliers to pay their employees a living wage. The current policy says that the living wage rate shall be as defined, calculated, and published by Living Wage Canada. The proposed policy replaces the reference to Living Wage Canada with a reference to the Canadian Council for Policy Alternatives (CCPA). Living Wage Canada has ceased their independent publication of the Halifax Living Wage and has instead referred parties to the CCPA via their website. The CCPA, in collaboration with the NB Human Development Council calculates and publishes annual living wages for Atlantic Canada, including Halifax, and maintains their reports on their own website.

## **FINANCIAL IMPLICATIONS**

The Procurement Policy provides:

1. Direction for the expenditure of funds to complete the programs approved by Halifax Regional Council in the operating and capital budget, and planning processes.
2. A fair, open, consistent, and transparent process for the procurement of goods, services, and construction in an attempt to achieve best value for the Municipality.
3. Consideration of the total cost of purchasing goods, services, and construction rather than limiting considerations to lowest invoiced price.
4. Use of procurement methods that are consistent with the Nova Scotia Public Procurement Act and encourage competitive bidding, and a strategic and sustainable approach to public sector procurement. All of these objectives (outcomes) ensure HRM is receiving best value for taxpayers.

There are no financial implications related to the information in this report.

## **RISK CONSIDERATION**

Internal controls reflecting past Auditor General recommendations have been put in place. There are no additional risks identified.

## **COMMUNITY ENGAGEMENT**

The construction industry has advised HRM staff that it is challenging for suppliers to hold their pricing for 90 days (due to inflation, supply chain issues, etc.). Some of the proposed amendments to the policy could facilitate shortened bid validity periods and speedier approval processes, which could potentially result in lower prices or better value bids.

## **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

## **ALTERNATIVES**

Regional Council could choose to:

1. Approve the Policy with different approval limits for one or all of the following:
  - a) Awards
  - b) Contract Amendments
  - c) Contract Options
  - d) Contract Termination
  - e) Contract Assignments
  - f) Cost Sharing Agreements
  
2. Direct the CAO to have staff calculate HRM's living wage or assign that function to a local third party based on the "Canadian Living Wage Framework" which draws on Stats Canada for inputs. This is already done by CCPA, so may be duplicating already available information.

## **ATTACHMENTS**

Attachment 1 - Proposed Administrative Order 2022-012-ADM, The Procurement Administrative Order

Attachment 2 – Administrative Order 2020-004-ADM Procurement Administrative Order (showing proposed changes)

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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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**ADMINISTRATIVE ORDER 2022-012-ADM**  
**PROCUREMENT ADMINISTRATIVE ORDER**

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**ADMINISTRATIVE ORDER NUMBER 2022-012-ADM  
PROCUREMENT ADMINISTRATIVE ORDER**

**BE IT RESOLVED, as an Administrative Order of the Council of the Halifax Regional Municipality, as follows:**

**Short Title**

1. This Administrative Order may be cited as Administrative Order Number 2022-012-ADM, the *Procurement Policy*.

**Purposes**

2. The purposes of this Administrative Order are to:

(a) provide for the procurement of Goods, Services and Construction by the Municipality in a fair, open, consistent and transparent manner resulting in Best Value;

(b) promote procurement processes and decisions that are consistent with the strategic goals and objectives of the Municipality;

(c) provide for sustainable procurement by integrating environmental, economic and social considerations in the procurement process;

(d) maintain ethical business practices;

(e) respect regional, national and international trade agreement obligations and other applicable legislation; and

(f) encourage competitive bidding for the supply of Goods, Services and Construction.

**Interpretation**

3. In this Administrative Order,

(a) “Agent” means a person or entity expressly appointed through a written contract with the Municipality to purchase Goods, Services or Construction on behalf of the Municipality;

(b) “Alternative Procurement” means a procurement method whereby the Municipality contacts a supplier or suppliers of its choice;

(c) “Award” means the decision of the Municipality to enter into a contract for Goods, Services or Construction with a particular supplier;

(d) “Best Value” means the bid that is determined by the Municipality to be in the Municipality’s best interests, taking into account not only purchase price and life cycle cost considerations, but also taking into account items such as environmental and social

considerations, delivery, servicing, past experience, past performance, and any other criteria or factors stated in the call for bids;

(e) “Buying Group” means a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process. Buying groups include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the Buying Group administers procurement for group members. Buying Groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations;

(f) “CAO” means the Chief Administrative Officer of the Municipality;

(g) “Competitive Procurement” means a procurement method whereby all interested suppliers may submit a bid;

(h) “Construction” means the construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work, excluding professional consulting services related to the construction contract unless they are included in the procurement;

(i) “Council” means the Council of the Municipality;

(j) “DCAO” means a Deputy Chief Administrative Officer;

(k) “Department” means a department of the Municipality’s administration designated as such by the CAO, and for greater certainty includes Halifax Regional Police and Halifax Regional Fire & Emergency;

(l) “Director” means a person other than an Executive Director who has a managerial role within a Department (e.g. Director, Managing Director, Deputy Chief, Team Lead, etc.) and a direct reporting relationship to the Executive Director of that Department or to the CAO;

(m) “Executive Director” means the Executive Director of a Department, and for the purposes of this Administrative Order, the Chief of Police, and the Chief of Fire and Emergency Services;

(n) “Goods” means materials, furniture, merchandise, equipment, stationery and other supplies required by the Municipality for the transaction of its business and affairs, including services that are incidental to the provision of such supplies;

(o) “Low Value Purchase” means the procurement of Goods, Services or Construction valued at less than \$10,000;

- (p) “Municipality” means the Halifax Regional Municipality;
- (q) “Notice of Intended Procurement” means a notice published by the Municipality inviting interested suppliers to submit a bid, a response to a request for supplier prequalification, or both;
- (r) “Personal Services Contract” means an agreement, whether or not in writing, establishing an employment relationship between an individual and the Municipality and includes an amendment or extension of such agreement;
- (s) “Procurement Manual” means the processes, protocols, and best practices document maintained by the Procurement Section;
- (t) “Procurement Section” means the organizational unit within the Municipality responsible for managing the procurement of Goods, Services and Construction for the Municipality;
- (u) “Procurement Web Portal” means the public procurement website maintained and operated by the Government of the Province of Nova Scotia;
- (v) “Requisition” means a request made to the Procurement Section:
- (i) to purchase Goods, Services or Construction;
  - (ii) to create a Standing Offer for future purchases;
  - (iii) to make a draw from a Standing Offer; or
  - (iv) to obtain Goods from inventory that have already been purchased by the Municipality.
- (w) “Roster” means a list of suppliers that the Municipality has determined satisfy the conditions for participation in that list, and that the Municipality intends to use more than once;
- (x) “Services” means services required by the Municipality for the transaction of its business and affairs, excluding services provided by an employee of the Municipality through a Personal Services Contract;
- (y) “Standing Offer” means a continuous offer from a pre-approved supplier to supply Goods, Services or Construction to the Municipality at specific prices for a specific period of time, when and if required by the Municipality;

## **GENERAL**

### **Application**

4. (1) Subject to section 5, this Administrative Order shall apply to the procurement of Goods, Services and Construction by the Municipality.

(2) An individual Member of Council has no authority under this Administrative Order, including no authority to award a contract, or to settle a supplier performance dispute such as whether the Municipality disqualifies or suspends a supplier from bidding on a Municipal procurement.

(3) For the purposes of this Administrative Order, the Office of the Auditor General is deemed a Department, and the Auditor General is deemed to have the same authority as the CAO with respect to purchases for the Office of the Auditor General.

### **Exemptions**

5. The expenditures listed in Appendix A are exempt from sections 12 through 39 of this Administrative Order.

### **Purchases by Agents**

6. (1) Agents are exempt from the application of this Administrative Order but are required to comply with the *Public Procurement Act* and the terms and conditions of the Agent's written contract with the Municipality when making purchases on behalf of the Municipality.

(2) No person or entity shall purchase Goods, Services or Construction on behalf of the Municipality unless expressly appointed as Agent in a written contract with the Municipality.

### **Calculation of Contract Amounts**

7. Contract amounts referenced in this Administrative Order shall be construed to be the sum of all costs for the duration of the contract plus all applicable net taxes, less all rebates.

### **Conflict**

8. Where there is a conflict with the application of this Administrative Order and the *Public Procurement Act* and the regulations thereunder, the Act and its regulations shall prevail.

## **RESPONSIBILITIES**

### **Chief Administrative Officer**

9. The CAO may authorize additional procedures and protocols not inconsistent with this Administrative Order and may delegate their authority under this Administrative Order to employees.

## **Departments**

10. Each Department shall be responsible for:

- (a) identifying and initiating procurement activities within their Department;
- (b) complying with this Administrative Order, the Procurement Manual and other procurement procedures established by the Procurement Section;
- (c) facilitating, where applicable, cost sharing commitments from third parties;
- (d) procurement of Low Value Purchases;
- (e) monitoring, managing and enforcing contracts requisitioned by their Department; and
- (f) ensuring the specific objectives of contracts requisitioned by their Department are achieved.

## **Procurement Section**

11. The Procurement Section shall be responsible for:

- (a) facilitating the procurement of Goods, Services and Construction according to this Administrative Order;
- (b) establishing, maintaining and publishing the Procurement Manual and other appropriate procurement procedures consistent with this *Administrative Order*, the *Public Procurement Act*, applicable trade agreements, and the Province of Nova Scotia's *Construction Contract Guidelines*;
- (c) providing advice to the Municipality regarding appropriate procurement strategies;
- (d) approving and maintaining the Municipality's standard terms for contracts for Goods, Services and Construction, in consultation with Legal Services;
- (e) collaborating with Departments to consider contract and risk management practices in the procurement cycle, and to combine requirements where possible to achieve efficiencies and reduce costs to the Municipality;
- (f) administering each call for bids and ensuring the fair evaluation of bids;
- (g) facilitating the negotiation, if required, of terms and conditions of contracts for Goods, Services and Construction;
- (h) administering contracts for Goods, Services and Construction; and

(i) monitoring compliance with this Administrative Order and notifying Executive Directors of non-compliance with it.

**INITIATING PROCUREMENT**

**Requisitions**

12. (1) Subject to subsections (2) and (3), when a Department requires Goods, Service or Construction it shall submit a Requisition to the Procurement Section.

(2) A Requisition is not required for Low Value Purchases.

(3) A Department shall not submit a Requisition unless:

(a) it relates to a proposed capital or operating expenditure within the current fiscal year and the funds are clearly identified in a Council approved budget;

(b) it relates to a proposed multi-year capital expenditure and the projected funding is clearly identified in the Council approved multi-year capital plan;

(c) it relates to a proposed multi-year operating expenditure consistent with approved program deliverables; or

(d) Council has otherwise authorized the Requisition.

**Authority to Make a Requisition**

13. (1) The authority to make a Requisition is as follows:

<b>CAO</b>	<b>DCAO</b>	<b>Executive Director</b>	<b>Director</b>	<b>Employee</b>
Any amount	Any amount within the DCAO's approved Departmental budgets	Any amount within the Executive Director's approved budget	Per delegation of authority from Executive Director	Per sub-delegation of authority from Director

(2) The Procurement Section shall maintain a list of all delegations and sub-delegations of Requisition authority submitted by an Executive Director or Director pursuant to subsection (1).

**Notice of Intended Procurement**

14. (1) Subject to subsection (2), the Procurement Section shall publish a Notice of Intended Procurement for each procurement opportunity, including requests for supplier prequalification, on the Procurement Web Portal.

(2) The Procurement Section is not required to publish a Notice of Intended Procurement for:

(a) Procurement opportunities valued at less than the thresholds set out in applicable trade agreements (unless the Procurement Manual includes any more stringent thresholds or requirements);

(b) Procurement opportunities offered to prequalified suppliers on a Roster; and

(c) Procurement opportunities where the procurement will be conducted using Alternative Procurement.

## **PROCUREMENT METHODS**

### **Competitive Procurement**

15. Subject to sections 16 to 20, Competitive Procurement shall be used for procurement of all Goods, Services and Construction.

### **Alternative Procurement**

16. (1) For procurement opportunities that do not exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, subject to any restrictions or requirements set out in the Procurement Manual.

