

Re: Item No. 15.1.5

HALIFAX

Proposed Amendments – Procurement Policy

Administrative Order 2022-012-ADM

11/22/2022

Policy Goals

- Accountability
- Accessibility
- Transparency
- Integrity
- Social Procurement
- Efficiency
- Red Tape Reduction

Reasons for Change

- Alignment to Municipal organizational structure.
- Apply more focus on authority, trade agreements and legislation.
- Mitigate financial and legal risks.
- Enable more efficient procurement strategies.
- Continue to support Living Wage initiatives.
- Reflect feedback from internal and external stakeholders.

Definitions

- New roles and titles include:
 - Deputy CAO
 - Executive Director
 - Director
- Auditor General is subject to Trade Agreement constraints but does not report to CAO.
- Gender neutral pronouns.

Pre-Requisites to Award

- Wording now aligned with requirements of Section 79A of *Halifax Regional Municipality Charter*.
- Expenditures made in any given fiscal year must explicitly be provided for in operating or capital budgets with limited exceptions.

Proposed Award Authorities

Role	Current Limit	Proposed Limit
Director	Per Delegation by ED	No Change
Executive Director	\$100,000	\$500,000
Deputy CAO	\$100,000 (per Delegation by CAO)	\$1,000,000
CAO	<p>\$1,250,000 for most tenders, RFPs and Alt-Procurement</p> <p>Unlimited for Road, Sidewalk, AT construction and urgent circumstances</p>	<p>Unlimited if within approved budget or multi-year capital plan</p> <p>\$5,000,000/5-year term for multi-year operating contracts</p>
Council	Unlimited	Unlimited

Award Authorities - Jurisdictional Scan

Approval of Budgeted Competitive Awards			
City	Population (2021 Census)	22/23 Operating plus Capital Budget/Plan	CAO/City Manager Approval Limit
Vaughan, ON	323,103	\$560M	Tenders – Unlimited RFPs - Unlimited
Markham, ON	338,503	\$533M	Tenders - Unlimited RFPs – Up to \$350K
London, ON	422,324	\$1.3B	Tenders – Up to \$6M RFPs – Up to \$100K
Hamilton, ON	569,353	\$1.3B	Tenders – Unlimited RFPs - Unlimited
Brampton, ON	656,480	\$1.1B	Tenders – Unlimited RFPs - Unlimited
Mississauga, ON *approval is by CPO	717,961	\$1.3B	Tenders – Unlimited RFPs - Unlimited
Winnipeg, MB	749,607	\$1.7B	Tenders – Unlimited RFPs - Unlimited

Rationale for Proposed Award Authorities

- Council approves annual capital and operating budgets and multi-year capital plans prior to issuance of solicitations.
- Will reduce time from posting to award by 3 or more weeks for higher value contracts, and up to a week for under \$1M.
- Increases accountability and streamlines administrative processes.
- HRM has limited discretion to by-pass low bid/highest score.
- Mitigates risk of political influence in the award process experienced in other jurisdictions.
- Councillors will continue to receive weekly/quarterly award lists.

Contract Amendments

- Existing process delays necessary changes to projects in process.
- Often include public and environmental safety considerations and stopping work is often unrealistic and increases costs.
- Must be fully funded within the project budget, fully documented and reported to the Audit & Finance Standing Committee.
- CAO may choose to direct approval to Regional Council.

Cost Sharing Agreements

- Third-party funding must be confirmed prior to award.
- Approval limits match other authorities.
- Except from Halifax Water, third-party funding which increases approved scope or budget >\$1M must be approved by Council.

Other Authorities

Options and Terminations

- Options are already considered in the original contract.
- Termination requires consultations with Legal Services and Procurement.

Contract Assignments and Assumptions

- Mostly due to acquisitions or mergers.
- Does not impact the original contract requirements.

Exemptions

- Clarification of responsibility based on Charter.
- Recognizes Chief Financial Officer authority to pay bills.

Living Wage – Source Change

- Staff cannot currently update Living Wage
- Living Wage Canada directly links to CCPA
- CCPA is the original source of Living Wage data

Thank you