(2) For procurement opportunities that exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, provided that it is not done for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any jurisdiction covered by an applicable trade agreement, in the following circumstances:

(a) if:

(i) no bids were submitted or no suppliers requested participation;

(ii) no bids that conform to the essential requirements of the call for bids were submitted;

(iii) no suppliers satisfied the conditions for participation; or

(iv) the submitted bids were collusive,

provided that the requirements of the call for bids are not substantially modified;

(b) if the Goods, Services or Construction can be supplied only by a particular

supplier and no reasonable alternative or substitute Goods, Services or Construction exist for any of the following reasons:

- (i) the requirement is for a work of art;
  - (ii) the protection of patents, copyrights, or other exclusive rights;
  - (iii) due to an absence of competition for technical reasons;
  - (iv) the supply of Goods, Services or Construction is controlled by a supplier that is a statutory monopoly;
  - (v) to ensure compatibility with existing Goods, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative;
  - (vi) work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
  - (vii) work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or
  - (viii) the procurement is for subscriptions to newspapers, magazines, or other periodicals;
- (c) for additional deliveries by the original supplier of Goods, Services or Construction that were not included in the initial procurement, if a change of supplier for such additional Goods, Services or Construction:
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and
  - (ii) would cause significant inconvenience or substantial duplication of costs for the Municipality;
- (d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Municipality, the Goods, Services or Construction could not be obtained in time using Competitive Procurement;
- (e) for Goods purchased on a commodity market;
- (f) if the Municipality procures a prototype or a first Good or Service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first Good or Service may include

limited production or supply in order to incorporate the results of field testing and to demonstrate that the Good or Service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;

(g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;

(h) if a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organized in a manner that is consistent with the principles of applicable trade agreements, in particular relating to the publication of a Notice of Intended Procurement; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; or

(i) if Goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through Competitive Procurement could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

### **Supplier Prequalification & Rosters**

17. (1) The Procurement Section may limit bids to prequalified suppliers, either through the use of Rosters or through multi-stage procurement opportunities.

(2) The Procurement Section shall allow all prequalified suppliers to participate in a particular procurement, unless the Procurement Section states in the request for supplier prequalification any limitation on the number of suppliers that will be permitted to submit bids and the criteria for selecting the limited number of suppliers.

(3) A request for supplier prequalification inviting interested suppliers to apply for inclusion on a Roster shall be published in a Notice of Intended Procurement at least every 3 years on the Procurement Web Portal and shall include:

(a) the criteria that will be used to prequalify suppliers, unless those requirements are included in the qualification documentation;

(b) a statement that only the suppliers on the Roster will receive further notices of procurement opportunities covered by the Roster; and

(c) the period of validity of the Roster.

### **Buying Groups**

18. (1) Subject to subsections (2) and (3), the Procurement Section may establish or take part in Buying Groups, including those formed by the Province of Nova Scotia, the Government of Canada or any other public sector entity or private sector entity.

(2) The Procurement Section shall publish a notice of the Municipality's participation in a Buying Group at least annually on the Procurement Web Portal. Such notice shall direct potential suppliers to the Buying Group tender notices website if it is different from the Procurement Web Portal.

(3) Any agreements required to formalize the Municipality's participation in a Buying Group shall be approved and signed by the Director of Procurement.

### **Standing Offers**

19. (1) The Procurement Section may establish Standing Offers using Competitive Procurement, Alternative Procurement or through participation in a Buying Group.

(2) In issuing a call for a Standing Offer, the Procurement Section shall indicate how subsequent purchases will be made from a supplier under a Standing Offer.

(3) The Director of Procurement may negotiate and make modifications to a Standing Offer that they determine to be in the best interests of the Municipality, such as adding or deleting items or extending the duration of a Standing Offer.

(4) For the purposes of contract award, the total estimated value of the Standing Offer including options shall be used to determine the appropriate approval authority.

(5) Individual draws from a Standing Offer shall be approved by an Executive Director.

(6) An Executive Director may delegate their authority under subsection (5), and a list of such delegations shall be provided to and maintained by the Procurement Section.

(7) Draws from a Standing Offer must comply with the requirements of section 79A of the *Halifax Regional Municipality Charter* regarding municipal expenditures;

(8) Where the Procurement Section has established a Standing Offer for Goods, Services or Construction, it shall be mandatory to use the Standing Offer for the purchase of such Goods, Services or Construction.

### **Low Value Purchases**

20. (1) If a Standing Offer is not applicable, Departments may make Low Value Purchases of Goods, Services and Construction by employing one of the acceptable procurement methods set out in the following table:

Amount	Acceptable Procurement Methods
< \$1,000	<ul style="list-style-type: none"> <li>• One or more quotes</li> </ul>
\$1,000 to \$10,000	<ul style="list-style-type: none"> <li>• Request two or more quotes</li> <li>• Competitive Procurement</li> <li>• Alternative Procurement</li> </ul>

(2) Low Value purchases may be paid with petty cash or using a Purchasing Card in compliance with the HRM Purchasing Card Policy & Procedure.

**SOCIAL PROCUREMENT**

**Social Procurement**

21. (1) When making Low Value Purchases or when conducting invitational calls for bids, staff will, where feasible, invite at least one diverse or social enterprise supplier to submit a bid.

(2) In each call for bids the Procurement Section and the Department responsible for the purchase shall, in accordance with the Social Value Framework set out in Appendix B, include evaluation criteria and/or contract requirements that aim to achieve social value or social impacts such as:

- (a) supplier diversity (i.e. opportunities for diverse suppliers including suppliers owned, operated by, or employing African Nova Scotians, Indigenous peoples, people with disabilities and/or other traditionally underrepresented groups);
- (b) workforce development (i.e. offering apprenticeships, skills training and/or other developmental support to employees, subcontractors and/or volunteers);
- (c) fair wage/living wage;
- (d) community benefits;
- (e) environmental benefits;
- (f) socially responsible production; and
- (g) advanced health and safety practices.

(3) In each call for bids, the Procurement Section shall include terms that require bidders to comply with the Supplier Code of Conduct (including the Living Wage requirements therein) as set out in Appendix C.

**EVALUATING BIDS AND AWARDING CONTRACTS**

### **Openings**

22. (1) Bids will be accepted in accordance with the closing time and date stipulated in the call for bids.

(2) The Director of Procurement may conduct public openings at their discretion.

### **Bids to be in Writing**

23. (1) Subject to subsection (2) the Municipality shall only consider bids that are submitted in writing.

(2) The Municipality may consider verbal bids for Low Value Purchases

### **Evaluation Criteria**

24. (1) Bids will be evaluated in accordance with the evaluation criteria published in the call for bids.

(2) The Procurement Section shall ensure that each call for bids includes appropriate evaluation criteria to ensure the Municipality achieves Best Value.

### **Fairness Monitors**

25. The Municipality may engage the services of a fairness monitor to monitor and report on the fairness of a particular procurement.

### **Pre-requisites to Awarding of Contracts**

26. (1) The following pre-requisites shall apply to the approval of any contract award:

(a) the purchase must comply with the requirements of section 79A of the *Halifax Regional Municipality Charter* regarding municipal expenditures;

(b) the Goods, Services or Construction being purchased shall be consistent with the approved program deliverables;

(c) if projected funding for the purchase is contingent on the receipt of cost sharing from third parties, such cost sharing commitments must be confirmed in writing; and

(d) the purchase shall be compliant with this Administrative Order, the Procurement Manual, and any other applicable policies, legislation and trade agreements.

(2) Any award requiring the approval of a DCAO or the CAO or Council requires a recommendation report and any such report shall:

- (a) be prepared by the Department that initiated the procurement;
- (b) be reviewed by the Procurement Section to ensure that the procurement has been conducted in accordance with applicable policies, legislation, trade agreements and ethical business practices;
- (c) provide details of the recommended purchase and describe the method of procurement used; and
- (d) be signed by the appropriate Executive Director and forwarded to the DCAO, CAO or Council for approval.

**Determination of Best Value**

27. (1) Unless the Municipality determines that it is not in the public interest to award a contract, the Municipality shall award the contract to the supplier whose bid the Municipality has determined represents Best Value.

(2) If the Municipality receives a bid from a supplier with a price that is abnormally lower than the prices in other submitted bids, the Procurement Section may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

(3) In the case of a tie bid, the Director of Procurement may request the tied suppliers to submit a best and final offer, and if a tie bid still occurs, Best Value may be determined on the basis of a coin flip.

**Award Authority**

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

<b>Method</b>	<b>Director</b>	<b>Executive Director</b>	<b>DCAO</b>	<b>CAO</b>	<b>Council</b>
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Competitive or Alternative Procurement	Per delegation of authority from Executive Director [not to exceed \$500,000]	\$500,000	\$1,000,000	Any amount	Any amount

<b>Method</b>	<b>Director</b>	<b>Executive Director</b>	<b>DCAO</b>	<b>CAO</b>	<b>Council</b>
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Establishment of Standing Offer	\$5,000,000  (Director of Procurement only)	\$5,000,000  (Executive Director of Finance and Asset Management only)	\$5,000,000  (DCAO of Corporate Services only)	Any amount	Any amount

(2) Notwithstanding the approval authority limits listed in subsection (1):

(a) a contract award must be forwarded to Council for approval if:

(i) the award commits the Municipality to making capital expenditures in a future fiscal year and exceeds the amounts allocated for the project in Council's multi-year capital plan;

(ii) the award commits the Municipality to making operating expenditures in a future fiscal year and exceeds either \$5,000,000, or a term of 5 years;

(iii) there is legislative requirement for Council to approve the award; or

(iv) the CAO is of the opinion that the award is a matter best dealt with by Council.

(b) a contract award must be reviewed by Legal Services and forwarded to the CAO or Council for approval where the proposed supplier is not the lowest-priced or highest-scoring supplier;

(c) the CAO may delegate their authority to a DCAO or an Executive Director if:

(i) prior to Requisition, the DCAO or Executive Director prepares a report for the CAO recommending the purchase and receives written approval from the CAO to make the purchase;

(ii) the award is the result of Competitive Procurement;

(iii) the value of the contract to be awarded does not exceed 110% of the estimated value of the contract as reported to and approved by the

CAO in accordance with sub-clause (i); and

(iv) the proposed supplier is the lowest-priced or highest-scoring supplier.

**Signing Authority**

29. (1) The following pre-requisites apply to the execution of any procurement contract on behalf of the Municipality:

(a) the award of the contract must be approved in accordance with the authorities set out in section 28 of this Administrative Order; and

(b) for all contracts (except Low Value Purchases), the contract terms and conditions must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

(2) The authority to execute procurement contracts on behalf of the Municipality is as follows:

<b>Position</b>	<b>Signing Authority</b>
CAO	Any contract
Director of Procurement	Any contract where the supplier is bound to the Municipality's standard terms & conditions
DCAO or Executive Director	Any contract where the award has been approved by the DCAO or Executive Director or by an employee in the Executive Director's Department.
Director	Per delegation of authority from their Executive Director

(3) The CAO may set further conditions or procedures and make further delegations regarding signing authority provided that such conditions, procedures and delegations are not inconsistent with this Administrative Order.

(4) An Executive Director may delegate to one or more Directors in their Department, the authority to execute contracts provided that:

(a) the Procurement Section is given a list of such delegations showing the delegate's name and amount that they have been delegated; and

(b) the amount of the delegation is no greater than the Executive Director's award authority pursuant to section 28.

**Publishing of Bid Results**

30. For contracts exceeding the thresholds set out in applicable trade agreements, the Procurement Section shall publish a notice of contract award on the Procurement Web Portal no later than 72 days after the date the contract was awarded. The information

shall remain readily accessible for a reasonable period of time. The notice of award shall include at least the following:

- (a) a description of the Goods, Services or Construction procured;
- (b) the name and address of the Municipality;
- (c) the name and address of the successful supplier;
- (d) the value of the successful bid;
- (e) the date of award; and
- (f) if Alternative Procurement was used, the conditions and circumstances described in section 16, and the corresponding trade agreement reference that justified its use.

### **Reporting of Awards**

31. (1) The Director of Procurement shall provide a report to the Council members, at least quarterly, containing a list of:

- (a) all awards approved by the CAO;
- (b) all awards exceeding \$100,000; and
- (c) all awards exceeding \$50,000 resulting from Alternative Procurement.

(2) The report shall show the name of the contract, the name of the successful supplier, the amount of the contract, and the budgetary estimate.

## **CONTRACT MANAGEMENT**

### **Contract Amendments**

32. (1) All contract amendments must comply with the requirements of section 79A of the *Halifax Regional Municipality Charter* regarding municipal expenditures.

(2) A contract amendment that increases the price of a contract shall not be made without a corresponding change in contract deliverables or scope of work, unless it is otherwise in the best interest of the Municipality to agree to the contract amendment.

(3) A contract amendment for the delivery of Goods, Services or Construction that were not included in the initial procurement shall:

- (a) meet the conditions for Alternative Procurement; or

(b) be in the best interests of the Municipality.

(4) Contract amendments shall be tracked and significant variances substantiated.

(5) Approvals for contract amendments and copies of all contract amendments shall be documented in writing and submitted to the Procurement Section. Where practical, such submission shall be done prior to the work being undertaken.

(6) Approval formats for contract amendments will be as approved by the Director of Procurement.

(7) The approval and signing authority limits for cumulative contract amendments are as follows:

<b>Position</b>	<b>Approval Authority</b>
DCAO or Executive Director (or their delegate)	(a) \$15,000; or (b) a 15% increase to the originally approved contract amount, whichever is greater.
CAO	(a) \$20,000 or (b) a 20% increase to the originally approved contract amount, whichever is greater.
CAO (with reporting to Audit & Finance)	The CAO may approve and sign contract amendments that exceed the thresholds above, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.
Council	Any amount

### **Contract Options**

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>
Director	Per delegation of authority from Executive Director [not to exceed \$500,000]
Executive Director	\$500,000
DCAO	\$1,000,000
CAO	Any Amount
Council	Any Amount

**Contract Assignments**

34. (1) The authority to assign or consent to an assignment of a contract is as follows:

<b>Assignment Authority</b>	<b>Total Value of Contract</b>
Director of Procurement (in consultation with applicable Executive Director, DCAO or CAO)	Any Amount

(2) An assignment agreement must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

**Contract Terminations**

35. (1) The failure of a supplier to fulfill its obligations under any contract with the Municipality shall be documented by the Department responsible for the contract.

(2) Legal Services and the Procurement Section shall be consulted prior to the termination of any contract by the Municipality.

(3) The authority to approve the termination of a contract due to the default by the supplier of its obligations, or otherwise is as follows:

<b>Termination Authority</b>	<b>Total Value of Contract</b>
Executive Director	\$500,000
DCAO	\$1,000,000
CAO	Any Amount
Council	Any Amount

**SUPPLIER PERFORMANCE**

**Performance Files**

36. (1) Departments shall complete a supplier evaluation scorecard at the completion of each contract or as otherwise directed by the Director of Procurement.

(2) The Procurement Section shall maintain supplier performance files that contain information supplied by Department and Procurement Section staff, including supplier evaluation scorecards.

(3) Supplier performance may be evaluated based on factors including safety, project management, scheduling and overall quality of work.

**Disqualification & Suspension (Bid-Barring)**

37. (1) Upon reasonable notice in writing to the supplier involved, and after a reasonable opportunity for response, the Municipality may formally disqualify or suspend

a supplier from bidding on any Municipal procurement opportunities for a period not exceeding 5 years, on grounds including:

- (a) Bankruptcy or insolvency;
- (b) False declarations;
- (c) Significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;
- (d) Final judgments in respect of serious crimes or other serious offences;
- (e) Professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or
- (f) Failure to pay taxes.

(2) A written decision shall be issued to the supplier disqualified or suspended setting out the reasons for its disqualification or suspension.

(3) Disqualification or suspension of a supplier shall be approved by the Director of Procurement.

(4) Disqualification or suspension applies to the supplier and its owner(s) and principal(s).

### **Debriefings**

38. (1) A supplier may request a debriefing after a contract is awarded if the request is made in writing to the Director of Procurement within 10 business days of the award notice being posted on the Procurement Web Portal.

(2) At a debriefing, suppliers can find out how their bid scored against published criteria, obtain comments from the evaluation team on their bid, and gather information on how future submissions may be improved.

(3) At a debriefing, bids shall not be compared to each other, nor shall information on other bids be provided.

### **Bid Challenges & Dispute Resolution**

39. (1) Suppliers are encouraged to raise any concerns with the Procurement Section about a particular procurement or procurement process prior to submitting a formal complaint or commencing legal proceedings.

(2) Notwithstanding any other recourse available to a supplier, a supplier may submit a formal complaint to the Province of Nova Scotia's Chief Procurement Officer in

accordance with the Province of Nova Scotia's Vendor Complaint Procedure.

## **COST SHARING AGREEMENTS**

### **Approval of Cost Sharing**

40. (1) The authority to approve and execute cost sharing or contribution agreements on behalf of the Municipality, to receive funding or funding commitments from third parties is as follows:

<b>Approval &amp; Signing Authority</b>	<b>Maximum Amount</b>
CAO	Any amount
DCAO	\$1,000,000
Executive Director	\$500,000
Director	\$10,000

(2) Notwithstanding the authority limits listed in subsection (1), Council approval is required for any cost sharing or contribution agreement that requires or will result in an increase of more than \$1,000,000 in the approved project budget or multi-year capital plan.

(3) Notwithstanding subsection (2), the CAO may approve and execute all cost sharing or contribution agreements with Halifax Water for integrated projects.

(4) The terms and conditions of all cost sharing or contribution agreements must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

## **TRANSITION AND REPEAL**

### **Transition**

41. A reference in an enactment to any previous Procurement Policy of the Municipality, is to be read as including a reference to the provisions of this Administrative Order relating to the same subject-matter.

### **Repeal**

42. (1) Administrative Order 2020-004-ADM, the *Halifax Regional Municipality Procurement Administrative Order*, adopted by Council on July 7, 2020 and all amendments thereto is repealed.

(2) The *Changes to Cost Sharing for Capital Projects Policy* adopted by Council on April 24, 2007 and all amendments thereto is repealed.



Notice of Motion:  
Approval:

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## APPENDIX A – EXEMPTIONS

### List of Exemptions

1. The following expenditures shall be exempt from the application of section 12 through 39 of this Administrative Order:

- a) Expenditures that, by their nature, are not expenditures for the acquisition of Goods, Services or Construction; and
- b) Expenditures that are expressly exempt from the public procurement requirements of applicable trade agreements including:
  - (i) public employment contracts;
  - (ii) non-legally binding agreements;
  - (iii) any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;
  - (iv) a contract awarded under a cooperation agreement with an international cooperation organization if the procurement is financed, in whole or in part, by the organization;
  - (v) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;
  - (vi) measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail or are a disguised restriction on trade;
  - (vii) procurement or acquisition of:
    - (i) fiscal agency or depository services;
    - (ii) liquidation and management services for regulated financial institutions; or
    - (iii) services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities;
  - (viii) procurement of:
    - (i) financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including

ancillary advisory and information services, whether or not delivered by a financial institution;

(ii) health services or social services;

(iii) services that may, under applicable law, only be provided by licensed lawyers or notaries; or

(iv) services of expert witnesses or factual witnesses used in court or legal proceedings; or

(ix) procurement of Goods, Services or Construction:

(i) financed primarily from donations that require the procurement to be conducted in a manner inconsistent with applicable trade agreements;

(ii) on behalf of a person or entity not subject to applicable trade agreements;

(iii) between the Municipality and enterprises that are controlled by or affiliated with the Municipality, or between the Municipality and another government body or enterprise or their affiliates;

(iv) by non-governmental bodies that exercise governmental authority delegated to them;

(v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;

(vi) under a commercial agreement when operating a sporting or convention facility;

(vii) conducted for the specific purpose of providing international assistance, including development aid, provided that the Municipality does not discriminate on the basis of origin or location within Canada of Goods, Services, Construction or suppliers; or

(x) conducted:

(i) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or

(ii) under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance.

**Approval Authorities**

2. Unless stated otherwise, addressed in another policy, or delegated by the CAO, the ability to make or authorize expenditures or enter into contracts that are exempt from the application of this Administrative Order are subject to the following authority limits:

<b>Position</b>	<b>Authority Limit</b>
Director	\$100,000
Executive Director	\$500,000
Executive Director of Finance and Asset Management	Any amount (utilities and statutory payments to other levels of government only)
DCAO	\$1,000,000
CAO	Any Amount

3. Notwithstanding section 2, the procurement of external legal services must also be authorized by the Municipal Solicitor.

## **APPENDIX B – SOCIAL VALUE FRAMEWORK**

### **1. Application**

1.1. The effective date for this Social Value Framework is April 1, 2021

1.2. This Framework shall apply to all Municipal purchases of Goods, Services and Construction except purchases for time and materials-based consulting services and purchases made from prequalification lists (rosters).

### **2. Social Impact Opportunity Analysis**

2.1. The Procurement Section shall develop appropriate tools to determine the potential for achieving social impacts or social value in Procurement activities.

2.2. The Procurement Section and the ordering Department shall consider community impact, reach, workforce and training potential, inclusion, environment, and other social factors, as well as the market's ability to respond.

2.3. Unless it is determined that it is not appropriate or practical, all procurement opportunities with estimated values of \$1,250,000 or greater shall include evaluation criteria and/or contract requirements that aim to achieve social impacts or social value.

2.4. Unless it is determined that it is not appropriate or practical, all Requests for Pre-Qualification and Request for Proposals issued by the Procurement Section, regardless of value, will contain evaluation criteria that aim to achieve social impacts or social value, and clearly identify to proponents the types of strategies that can be proposed to address the associated evaluation criteria. The evaluation team will include the appropriate staff with relevant/appropriate experience to evaluate proposals.

2.5. Requests for Quotation and Tenders shall set out any mandatory submission or contract requirements related to social impact or social value.

### **3. Supplier Diversity**

3.1. The Procurement Section shall develop and maintain a list of diverse supplier certification organizations which may be accessed by staff to identify certified diverse suppliers.

3.2. Departments shall seek at least one (1) quotation from a diverse supplier when making a Low Value Purchase.

3.3. The Procurement Section shall seek at least one (1) quotation from a diverse supplier when making a purchase via an invitational process.

3.4. All publicly advertised Requests for Quotations and Tenders will include language to encourage bidders to develop or adopt a supplier diversity policy that aims to include diverse suppliers in their supply chain.

#### **4. Standing Offers and Small to Medium Businesses**

4.1. The Procurement Section in consultation with Departments shall review standing offer agreements prior to renewal or re-tendering to assess the ability for small to medium local business to respond to the call for bids and, where appropriate, reduce the scope of the standing offer based on the following considerations:

- a) Is the standing offer so comprehensive in its nature that small to medium businesses are unable to respond?
- b) Does the standing offer include universally available Goods as well as specialized Goods that may restrict competition?
- c) Would the unbundling of the Goods have an unreasonable adverse effect on the Municipality?
- d) Can the call for bids be reduced in scope in compliance with the Procurement Policy and applicable Trade Agreements?

#### **5. Workforce Development and Employment Equity**

5.1. For all calls for bids with an anticipated value above \$1,250,000 (including option years) the Procurement Section and the ordering Department will review all bid documents to determine if Workforce Development or Employment Equity requirements should be included on the basis of the following principles:

- a) Suitability – the degree to which possible employment-related opportunities can provide candidates with meaningful experience, learning and skill development.
- b) Reach – the degree to which candidates can meet the minimum qualifications needed to access possible employment opportunities.
- c) Volume – the number of employment opportunities that could be offered as part of the project.
- d) Feasibility – likelihood that workforce development outputs can be achieved within the proposed timeframe of the contract.

5.2. Where opportunities for workforce development and/or employment equity are identified in a Procurement process, bidders will , as part of the procurement process, be

required to provide to HRM a commitment respecting workforce development and/or employment equity in the event their bid is accepted.

## **6. Environmental Stewardship**

6.1. The Procurement Section and ordering Departments will integrate environmental stewardship and life-cycle principles in procurement planning and practices.

6.2. The Procurement Section and ordering Departments will use appropriate standards (eg. LEED, EPEAT, FSC, and others) to achieve environmental outcomes and value for money (i.e. appropriate balance of factors, such as cost, performance, availability, quality, and environmental performance).

6.3. When creating a standing offer the Procurement Section will seek to include environmentally preferable options (i.e. that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose) to user Departments.

## **7. Reporting and Compliance**

7.1. Where social value requirements are included in a Procurement process, such requirements will be included in the resulting contract, in addition to contractual obligations for ongoing reporting on the status of such commitments from the supplier.

7.2. The Procurement Section will develop procedures to guide the determination of whether a supplier achieves or fails to meet their social value commitments, including but not limited to, the degree of compliance, the effort made by the supplier in working towards meeting their commitment and the role of subcontractors within the contract.

## **APPENDIX C – SUPPLIER CODE OF CONDUCT**

### **1. Application**

1.1 The effective date for this Supplier Code of Conduct is April 1, 2021

1.2 The provisions of this Supplier Code of Conduct set forth Halifax Regional Municipality’s expectations for all suppliers (and their subcontractors) with whom the Municipality does business.

1.3 Suppliers and their subcontractors shall comply with all provisions of the Supplier Code of Conduct and with all applicable laws and regulations in the jurisdiction(s) where the Supplier operates with respect to manufacturing of goods, development and protection of intellectual property rights, delivery of services and construction, and ethical business practices. This includes but is not limited to those laws relating to working conditions, human rights, health and safety, and the environment. Where applicable laws and this Supplier Code of Conduct address the same issue, the standard that is most stringent will apply.

1.4 The purpose of compliance with this Supplier Code of Conduct is to ensure that all suppliers and their subcontractors, regardless of their place of operation, adhere to a consistent set of minimum performance standards related to social responsibility, environmental standards, ethics, human rights and fair workplace practices.

### **2. Child Labour**

2.1 The supplier and its subcontractors must commit to a zero-tolerance policy toward the use of child labour in the provision of any goods or services to the Municipality. The term “child” refers to any person under the age of 16. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is permitted.

### **3. Forced Labour**

3.1 Suppliers and their subcontractors shall not:

a) Use forced, illegal or involuntary prison labour, including indentured or bonded labour, or any form of compulsory labour in the production of Goods or Services.

b) Require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.

c) Require any foreign contract worker to remain in employment for any period of time against their will or burden workers with any required agency recruitment commissions.

#### **4. Equity and Non-discrimination**

4.1 In hiring and employment practices such as promotions, rewards, and access to training, neither the supplier nor its directors, officers, or employees will engage in discrimination based on race, religious beliefs, colour, gender, gender identity, gender expression, physical or mental disability, ancestry, marital status, family status, source of income, age, place of origin, and sexual orientation. In addition, workers or potential workers shall not be subjected to unlawful or discriminatory medical tests.

4.2 Suppliers and their subcontractors shall not interfere with the exercise of the rights of personnel to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.

4.3 Suppliers and their subcontractors shall not permit or condone behavior including gestures, language and physical contact, that is coercive, threatening, abusive or exploitative.

#### **5. Disciplinary Practices**

5.1 Suppliers and their subcontractors must ensure their employees are treated with respect and dignity and that disciplinary policies and procedures are clearly defined and communicated to employees. The supplier and its subcontractors must ensure that its employees are not subject to inappropriate treatment, including any personal or sexual harassment, nor to the threat of any such treatment.

5.2 Suppliers and their subcontractors shall not retaliate against or discipline any employee for reporting harassment or other inappropriate treatment in the workplace.

#### **6. Hours of Work**

6.1 Suppliers and their subcontractors shall comply with all applicable employment standards and related law and legislation in the jurisdiction(s) of production or services with respect to hours of work, vacation pay, overtime hours and overtime pay.

#### **7. Wages**

7.1 Suppliers and their subcontractors will at a minimum meet legislated minimum wage rates and comply with all employment standards and related law, legislation and applicable collective agreements in the jurisdiction(s) of production or services with respect to compensation, including wages and benefits.

#### **8. Living Wage Requirement**

8.1 For Services contracts where outsourced labour is performed on a regular, ongoing basis (such as custodial work, security services, solid-waste collection, grass

mowing and snow removal), suppliers and their subcontractors shall pay, at minimum, a “living wage” to their employees when such employees are assigned to operational duties within HRM-owned or operated buildings, parks, streets, sidewalks, rights of way, playgrounds or parking lots. For the purposes of this paragraph, “living wage” is the living wage rate for Halifax, Nova Scotia as defined, calculated and published by the Canadian Centre for Policy Alternatives as of the date that the call for bids is published.

8.2 Notwithstanding the foregoing, the requirement to pay a living wage is not applicable to:

- a) contracts entered into and contracts tendered or retendered prior to this Code of Conduct coming into force;
- b) students, interns and practicum placements for summer projects, etc
- c) contracts requiring fewer than 120 total person-hours of service per year;
- d) ad hoc contract work (for example emergency or non-recurring repairs or maintenance where no standing contracts are in place);
- e) Construction Services
- f) volunteers;
- g) employees of organizations (for profit or not-for-profit) that lease property from the City; or
- h) social enterprise.

8.3 Suppliers and their subcontractors shall, upon request, provide the Municipality with evidence of their compliance with the living wage requirements set out herein.

## **9. Freedom of Association and Collective Bargaining**

9.1 The supplier and its subcontractors must work directly with employees to find solutions to any outstanding legal and employment issues while at all times respecting worker rights to obtain representation, join labour unions, and bargain collectively. Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment

## **10 Health and Safety**

10.1 Suppliers and their subcontractors shall meet or exceed the requirements of all occupational health and safety codes and related law and regulations in the jurisdiction(s) of production or where the services are being performed. At minimum suppliers and their subcontractors shall:

- a) Provide a safe and healthy working environment and take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment;
- b) Appoint a representative responsible for the health and safety of all personnel, and accountable for the implementation of the Health and Safety elements identified in this Supplier Code of Conduct;
- c) Ensure that all personnel receive regular and recorded health and safety training (in a language understood by the worker) and that such training is repeated for new and reassigned personnel;
- d) Establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel;
- e) Provide for use by all personnel, clean bathrooms, access to potable water and, if appropriate, sanitary facilities for food storage.

## **11 Environmental Stewardship**

11.1 In June 2020, Halifax Regional Council adopted HalifACT 2050. HalifACT 2050 is a commitment to reducing emissions, switching to clean and reliable energy sources and demonstrating local government leadership. This transformational plan aligns the Municipality's efforts to support an equitable shift to a low-carbon economy by 2050. The plan will also help communities adapt by raising awareness about climate hazards and helping them better prepare. In addition to the environmental benefits, the implementation of this plan will lead to economic opportunities, healthier communities and a more resilient Halifax. In support of the plan:

- a) Suppliers and their subcontractors must seek to conduct their businesses in an environmentally responsible way, offering or using environmentally responsible products and services to the extent available, all with the goal of assisting in the reduction of any negative impact on the environment.
- b) Suppliers and their subcontractors shall mitigate their greenhouse gas ("GHG") emissions, which may include establishing GHG emissions reduction targets, undertaking projects focused on operational efficiencies and technological improvements, and offering low-carbon products and services to HRM
- c) Suppliers and their subcontractors shall undertake initiatives to promote greater environmental responsibility, such as implementing policies and programs relating to reducing water, waste, energy and paper consumption.

- d) Suppliers and their subcontractors shall incorporate climate change risk assessment into their risk management procedures.

## **12. Conflicts of interest or unfair advantage.**

12.1 Suppliers must declare and fully disclose any actual or potential conflict of interest or unfair advantage related to the preparation of their bid or where the supplier foresees an actual or potential conflict of interest in the performance of the contract. Such potential conflicts of interest or unfair advantages include, but are not limited to:

- a) Engaging current or former Municipal employees to take any part in the preparation of the bid or the performance of the contract if awarded, any time within two (2) years of such persons having left the employ of the Municipality;
- b) Engaging any family members, friends or private business associates of any Municipal employee which may have, or appear to have, any influence on the procurement process, or subsequent performance of the contract;
- c) Prior access to confidential Municipally-owned information by the supplier, or affiliated persons, that is materially related to the solicitation and that was not readily accessible to other prospective suppliers; or
- d) The supplier or its affiliated persons are indebted to or engaged in ongoing or proposed litigation with the Municipality in relation to a previous contract

## **13. Confidential Information**

13.1 Suppliers and their subcontractors may, by virtue of their dealings with the Municipality, come into contact with confidential information in respect to the Municipality, including its business partners, citizens and employees. Suppliers and their subcontractors must comply with all legal and contractual restrictions with respect to the handling of confidential information and where required must have appropriate policies and procedures in place to comply with applicable laws and regulatory requirements regarding the management of confidential information (such as information barriers or “ethical walls”) and must prevent inappropriate access or disclosure of confidential information.

## **14. Publicity**

14.1 Suppliers and their subcontractors must not make any promotional statements (whether on company websites or via social media or otherwise), issue any media releases or distribute any marketing materials referencing the Municipality or Municipal trademarks or logos, unless the Municipality has approved each proposed use in advance, or such use is expressly permitted in an existing agreement with the Municipality.

## **15. Ethical Standards**

15.1 Suppliers and their subcontractors must comply with high ethical standards in doing business, including but not limited to the following:

- a) Refrain from exerting pressure of any kind on or offering money or gifts to employees, officials or directors of any entity sourcing goods, services, intellectual property rights, or construction, whether through a competitive or non-competitive sourcing process, in order to gain an advantage of any kind over other participants or potential participants in the sourcing process;
- b) Comply with all applicable domestic and international laws;
- c) Abide by any standards, rules, and codes of conduct set out by any bodies which govern the supplier;
- d) Without limiting the foregoing, refrain from engaging in any reviewable conduct or offences under the Competition Act;
- e) Refrain from knowingly providing inaccurate or misleading information in response to any kind of invitation to submit a bid or proposal;
- f) Refrain from intimidating or attempting to intimidate any other participants or potential participants in any competitive or non-competitive sourcing process;
- g) Refrain from engaging in questionable or unethical financial practices;
- h) Refrain from engaging in any deceptive marketing practices; and
- i) Refrain from engaging or attempting to engage in any other corrupt or otherwise unethical business practices.

## **16. Implementation and Compliance**

16.1 The Municipality expects all its suppliers and their subcontractors to comply with the Supplier Code of Conduct and to actively do their best to exceed the Municipality's standards.

16.2 The Municipality's suppliers and their subcontractors have an obligation to inform their employees about the Supplier Code of Conduct and appropriate avenues of complaint. This Code of Conduct shall be communicated to all employees and posted in both English and the local language of the employees, in an area accessible to all employees.

16.3 The Municipality reserves the right to require suppliers to provide details on factory and production facility locations.

16.4 The Municipality reserves the right to ask for proof of compliance with all applicable labour, health, safety and environmental laws, and may inspect work locations at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the Supplier Code of Conduct and the Municipality may ask that they are independently verified at the supplier's expense.

16.5 On-going or unresolved non-compliance with the Supplier Code of Conduct may be considered as grounds for termination of contract and/or disqualification from future procurement opportunities.

ATTACHMENT 2

ADMINISTRATIVE ORDER ~~2020-004~~2022-012-ADM

PROCUREMENT ADMINISTRATIVE ORDER

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**ADMINISTRATIVE ORDER NUMBER ~~2020-004~~2022-012-ADM  
PROCUREMENT ADMINISTRATIVE ORDER**

**BE IT RESOLVED, as an Administrative Order of the Council of the Halifax Regional Municipality, as follows:**

**Short Title**

1. This Administrative Order may be cited as Administrative Order Number ~~2020-004-2022-012-ADM~~, the *Procurement Policy*.

**Purposes**

2. The purposes of this Administrative Order are to:

(a) provide for the procurement of Goods, Services and Construction by the Municipality in a fair, open, consistent and transparent manner resulting in Best Value;

(b) promote procurement processes and decisions that are consistent with the strategic goals and objectives of the Municipality;

(c) provide for sustainable procurement by integrating environmental, economic and social considerations in the procurement process;

(d) maintain ethical business practices;

(e) respect regional, national and international trade agreement obligations and other applicable legislation; and

(f) encourage competitive bidding for the supply of Goods, Services and Construction.

**Interpretation**

3. In this Administrative Order,

(a) "Agent" means a person or entity expressly appointed through a written contract with the Municipality to purchase Goods, Services or Construction on behalf of the Municipality;

(b) "Alternative Procurement" means a procurement method whereby the Municipality contacts a supplier or suppliers of its choice;

(c) "Award" means the decision of the Municipality to enter into a contract for Goods, Services or Construction with a particular supplier;

(d) "Best Value" means the bid that is determined by the Municipality to be in the Municipality's best interests, taking into account not only purchase price and life cycle cost considerations, but also taking into account items such as environmental and social

(d) considerations, delivery, servicing, past experience, past performance, and any other criteria or factors stated in the call for bids;

(e) "Buying Group" means a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process. Buying groups include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the Buying Group administers procurement for group members. Buying Groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations;

(f) "CAO" means the Chief Administrative Officer of the Municipality;

(g) "Competitive Procurement" means a procurement method whereby all interested suppliers may submit a bid;

(h) "Construction" means the construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work, excluding professional consulting services related to the construction contract unless they are included in the procurement;

(i) "Council" means the Council of the Municipality;

(j) "DCAO" means a Deputy Chief Administrative Officer;

(k) "Department" means a department of the Municipality's administration designated as such by the CAO, and for greater certainty includes Halifax Regional Police and Halifax Regional Fire & Emergency;

(l) "Director" means a person other than an Executive Director who has a managerial role within a Department (e.g. Director, Managing Director, Deputy Chief, Team Lead, etc.) and a direct reporting relationship to the Executive Director of that Department or to the CAO;

(m) "Executive Director" means the Executive Director of a Department, and for greater certainty includes the purposes of this Administrative Order, the Chief of Police, and the Chief of Fire and Emergency Services;

(n) "Goods" means materials, furniture, merchandise, equipment, stationery and other supplies required by the Municipality for the transaction of its business and affairs, including services that are incidental to the provision of such supplies;

(o) "Low Value Purchase" means the procurement of Goods, Services or Construction valued at less than \$10,000;

~~(n) "Manager" means a person other than a Director who has a managerial role within a Department and a direct reporting relationship to the Director of that Department or to the CAO;~~

~~(e)~~(p) “Municipality” means the Halifax Regional Municipality;

~~(p)~~(q) “Notice of Intended Procurement” means a notice published by the Municipality inviting interested suppliers to submit a bid, a response to a request for supplier prequalification, or both;

~~(e)~~(r) “Personal Services Contract” means an agreement, whether or not in writing, establishing an employment relationship between an individual and the Municipality and includes an amendment or extension of such agreement;

~~(r)~~(s) “Procurement Manual” means the processes, protocols, and best practices document maintained by the Procurement Section;

~~(s)~~(t) “Procurement Section” means the organizational unit within the Municipality responsible for managing the procurement of Goods, Services and Construction for the Municipality;

~~(t)~~(u) “Procurement Web Portal” means the public procurement website maintained and operated by the Government of the Province of Nova Scotia;

~~(u)~~(v) “Requisition” means a request made to the Procurement Section:

- (i) to purchase Goods, Services or Construction;
- (ii) to create a Standing Offer for future purchases;
- (iii) to make a draw from a Standing Offer; or
- (iv) to obtain Goods from inventory that have already been purchased by the Municipality.

~~(v)~~(w) “Roster” means a list of suppliers that the Municipality has determined satisfy the conditions for participation in that list, and that the Municipality intends to use more than once;

~~(w)~~(x) “Services” means services required by the Municipality for the transaction of its business and affairs, excluding services provided by an employee of the Municipality through a Personal Services Contract;

~~(x)~~(y) “Standing Offer” means a continuous offer from a pre-approved supplier to supply Goods, Services or Construction to the Municipality at specific prices for a specific period of time, when and if required by the Municipality;

~~(y)~~ —“Urgent Circumstance” means an unforeseeable situation of urgency.

## GENERAL

### Application

4. (1) Subject to section 5, this Administrative Order shall apply to the procurement of Goods, Services and Construction by the Municipality.

(2) An individual Member of Council has no authority under this Administrative Order, including no authority to award a contract, or to settle a supplier performance dispute such as whether the Municipality disqualifies or suspends a supplier from bidding on a Municipal procurement.

(3) For the purposes of this Administrative Order, the Office of the Auditor General is deemed a Department, and the Auditor General is deemed to have the same authority as the CAO with respect to purchases for the Office of the Auditor General.

### Exemptions

5. The expenditures listed in Appendix A are exempt from sections 12 through 39 of this Administrative Order.

### Purchases by Agents

6. (1) Agents are exempt from the application of this Administrative Order but are required to comply with the *Public Procurement Act* and the terms and conditions of the Agent's written contract with the Municipality when making purchases on behalf of the Municipality.

(2) No person or entity shall purchase Goods, Services or Construction on behalf of the Municipality unless expressly appointed as Agent in a written contract with the Municipality.

### Calculation of Contract Amounts

7. Contract amounts referenced in this Administrative Order shall be construed to be the sum of all costs for the duration of the contract plus all applicable net taxes, less all rebates.

### Conflict

8. Where there is a conflict with the application of this Administrative Order and the *Public Procurement Act* and the regulations thereunder, the Act and its regulations shall prevail.

### Member of Council

~~8A. An individual Member of Council has no authority under this Administrative Order, including no authority to award a contract, or to settle a supplier performance dispute such as whether the Municipality disqualifies or suspends a supplier from bidding on a Municipal procurement.~~

## RESPONSIBILITIES

### **Chief Administrative Officer**

9. The CAO may authorize additional procedures and protocols not inconsistent with this Administrative Order and may delegate ~~his or her~~ their authority under this Administrative Order to employees.

~~9.~~

### **Departments**

10. Each Department shall be responsible for:

(a) identifying and initiating procurement activities within their Department;

(b) complying with this Administrative Order, the Procurement Manual and other procurement procedures established by the Procurement Section;

~~(c)~~ facilitating, where applicable, cost sharing commitments from third parties;

~~(c)(d)~~ procurement of Low Value Purchases;

~~(d)(e)~~ monitoring, managing and enforcing contracts requisitioned by their Department; and

~~(e)(f)~~ ensuring the specific objectives of contracts requisitioned by their Department are achieved.

### **Procurement Section**

11. The Procurement Section shall be responsible for:

(a) facilitating the procurement of Goods, Services and Construction according to this Administrative Order;

(b) establishing, maintaining and publishing the Procurement Manual and other appropriate procurement procedures consistent with this *Administrative Order*, the *Public Procurement Act*, applicable trade agreements, and the Province of Nova Scotia's *Construction Contract Guidelines*;

(c) providing advice to the Municipality regarding appropriate procurement strategies;

(d) approving and maintaining the Municipality's standard terms for contracts for Goods, Services and Construction, in consultation with Legal Services;

(e) collaborating with Departments to consider contract and risk management practices in the procurement cycle, and to combine requirements where possible to achieve efficiencies and reduce costs to the Municipality;

- (f) administering each call for bids and ensuring the fair evaluation of bids;
- (g) facilitating the negotiation, if required, of terms and conditions of contracts for Goods, Services and Construction;
- (h) administering contracts for Goods, Services and Construction; and
- (i) monitoring compliance with this Administrative Order and notifying Executive Directors of non-compliance with it.

**INITIATING PROCUREMENT**

**Requisitions**

12. (1) Subject to subsections (2) and (3), when a Department requires Goods, Service or Construction it shall submit a Requisition to the Procurement Section.

~~(2)~~ (2) A Requisition is not required for Low Value Purchases.

~~(3)~~ (3) A Department shall not submit a Requisition unless:

~~(a)~~ (a) it relates to a proposed capital or operating expenditure within the current fiscal year and the funds for the estimated purchase amount are clearly identified in a Council approved budget; ~~or~~

(b) it relates to a proposed multi-year capital expenditure and the CAO projected funding is clearly identified in the Council approved multi-year capital plan;

(c) it relates to a proposed multi-year operating expenditure consistent with approved program deliverables; or

~~(b)~~ (d) Council has otherwise authorized the Requisition in advance of a Council approved budget.

**Authority to Make a Requisition**

13. (1) The authority to make a Requisition is as follows:

CAO	<u>DCAO</u>	<u>Executive Director</u>	<del>Manager</del> <u>Director</u>	<b>Employee</b>
Any amount	<u>Any amount within the DCAO's</u>	Any amount within the <u>Executive</u>	Per delegation of authority from <u>Executive</u> Director	Per sub-delegation of authority from

Inserted Cells

	<u>approved Departmental budgets</u>	Director's approved budget		<u>Manager/Director</u>
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~~(2)~~ ~~(2)~~-The Procurement Section shall maintain a list of all delegations and sub-delegations of Requisition authority submitted by ~~an Executive~~ Director or Manager/Director pursuant to subsection (1).

**Notice of Intended Procurement**

14. (1) ~~—~~ Subject to subsection (2), the Procurement Section shall publish a Notice- of Intended Procurement for each procurement opportunity, including requests for supplier prequalification, on the Procurement Web Portal.

(2) The Procurement Section is not required to publish a Notice of Intended Procurement for:

(a) Procurement opportunities valued at less than the thresholds set out in applicable trade agreements (unless the Procurement Manual includes any more stringent thresholds or requirements);

(b) Procurement opportunities offered to prequalified suppliers on a Roster; and

(c) Procurement opportunities where the procurement will be conducted using Alternative Procurement.

**PROCUREMENT METHODS**

**Competitive Procurement**

15. Subject to sections 16 to 20, Competitive Procurement shall be used for procurement of all Goods, Services and Construction.

**Alternative Procurement**

16. (1) ~~—~~ For procurement opportunities that do not exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, subject to any restrictions or requirements set out in the Procurement Manual.

~~\_\_\_\_\_~~ (2) ~~—~~ For procurement opportunities\_ that exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, provided that it is not done for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any jurisdiction covered by an applicable trade agreement, in the following circumstances:

(a) if:

- (i) no bids were submitted or no suppliers requested participation;
- (ii) no bids that conform to the essential requirements of the call for bids were submitted;
- (iii) no suppliers satisfied the conditions for participation; or
- (iv) the submitted bids were collusive,

provided that the requirements of the call for bids are not substantially modified;

(b) if the Goods, Services or Construction can be supplied only by a particular supplier and no reasonable alternative or substitute Goods, Services or Construction exist for any of the following reasons:

- (i) the requirement is for a work of art;
- (ii) the protection of patents, copyrights, or other exclusive rights;
- (iii) due to an absence of competition for technical reasons;
- (iv) the supply of Goods, Services or Construction is controlled by a supplier that is a statutory monopoly;
- (v) to ensure compatibility with existing Goods, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative;
- (vi) work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
- (vii) work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or  
~~portions thereof, that may be performed only by the lessor; or~~
- (viii) the procurement is for subscriptions to newspapers, magazines, or other periodicals;

(c) for additional deliveries by the original supplier of Goods, Services or Construction that were not included in the initial procurement, if a change of supplier for such additional Goods, Services or Construction:

- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and

(ii) would cause significant inconvenience or substantial duplication of costs for the Municipality;

(d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Municipality, the Goods, Services or Construction could not be obtained in time using Competitive Procurement;

(e) for Goods purchased on a commodity market;

(f) if the Municipality procures a prototype or a first Good or Service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first Good or Service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the Good or Service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;

(g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;

(h) if a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organized in a manner that is consistent with the principles of applicable trade agreements, in particular relating to the publication of a Notice of Intended Procurement; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; or

~~(i)~~ if Goods or consulting services regarding matters of a confidential- or privileged nature are to be purchased and the disclosure of those matters through Competitive Procurement could reasonably be expected to compromise government ~~(i)~~ confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

### **Supplier Prequalification & Rosters**

17. (1)-    The Procurement Section may limit bids to prequalified suppliers, either through the use of Rosters or through multi-stage procurement opportunities.

(2) The Procurement Section shall allow all prequalified suppliers to participate in a particular procurement, unless the Procurement Section states in the request for supplier prequalification any limitation on the number of suppliers that will be permitted to submit bids and the criteria for selecting the limited number of suppliers.

(3) A request for supplier prequalification inviting interested suppliers to apply for inclusion on a Roster shall be published in a Notice of Intended Procurement at least every

3 years on the Procurement Web Portal and shall include:

- (a) the criteria that will be used to prequalify suppliers, unless those requirements are included in the qualification documentation;
- (b) a statement that only the suppliers on the Roster will receive further notices of procurement opportunities covered by the Roster; and
- (c) the period of validity of the Roster.

#### **Buying Groups**

18. (1) ~~—~~ Subject to subsections (2) and (3), the Procurement Section may establish or take part in Buying Groups, including those formed by the Province of Nova Scotia, the Government of Canada or any other public sector entity or private sector entity.

(2) The Procurement Section shall publish a notice of the Municipality's participation in a Buying Group at least annually on the Procurement Web Portal. Such notice shall direct potential suppliers to the Buying Group tender notices website if it is different from the Procurement Web Portal.

(3) Any agreements required to formalize the Municipality's participation in a Buying Group shall be approved and signed by the ~~Manager~~Director of Procurement.

#### **Standing Offers**

19. (1) ~~—~~ The Procurement Section may establish Standing Offers using Competitive Procurement, Alternative Procurement or through participation in a Buying Group.

(2) In issuing a call for a Standing Offer, the Procurement Section shall indicate how subsequent purchases will be made from a supplier under a Standing Offer.

~~(3)~~—The ~~Manager~~Director of Procurement may negotiate and make modifications to a Standing Offer that they determine to be in the best interests of the Municipality, such as

~~(3)~~ adding or deleting items or extending the duration of a Standing Offer.

(4) For the purposes of contract award, the total estimated value of the Standing Offer including options shall be used to determine the appropriate approval authority.

(5) Individual draws from a Standing Offer shall be approved by ~~an~~ Executive Director.

(6) ~~A~~An Executive Director may delegate their authority under subsection (5), and a list of such delegations shall be provided to and maintained by the Procurement Section.

(7) Draws from a Standing Offer must comply with the requirements of section 79A of the Halifax Regional Municipality Charter regarding municipal expenditures;

~~(7)~~(8) Where the Procurement Section has established a Standing Offer for Goods,

Services or Construction, it shall be mandatory to use the Standing Offer for the purchase of such Goods, Services or Construction.

**Low Value Purchases**

20. (1) If a Standing Offer is not applicable, Departments may make Low Value Purchases of Goods, Services and Construction by employing one of the acceptable procurement methods set out in the following table:

Amount	Acceptable Procurement Methods
< \$1,000	<ul style="list-style-type: none"><li><del>Petty cash or Corporate Purchasing Card</del> <u>One or more quotes</u></li></ul>
\$1,000 to \$10,000	<ul style="list-style-type: none"><li>Request two or more quotes</li><li>Competitive Procurement</li><li>Alternative Procurement</li></ul>

(2) Low Value purchases may be paid with petty cash or using a Purchasing Card in compliance with the HRM Purchasing Card Policy & Procedure.

**SOCIAL PROCUREMENT**

**Social Procurement**

21. (1) ~~When making Low Value Purchases or when conducting invitational calls for bids, staff will, where feasible, invite at least one diverse or social enterprise supplier to submit a bid.~~

~~(2)~~ (2) In each call for bids the Procurement Section and the Department responsible for the purchase shall, in accordance with the Social Value Framework set out in Appendix B, include evaluation criteria and/or contract requirements that aim to achieve social value or social impacts such as:

- (a) supplier diversity (i.e. opportunities for diverse suppliers including suppliers owned, operated by, or employing African Nova Scotians, Indigenous peoples, people with disabilities and/or other traditionally underrepresented groups);
- (b) workforce development (i.e. offering apprenticeships, skills training and/or other developmental support to employees, subcontractors and/or volunteers);
- (c) fair wage/living wage;
- (d) community benefits;
- (e) environmental benefits;
- (f) socially responsible production; and

(g) advanced health and safety practices.

~~(3)~~ (3) In each call for bids, the Procurement Section shall include terms that require bidders to comply with the Supplier Code of Conduct (including the Living Wage requirements therein) as set out in Appendix C.

## **EVALUATING BIDS AND AWARDING CONTRACTS**

### **Openings**

22. (1) Bids will be accepted in accordance with the closing time and date stipulated in the call for bids.

\_\_\_\_(2) The ~~Manager~~Director of Procurement may conduct public openings at their discretion.

### **Bids to be in Writing**

23. (1) Subject to subsection (2) the Municipality shall only consider bids that are submitted in writing.

\_\_\_\_(2) The Municipality may consider verbal bids for Low Value Purchases

### **Evaluation Criteria**

24. (1) Bids will be evaluated in accordance with the evaluation criteria published in the call for bids.

\_\_\_\_(2) The Procurement Section shall ensure that each call for bids includes appropriate evaluation criteria to ensure the Municipality achieves Best Value.

### **Fairness Monitors**

25. The Municipality may engage the services of a fairness monitor to monitor and report on the fairness of a particular procurement.

### **Pre-requisites to Awarding of Contracts**

26. (1) The following pre-requisites shall apply to the approval of any contract award:

~~(a) repealed;~~

~~(aa) the proposed expenditure shall be~~

~~(i) budgeted and funded, or~~

~~(ii) budgeted but not yet funded, providing the expenditure is capital expenditure and the Chief Financial Officer is satisfied that the funding will become available;~~

\_\_\_\_  
(a) the purchase must comply with the requirements of section 79A of the Halifax Regional Municipality Charter regarding municipal expenditures;

(b) the Goods, Services or Construction being purchased shall be consistent with the approved program deliverables; ~~and~~

(c) if projected funding for the purchase is contingent on the receipt of cost sharing from third parties, such cost sharing commitments must be confirmed in writing; and

~~(e)~~(d) the purchase shall be compliant with this Administrative Order, the Procurement Manual, and any other applicable policies, legislation and trade agreements.

~~(2)~~ (2) Any award requiring the approval of a DCAO or the CAO or Council requires a recommendation report and any such report shall:

(a) be prepared by the Department that initiated the procurement;

(b) be reviewed by the Procurement Section to ensure that the procurement has been conducted in accordance with applicable policies, legislation, trade agreements and ethical business practices;

(c) provide details of the recommended purchase and describe the method of procurement used; and

(d) be signed by the appropriate Executive Director and forwarded to the DCAO, CAO or Council for approval.

#### **Determination of Best Value**

27. (1) - Unless the Municipality determines that it is not in the public interest to- award a contract, the Municipality shall award the contract to the supplier whose bid the Municipality has determined represents Best Value.

(2) If the Municipality receives a bid from a supplier with a price that is abnormally lower than the prices in other submitted bids, the Procurement Section may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

(3) In the case of a tie bid, the ManagerDirector of Procurement may request the tied suppliers to submit a best and final offer, and if a tie bid still occurs, Best Value may be determined on the basis of a coin flip.

#### **Award Authority**

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

Method	ManagerDirect or	Executive Director	DCAO	CAO	Council
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Competitive or Alternative Procurement	Per delegation of authority from Executive Director [not to exceed \$100,500,000]	\$100,500,000	\$1,250,000,000	Any amount	Any amount
Competitive Procurement — Street, sidewalk, & active transportation Construction projects	Per delegation of authority from Director	\$100,000	Any amount	Any amount	Any amount
Competitive Procurement — Establishment of Standing Offer	\$5,000,000 (Manager Director of Procurement only)	\$5,000,000 (Executive Director of Finance and Asset Management only)	\$5,000,000 (DCAO of Corporate Services only)	Any Amount	Any amount
Alternative Procurement	Per delegation of authority from Director	\$100,000	\$1,250,000	Any amount	Any amount
Alternative Procurement — Urgent Circumstances per 16(1)(d)	Per delegation of authority from Director	\$100,000	Any amount	Any amount	Any amount

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(2) Notwithstanding the approval authority limits listed in subsection (1):

(a) a contract award must be forwarded to Council for approval ~~where there is a legislative requirement for Council to approve the award, or where the CAO is of the opinion that the award is a matter best dealt with by Council;~~ if:

(i) the award commits the Municipality to making capital expenditures in a future fiscal year and exceeds the amounts allocated for the project in Council's multi-year capital plan;

(ii) the award commits the Municipality to making operating

expenditures in a future fiscal year and exceeds either \$5,000,000, or a term of 5 years;

(iii) there is legislative requirement for Council to approve the award;

or

(iv) the CAO is of the opinion that the award is a matter best dealt with by Council.

(b) a contract award must be reviewed by Legal Services and forwarded to the CAO or Council for approval where the proposed supplier is not the lowest-priced or highest-scoring supplier;

(c) the CAO may delegate their authority to a DCAO or an Executive Director if:

(i) \_\_\_\_\_ prior to Requisition, the DCAO or Executive Director prepares a report for the CAO recommending the purchase and receives written approval from the CAO to make the purchase;

(ii) \_\_\_\_\_ the award is the result of Competitive Procurement;

(iii) \_\_\_\_\_ the value of the contract to be awarded does not exceed 110% of the estimated value of the contract as reported to and approved by the CAO in accordance with sub-clause (i); and

(iv) \_\_\_\_\_ the proposed supplier is the lowest-priced or highest-scoring supplier.

**Signing Authority**

29. (1) The following pre-requisites apply to the execution of any procurement contract on behalf of the Municipality:

(a) the award of the contract must be approved in accordance with the authorities set out in section 28 of this Administrative Order; and

(b) for all contracts (except Low Value Purchases), the contract terms and conditions must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

(2) The authority to execute procurement contracts on behalf of the Municipality is as follows:

<b>Position</b>	<b>Signing Authority</b>
CAO	Any contract
<u>Manager/Director</u> of Procurement	Any contract where the supplier is bound to the Municipality's standard terms & conditions

<u>DCAO or Executive</u> Director	Any contract where the award has been approved by the <u>DCAO or Executive</u> Director or by an employee in the <u>Executive</u> Director's Department.
<u>Manager</u> <del>Director</del>	Per delegation of authority from <del>his or her</del> <u>their Executive</u> Director

(3) The CAO may set further conditions or procedures and make further delegations regarding signing authority provided that such conditions, procedures and delegations are not inconsistent with this Administrative Order.

(4) ~~A~~An Executive Director may delegate to one or more Managers~~Directors~~ in their Department, the authority to execute contracts provided that:

- (a) the Procurement Section is given a list of such delegations showing the delegate's name and amount that they have been delegated; and
- (b) the amount of the delegation is no greater than the Executive Director's award authority pursuant to section 28.

**Publishing of Bid Results**

30. ~~In each instance where the Procurement Section has published a Notice of Intended Procurement~~For contracts exceeding the thresholds set out in applicable trade agreements, the Procurement Section shall publish a notice of contract award on the Procurement Web Portal no later than 72 days after the date the contract was awarded. The information shall remain readily accessible for a reasonable period of time. The notice of award shall include at least the following:

- ~~(a)~~ (a) a description of the Goods, Services or Construction procured;
- ~~(b)~~ (b) the name and address of the Municipality;
- ~~(c)~~ (c) the name and address of the successful supplier;
- ~~(d)~~ (d) the value of the successful bid;
- ~~(e)~~ (e) the date of award; and
- ~~(f)~~ (f) if Alternative Procurement was used, the conditions and circumstances described in section 16, and the corresponding trade agreement reference that justified its use.

**Reporting of Awards**

31. (1) The ~~The~~ Manager~~Director~~ of Procurement shall provide a report to ~~the~~ -the ~~-~~Council members, at least quarterly, containing a list of:

- (a) all awards approved by the CAO;

(b) all awards exceeding \$100,000; and

(c) all ~~\_\_\_\_\_~~ awards ~~\_\_\_\_\_~~ exceeding ~~\_\_\_\_\_~~ \$50,000 ~~\_\_\_\_\_~~ resulting ~~\_\_\_\_\_~~ from ~~\_\_\_\_\_~~ Alternative Procurement.

      (2) The report shall show the name of the contract, the name of the successful supplier, the amount of the contract, and the budgetary estimate.

## CONTRACT MANAGEMENT

### Contract Amendments

32. (1) All contract amendments ~~are subject to~~ must comply with the ~~identification and availability requirements of sufficient funds in section 79A of the Council approved business planning and budget process~~ Halifax Regional Municipality Charter regarding municipal expenditures.

(2) A contract amendment that increases the price of a contract shall not be made without a corresponding change in contract deliverables or scope of work, unless it is otherwise in the best interest of the Municipality to agree to the contract amendment.

(3) A contract amendment for the delivery of Goods, Services or Construction that were not included in the initial procurement shall:

(a) meet the conditions for Alternative Procurement; or

(b) be in the best interests of the Municipality.

(4) Contract amendments shall be tracked and significant variances substantiated.

(5) Approvals for contract amendments and copies of all contract amendments shall be documented in writing and submitted to the Procurement Section. Where practical, such submission shall be done prior to the work being undertaken.

(6) Approval formats for contract amendments will be as approved by the ~~Manager~~ Director of Procurement.

(7) The approval and signing authority limits for cumulative contract amendments are as follows:

<b>Position</b>	<b>Approval Authority</b>
<u>DCAO or Executive Director (or his or her</u> <del>their</del> <u>delegate)</u>	(a) \$15,000; or (b) a 15% increase to the originally approved contract amount, whichever is greater.
CAO	(a) \$20,000 or (b) a 20% increase to the originally approved contract amount, whichever is greater.

<u>CAO</u> <del>Urgent Circumstances</del> <u>CAO (with reporting to Audit &amp; Finance)</u>	<del>Notwithstanding the above, in Urgent Circumstances the</del> <u>The CAO may approve and sign a contract amendment for any amount</u> <del>amendments that exceed the thresholds above,</del> provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.
Council	Any amount

**Contract Options**

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>
<u>Manager</u>	<del>\$40,000</del>
Director	<del>\$500,000</del> <u>Per delegation of authority from Executive Director [not to exceed \$500,000]</u>
<u>Executive Director</u>	<del>\$500,000</del>
<del>CAO</del> <u>DCAO</u>	<del>\$1,250,000</del> ,000
<u>CAO</u>	<u>Any Amount</u>
Council	Any Amount

**Contract Assignments**

34. (1) ~~\_\_\_~~ The authority to assign or consent to ~~a request by a supplier to assign an assignment of~~ a contract ~~to another person or entity~~ is as follows:

<b>Assignment Authority</b>	<b>Total Value of Contract</b>
<del>Manager</del> <u>Director of Procurement (in consultation with applicable Executive Director, DCAO or CAO)</u>	<del>\$500,000</del> <u>Any Amount</u>
<u>CAO</u>	<del>\$1,250,000</del>
<u>Council</u>	<del>Any Amount</del>

~~\_\_\_~~ (2) An assignment agreement must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

**Contract Terminations**

35. (1) ~~\_\_\_~~ The failure of a supplier to fulfill its obligations under any contract with the Municipality shall be documented by the Department responsible for the contract.

(2) Legal Services and the Procurement Section shall be consulted prior to the termination of any contract by the Municipality.

(3) The authority to approve the termination of a contract due to the default by the supplier of its obligations, or otherwise is as follows:

<b>Termination Authority</b>	<b>Total Value of Contract</b>
<del>Executive</del> Director	\$500,000
<del>CAO</del> <u>CAO</u>	\$1,259,000,000
<u>CAO</u>	<u>Any Amount</u>
Council	Any Amount

**SUPPLIER PERFORMANCE**

**Performance Files**

36. (1) ~~\_\_\_~~ Departments shall complete a supplier evaluation scorecard at the completion of each contract or as otherwise directed by the ~~Manager~~ Director of Procurement.

~~(2)~~ (2) The Procurement Section shall maintain supplier performance files that contain information supplied by Department and Procurement Section staff, including supplier evaluation scorecards.

(3) Supplier performance may be evaluated based on factors including safety, project management, scheduling and overall quality of work.

**Disqualification & Suspension (Bid-Barring)**

37. (1) ~~\_\_\_~~ Upon reasonable notice in writing to the supplier involved, and after a reasonable opportunity for response, the Municipality may formally disqualify or suspend a supplier from bidding on any Municipal procurement opportunities for a period not exceeding 5 years, on grounds including:

- (a) Bankruptcy or insolvency;
- (b) False declarations;
- (c) Significant ~~\_\_\_~~ or ~~\_\_\_~~ persistent ~~\_\_\_~~ deficiencies ~~in~~ ~~\_\_\_~~ performance of ~~\_\_\_~~ any substantive requirement or obligation under a prior contract or contracts;
- (d) Final judgments in respect of serious crimes or other serious offences;
- (e) Professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or

(f) Failure to pay taxes.

(2) A written decision shall be issued to the supplier disqualified or suspended setting out the reasons for its disqualification or suspension.

(3) Disqualification or suspension of a supplier shall be approved by the ~~Manager~~Director of Procurement.

(4) Disqualification or suspension applies to the supplier and its owner(s) and principal(s).

**Debriefings**

38. (1) A supplier may request a debriefing after a contract is awarded if the request is made in writing to the ~~Manager~~Director of Procurement within 10 business days of the award notice being posted on the Procurement Web Portal.

~~notice being posted on the Procurement Web Portal.~~

~~(2)~~ (2) At a debriefing, suppliers can find out how their bid scored against published criteria, obtain comments from the evaluation team on their bid, and gather information on how future submissions may be improved.

~~(3)~~ (3) At a debriefing, bids shall not be compared to each other, nor shall information on other bids be provided.

**Bid Challenges & Dispute Resolution**

39. (1) Suppliers are encouraged to raise any concerns with the Procurement Section about a particular procurement or procurement process prior to submitting a formal complaint or commencing legal proceedings.

~~(2)~~ (2) Notwithstanding any other recourse available to a supplier, a supplier may submit a formal complaint to the Province of Nova Scotia's Chief Procurement Officer in accordance with the Province of Nova Scotia's Vendor Complaint Procedure.

**COST SHARING AGREEMENTS**

**Approval**  
**of Cost Sharing**

40. (1) The authority to approve and execute cost sharing or contribution agreements on behalf of the Municipality, to receive funding or funding commitments from third parties is as follows:

<u>Approval &amp; Signing Authority</u>	<u>Maximum Amount</u>
CAO	<u>Any amount</u>
DCAO	<u>\$1,000,000</u>

<u>Executive Director</u>	<u>\$500,000</u>
<u>Director</u>	<u>\$10,000</u>

(2) Notwithstanding the authority limits listed in subsection (1), Council approval is required for any cost sharing or contribution agreement that requires or will result in an increase of more than \$1,000,000 in the approved project budget or multi-year capital plan.

(3) Notwithstanding subsection (2), the CAO may approve and execute all cost sharing or contribution agreements with Halifax Water for integrated projects.

(4) The terms and conditions of all cost sharing or contribution agreements must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

## **TRANSITION AND REPEAL**

### **Transition**

40.41. A reference in an enactment to any previous Procurement Policy of the Municipality, is to be read as including a reference to the provisions of this Administrative Order relating to the same subject-matter.

### **Repeal**

41.42. (1) Administrative Order ~~2016-005~~2020-004-ADM, the *Halifax Regional Municipality Procurement Administrative Order*, adopted by Council on ~~February~~July 7, ~~2017~~2020 and all amendments thereto is repealed.

(2) The *Changes to Cost Sharing for Capital Projects Policy* adopted by Council on April 24, 2007 and all amendments thereto is repealed.

Done and passed in Council this 7<sup>th</sup> day of July, 2020.

Mayor Mike Savage

Sherryl Murphy, Acting  
Mayor

\_\_\_\_\_  
Municipal Clerk

I, Sherryl Murphy, Acting, Municipal Clerk of Halifax Regional Municipality, hereby certify that the above-noted Administrative Order was passed at a meeting of Halifax Regional Council held on July 7, 2020.

Sherryl Murphy, Acting  
\_\_\_\_\_  
Municipal Clerk

Notice of Motion: June 23, 2020 \_\_\_\_\_

Approval: Approval: \_\_\_\_\_ July 7, 2020

Amendment #1

Amended Subsection 21(2), Added subsection 21(3) Added Appendix B, Added

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Appendix C

Notice of Motion: September 1, 2020

Approval: \_\_\_\_\_ September 30, 2020

Effective Date: \_\_\_\_\_ April 1, 2021

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Amendment #2

Amended Subsection 12(3), Added clause 26(1)(aa) Repealed 26(1a)

Notice of Motion: \_\_\_\_\_ February 23, 2021

Approval: \_\_\_\_\_ March 9, 2021

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Amendment #3

Added section 8A

Notice of Motion: \_\_\_\_\_ July 20, 2021

Approval: \_\_\_\_\_ August 31, 2021

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## APPENDIX A – EXEMPTIONS

### List of Exemptions

4. 1. The following expenditures shall be exempt from the application of section 12 through 39 of this Administrative Order:

a) Expenditures that, by their nature, are not expenditures for the acquisition of Goods, Services or Construction; and

b) Expenditures that are expressly exempt from the public procurement requirements of applicable trade agreements including:

(i) public employment contracts;

(ii) non-legally binding agreements;

(iii) any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;

(iv) a contract awarded under a cooperation agreement with an international cooperation organization if the procurement is financed, in whole or in part, by the organization;

(v) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;

(vi) measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail or are a disguised restriction on trade;

(vii) procurement or acquisition of:

(i) fiscal agency or depository services;

(ii) liquidation and management services for regulated financial institutions; or

(iii) services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities;

(viii) procurement of:

~~(i)~~ financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including (i) ancillary advisory and information services, whether or not delivered by a financial institution;

- (ii) health services or social services;
- (iii) services that may, under applicable law, only be provided by licensed lawyers or notaries; or
- (iv) services of expert witnesses or factual witnesses used in court or legal proceedings; or
- (ix) procurement of Goods, Services or Construction:
  - (i) financed primarily from donations that require the procurement to be conducted in a manner inconsistent with applicable trade agreements;
  - (ii) on behalf of a person or entity not subject to applicable trade agreements;
  - (iii) between the Municipality and enterprises that are controlled by or affiliated with the Municipality, or between the Municipality and another government body or enterprise or their affiliates;
  - (iv) by non-governmental bodies that exercise governmental authority delegated to them;
  - (v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;
  - (vi) under a commercial agreement when operating a sporting or convention facility;
  - (vii) conducted for the specific purpose of providing international assistance, including development aid, provided that the Municipality does not discriminate on the basis of origin or location within Canada of Goods, Services, Construction or suppliers; or
- (x) conducted:
  - (i) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or
  - (ii) under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance.

**Approval Authorities**

2 2. Unless stated otherwise, addressed in another policy, or delegated by the CAO, the ~~approval and execution of ability to make or authorize~~ expenditures ~~or enter into contracts~~ that are exempt from the application of this Administrative Order are subject to the following

authority limits:

<b>Position</b>	<b>Authority Limit</b>
<u>Manager</u> Director	<del>\$25</del> 100,000
<u>Executive</u> Director	<del>\$400</del> 500,000
<u>Executive Director of Finance and Asset Management</u>	<u>Any amount (utilities and statutory payments to other levels of government only)</u>
<u>DCAO</u>	<u>\$1,000,000</u>
CAO	Any Amount

3. 3. Notwithstanding section 2, the procurement of external legal services must also be authorized by the Municipal Solicitor.

## APPENDIX B – SOCIAL VALUE FRAMEWORK

### ~~4.~~ 1. Application

~~4.1.~~ 1.1. The effective date for this Social Value Framework is April 1, 2021

~~4.2.~~ 1.2. This Framework shall apply to all Municipal purchases of Goods, Services and Construction except purchases for time and materials-based consulting services and purchases made from prequalification lists (rosters).

### ~~2.~~ 2. Social Impact Opportunity Analysis

~~2.1.~~ 2.1. The Procurement Section shall develop appropriate tools to determine the potential for achieving social impacts or social value in Procurement activities.

~~2.2.~~ 2.2. The Procurement Section and the ordering Department shall consider community impact, reach, workforce and training potential, inclusion, environment, and other social factors, as well as the market's ability to respond.

~~2.3.~~ 2.3. Unless it is determined that it is not appropriate or practical, all procurement opportunities with estimated values of \$1,250,000 or greater shall include evaluation criteria and/or contract requirements that aim to achieve social impacts or social value.

~~2.4.~~ 2.4. Unless it is determined that it is not appropriate or practical, all Requests for Pre-Qualification and Request for Proposals issued by the Procurement Section, regardless of value, will contain evaluation criteria that aim to achieve social impacts or social value, and clearly identify to proponents the types of strategies that can be proposed to address the associated evaluation criteria. The evaluation team will include the appropriate staff with relevant/appropriate experience to evaluate proposals.

~~2.5.~~ 2.5. Requests for Quotation and Tenders shall set out any mandatory submission or contract requirements related to social impact or social value.

### ~~3.~~ 3. Supplier Diversity

~~3.1.~~ 3.1. The Procurement Section shall develop and maintain a list of diverse supplier certification organizations which may be accessed by staff to identify certified diverse suppliers.

~~3.2.~~ 3.2. Departments shall seek at least one (1) quotation from a diverse supplier when making a Low Value Purchase.

~~3.3.~~ 3.3. The Procurement Section shall seek at least one (1) quotation from a diverse supplier when making a purchase via an invitational process.

~~3.4.~~ 3.4. All publicly advertised Requests for Quotations and Tenders will include language to encourage bidders to develop or adopt a supplier diversity policy that aims to include diverse suppliers in their supply chain.

#### ~~4.~~ 4. **Standing Offers and Small to Medium Businesses**

~~4.1.~~ 4.1. The Procurement Section in consultation with Departments shall review standing offer agreements prior to renewal or re-tendering to assess the ability for small to medium local business to respond to the call for bids and, where appropriate, reduce the scope of the standing offer based on the following considerations:

- a) a) Is the standing offer so comprehensive in its nature that small to medium businesses are unable to respond?
- b) b) Does the standing offer include universally available Goods as well as specialized Goods that may restrict competition?
- c) c) Would the unbundling of the Goods have an unreasonable adverse effect on the Municipality?
- d) d) Can the call for bids be reduced in scope in compliance with the Procurement Policy and applicable Trade Agreements?

#### ~~5.~~ 5. **Workforce Development and Employment Equity**

~~5.1.~~ 5.1. For all calls for bids with an anticipated value above \$1,250,000 (including option years) the Procurement Section and the ordering Department will review all bid documents to determine if Workforce Development or Employment Equity requirements should be included on the basis of the following principles:

- a) a) Suitability – the degree to which possible employment-related opportunities can provide candidates with meaningful experience, learning and skill development.
- b) b) Reach – the degree to which candidates can meet the minimum qualifications needed to access possible employment opportunities.
- c) c) Volume – the number of employment opportunities that could be offered as part of the project.
- d) d) Feasibility – likelihood that workforce development outputs can be achieved within the proposed timeframe of the contract.

~~5.2.~~ 5.2. Where opportunities for workforce development and/or employment equity are identified in a Procurement process, bidders will , as part of the procurement process, be required to provide to HRM a commitment respecting workforce development and/or employment equity in the event their bid is accepted.

## ~~6.~~ 6. **Environmental Stewardship**

~~6.1.~~ 6.1. The Procurement Section and ordering Departments will integrate environmental stewardship and life-cycle principles in procurement planning and practices.

~~6.2.~~ 6.2. The Procurement Section and ordering Departments will use appropriate standards (eg. LEED, EPEAT, FSC, and others) to achieve environmental outcomes and value for money (i.e. appropriate balance of factors, such as cost, performance, availability, quality, and environmental performance).

~~6.3.~~ 6.3. When creating a standing offer the Procurement Section will seek to include environmentally preferable options (i.e. that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose) to user Departments.

## ~~7.~~ 7. **Reporting and Compliance**

~~7.1.~~ 7.1. Where social value requirements are included in a Procurement process, such requirements will be included in the resulting contract, in addition to contractual obligations for ongoing reporting on the status of such commitments from the supplier.

~~7.2.~~ 7.2. The Procurement Section will develop procedures to guide the determination of whether a supplier achieves or fails to meet their social value commitments, including but not limited to, the degree of compliance, the effort made by the supplier in working towards meeting their commitment and the role of subcontractors within the contract.

## APPENDIX C – SUPPLIER CODE OF CONDUCT

### ~~4.~~ 1. Application

1.1 The effective date for this Supplier Code of Conduct is April 1, 2021

~~4.2~~ 1.2 The provisions of this Supplier Code of Conduct set forth Halifax Regional Municipality's expectations for all suppliers (and their subcontractors) with whom the Municipality does business.

~~4.3~~ 1.3 Suppliers and their subcontractors shall comply with all provisions of the Supplier Code of Conduct and with all applicable laws and regulations in the jurisdiction(s) where the Supplier operates with respect to manufacturing of goods, development and protection of intellectual property rights, delivery of services and construction, and ethical business practices. This includes but is not limited to those laws relating to working conditions, human rights, health and safety, and the environment. Where applicable laws and this Supplier Code of Conduct address the same issue, the standard that is most stringent will apply.

~~4.4~~ 1.4 The purpose of compliance with this Supplier Code of Conduct is to ensure that all suppliers and their subcontractors, regardless of their place of operation, adhere to a consistent set of minimum performance standards related to social responsibility, environmental standards, ethics, human rights and fair workplace practices.

### ~~2.~~ 2. Child Labour

~~2.1~~ 2.1 The supplier and its subcontractors must commit to a zero-tolerance policy toward the use of child labour in the provision of any goods or services to the Municipality. The term "child" refers to any person under the age of 16. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is permitted.

### ~~3.~~ 3. Forced Labour

~~3.1~~ 3.1 Suppliers and their subcontractors shall not:

- a) a) Use forced, illegal or involuntary prison labour, including indentured or bonded labour, or any form of compulsory labour in the production of Goods or Services.
- b) b) Require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.
- c) c) Require any foreign contract worker to remain in employment for any period of time against ~~his or her~~their will or burden workers with any required agency recruitment commissions.

#### **4. 4. Equity and Non-discrimination**

~~4.1~~ 4.1 In hiring and employment practices such as promotions, rewards, and access to training, neither the supplier nor its directors, officers, or employees will engage in discrimination based on race, religious beliefs, colour, gender, gender identity, gender expression, physical or mental disability, ancestry, marital status, family status, source of income, age, place of origin, and sexual orientation. In addition, workers or potential workers shall not be subjected to unlawful or discriminatory medical tests.

~~4.2~~ 4.2 Suppliers and their subcontractors shall not interfere with the exercise of the rights of personnel to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.

~~4.3~~ 4.3 Suppliers and their subcontractors shall not permit or condone behavior including gestures, language and physical contact, that is coercive, threatening, abusive or exploitative.

#### **5. 5. Disciplinary Practices**

~~5.1~~ 5.1 Suppliers and their subcontractors must ensure their employees are treated with respect and dignity and that disciplinary policies and procedures are clearly defined and communicated to employees. The supplier and its subcontractors must ensure that its employees are not subject to inappropriate treatment, including any personal or sexual harassment, nor to the threat of any such treatment.

~~5.2~~ 5.2 Suppliers and their subcontractors shall not retaliate against or discipline any employee for reporting harassment or other inappropriate treatment in the workplace.

#### **6. 6. Hours of Work**

~~6.1~~ 6.1 Suppliers and their subcontractors shall comply with all applicable employment standards and related law and legislation in the jurisdiction(s) of production or services with respect to hours of work, vacation pay, overtime hours and overtime pay.

#### **7. 7. Wages**

~~7.1~~ 7.1 Suppliers and their subcontractors will at a minimum meet legislated minimum wage rates and comply with all employment standards and related law, legislation and applicable collective agreements in the jurisdiction(s) of production or services with respect to compensation, including wages and benefits.

#### **8. 8. Living Wage Requirement**

~~8.1~~ 8.1 For Services contracts where outsourced labour is performed on a regular, ongoing basis (such as custodial work, security services, solid-waste collection, grass mowing and snow removal), suppliers and their subcontractors shall pay, at minimum, a “living wage” to their employees when such employees are assigned to operational duties within HRM-owned or operated buildings, parks, streets, sidewalks, rights of way, playgrounds or parking lots. For the purposes of this paragraph, “living wage” is the living wage rate for Halifax, Nova Scotia as defined, calculated and published by [Living Wage Canada](#) [the Canadian Centre for Policy Alternatives](#) as of the date that the call for bids is published.

~~8.2~~ 8.2 Notwithstanding the foregoing, the requirement to pay a living wage is not applicable to:

- a) a) contracts entered into and contracts tendered or retendered prior to this Code of Conduct coming into force;
- b) b) students, interns and practicum placements for summer projects, etc
- c) c) contracts requiring fewer than 120 total person-hours of service per year;
- d) d) ad hoc contract work (for example emergency or non-recurring repairs or maintenance where no standing contracts are in place);
- e) e) Construction Services
- f) f) volunteers;
- g) g) employees of organizations (for profit or not-for-profit) that lease property from the City; or
- h) h) social enterprise.

~~8.3~~ 8.3 Suppliers and their subcontractors shall, upon request, provide the Municipality with evidence of their compliance with the living wage requirements set out herein.

## **9. Freedom of Association and Collective Bargaining**

9.1 The supplier and its subcontractors must work directly with employees to find solutions to any outstanding legal and employment issues while at all times respecting worker rights to obtain representation, join labour unions, and bargain collectively. Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment

## **40 10 Health and Safety**

**40.4 10.1** Suppliers and their subcontractors shall meet or exceed the requirements of all occupational health and safety codes and related law and regulations in the jurisdiction(s) of production or where the services are being performed. At minimum suppliers and their subcontractors shall:

- a) **a)** Provide a safe and healthy working environment and take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment;
- b) **b)** Appoint a representative responsible for the health and safety of all personnel, and accountable for the implementation of the Health and Safety elements identified in this Supplier Code of Conduct;
- c) **c)** Ensure that all personnel receive regular and recorded health and safety training (in a language understood by the worker) and that such training is repeated for new and reassigned personnel;
- d) **d)** Establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel;
- e) **e)** Provide for use by all personnel, clean bathrooms, access to potable water and, if appropriate, sanitary facilities for food storage.

## **44 11 Environmental Stewardship**

**44.4 11.1** In June 2020, Halifax Regional Council adopted HalifACT 2050. HalifACT 2050 is a commitment to reducing emissions, switching to clean and reliable energy sources and demonstrating local government leadership. This transformational plan aligns the Municipality's efforts to support an equitable shift to a low-carbon economy by 2050. The plan will also help communities adapt by raising awareness about climate hazards and helping them better prepare. In addition to the environmental benefits, the implementation of this plan will lead to economic opportunities, healthier communities and a more resilient Halifax. In support of the plan:

- a) **a)** Suppliers and their subcontractors must seek to conduct their businesses in an environmentally responsible way, offering or using environmentally responsible products and services to the extent available, all with the goal of assisting in the reduction of any negative impact on the environment.
- b) **b)** Suppliers and their subcontractors shall mitigate their greenhouse gas ("GHG") emissions, which may include establishing GHG emissions reduction targets, undertaking projects focused on operational efficiencies and technological improvements, and offering low-carbon products and services to HRM

ⓔ) c) Suppliers and their subcontractors shall undertake initiatives to promote greater environmental responsibility, such as implementing policies and programs relating to reducing water, waste, energy and paper consumption.

ⓔ) d) Suppliers and their subcontractors shall incorporate climate change risk assessment into their risk management procedures.

#### **42. 12. Conflicts of interest or unfair advantage.**

42.4 12.1 Suppliers must declare and fully disclose any actual or potential conflict of interest or unfair advantage related to the preparation of their bid or where the supplier foresees an actual or potential conflict of interest in the performance of the contract. Such potential conflicts of interest or unfair advantages include, but are not limited to:

ⓔ) a) Engaging current or former Municipal employees to take any part in the preparation of the bid or the performance of the contract if awarded, any time within two (2) years of such persons having left the employ of the Municipality;

ⓔ) b) Engaging any family members, friends or private business associates of any Municipal employee which may have, or appear to have, any influence on the procurement process, or subsequent performance of the contract;

ⓔ) c) Prior access to confidential Municipally-owned information by the supplier, or affiliated persons, that is materially related to the solicitation and that was not readily accessible to other prospective suppliers; or

ⓔ) d) The supplier or its affiliated persons are indebted to or engaged in ongoing or proposed litigation with the Municipality in relation to a previous contract

#### **43. 13. Confidential Information**

43.4 13.1 Suppliers and their subcontractors may, by virtue of their dealings with the Municipality, come into contact with confidential information in respect to the Municipality, including its business partners, citizens and employees. Suppliers and their subcontractors must comply with all legal and contractual restrictions with respect to the handling of confidential information and where required must have appropriate policies and procedures in place to comply with applicable laws and regulatory requirements regarding the management of confidential information (such as information barriers or “ethical walls”) and must prevent inappropriate access or disclosure of confidential information.

#### **44. 14. Publicity**

44.4 14.1 Suppliers and their subcontractors must not make any promotional statements (whether on company websites or via social media or otherwise), issue any

media releases or distribute any marketing materials referencing the Municipality or Municipal trademarks or logos, unless the Municipality has approved each proposed use in advance, or such use is expressly permitted in an existing agreement with the Municipality.

#### **45. 15. Ethical Standards**

**45.1 15.1** Suppliers and their subcontractors must comply with high ethical standards in doing business, including but not limited to the following:

- a) a) Refrain from exerting pressure of any kind on or offering money or gifts to employees, officials or directors of any entity sourcing goods, services, intellectual property rights, or construction, whether through a competitive or non-competitive sourcing process, in order to gain an advantage of any kind over other participants or potential participants in the sourcing process;
- b) b) Comply with all applicable domestic and international laws;
- c) c) Abide by any standards, rules, and codes of conduct set out by any bodies which govern the supplier;
- d) d) Without limiting the foregoing, refrain from engaging in any reviewable conduct or offences under the Competition Act;
- e) e) Refrain from knowingly providing inaccurate or misleading information in response to any kind of invitation to submit a bid or proposal;
- f) f) Refrain from intimidating or attempting to intimidate any other participants or potential participants in any competitive or non-competitive sourcing process;
- g) g) Refrain from engaging in questionable or unethical financial practices;
- h) h) Refrain from engaging in any deceptive marketing practices; and
- i) i) Refrain from engaging or attempting to engage in any other corrupt or otherwise unethical business practices.

#### **46. 16. Implementation and Compliance**

**46.1 16.1** The Municipality expects all its suppliers and their subcontractors to comply with the Supplier Code of Conduct and to actively do their best to exceed the Municipality's standards.

**46.2 16.2** The Municipality's suppliers and their subcontractors have an obligation to inform their employees about the Supplier Code of Conduct and appropriate avenues

of complaint. This Code of Conduct shall be communicated to all employees and posted in both English and the local language of the employees, in an area accessible to all employees.

~~16.3~~ 16.3 The Municipality reserves the right to require suppliers to provide details on factory and production facility locations.

~~16.4~~ 16.4 The Municipality reserves the right to ask for proof of compliance with all applicable labour, health, safety and environmental laws, and may inspect work locations at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the Supplier Code of Conduct and the Municipality may ask that they are independently verified at the supplier's expense.

16.5 On-going or unresolved non-compliance with the Supplier Code of Conduct may be considered as grounds for termination of contract and/or disqualification from future procurement opportunities.

~~16.5~~