

AUDIT & FINANCE STANDING COMMITTEE

MINUTES

April 18, 2012

PRESENT: Councillors: Russell Walker, Chair
Barry Dalrymple, Vice –Chair
Steve Adams
Deputy Mayor Bill Karsten
Gloria McCluskey
Linda Mosher
Tim Outhit
Sue Uteck

PRESENT: Mr. Greg Keefe, Acting Director, Finance & Information Technology
Ms. Anne Feist, Manager, Procurement, Finance & Information
Technology
Ms. Chris Newson, Legislative Assistant

OFFICE OF THE
AUDITOR GENERAL: Mr. Larry Munroe, Auditor General
Ms. Pauline Boudreau, Coordinator

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1. CALL TO ORDER

Councillor Walker, Chair, called the meeting to order at 10:03 a.m. in the Council Chamber, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF MINUTES – March 21, 2012

MOVED by Deputy Mayor Karsten, seconded by Councillor McCluskey that the minutes of March 21, 2012, as presented, be approved. MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

Additions:

- 11.1 Use of External Consulting Services Fiscal Years 2007/08 through 2010/11
- 11.2 T.I.P.S. Hotline - Online Submission Form

MOVED by Councillor McCluskey, seconded by Deputy Mayor Karsten that the agenda, as amended, be approved. MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES - NONE

5. MOTIONS OF RECONSIDERATION – NONE

6. MOTIONS OF RESCISSION – NONE

7. CONSIDERATION OF DEFERRED BUSINESS

7.1 Disposal of Surplus HRM Assets – Environment and Sustainability Standing Committee Report

The March 8, 2012 Environment and Sustainability Standing Committee report was before the Standing Committee.

This item was dealt with under Item 9.1. See page 4.

7.2 Information Item 3 (March 21, 2012) Disposal of Surplus HRM Assets

The March 6, 2012 staff report in response to the Environment and Sustainability Standing Committee's report was before the Standing Committee.
This item was dealt with under Item 9.1. See page below.

8. CORRESPONDENCE, DELEGATIONS

8.1 Correspondence – NONE

8.2 Delegations - NONE

9. REPORTS

9.1 STAFF

9.1.1 Amendments to Administrative Order #35 – Procurement Policy

The following documents were before the Standing Committee:

- March 8, 2012 Environment and Sustainability Standing Committee report
- March 6, 2012 staff Information Report
- April 1, 2012 staff report.

Ms. Anne Feist, Manager, Procurement, presented the report. She advised that the following bullet should be added to Section 9 Award of Contracts, Sub Sections 4 and 5:

“Where the Request for Tender is awarded to a supplier based on achieving best value, with best value being determined by an evaluation method and weighted scale of each factor that is contained within the tender documents.”

Ms. Feist then responded to questions of clarification from members of the Standing Committee.

Discussion ensued on the proposed amendments to Administrative Order 35.

In response to questions raised by Members of the Standing Committee, Ms. Feist explained that, as outlined in the report, there is an internal distribution process for excess HRM assets that is proposed to be extended to HRM's Agencies, Boards and Commissions including Community Centres. Most of HRM's assets are re-used internally with very little being sent elsewhere. The only other change in regard to the disposal of furniture would be that the decision moves from under the Chief Administrative Officer to Halifax Regional Council.

Councillor McCluskey requested further information in regard to a recent tender for flags as to whether the tender included maintenance of the flags. She commented that when reviewing tenders, consideration be given to not only to the lowest value but also to what is included in the tender offer.

Councillor Outhit entered the meeting at 10:16 a.m.

Councillor Dalrymple inquired whether it would be possible for procurement to maintain a website for community groups to reference in regard to surplus HRM assets, such as a filing cabinet, whereby a community group could then submit a request for that item

rather than the matter having to be forwarded to Regional Council. He explained that this was the basis for the report from the Environment and Sustainability Standing Committee, as shown under Item 7.1. He noted that the goal is to keep items from ending up in the landfill.

Ms. Feist reiterated the administrative burden associated with this request as outlined in the April 1, 2012 staff report.

Councillor Dalrymple requested that a response be sent to the Environment and Sustainability Standing Committee in regard to their recommendation and that the report include an explanation of what action is being recommended.

MOVED by Councillor Uteck, seconded by Councillor McCluskey that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve amendments to Administrative Order 35, the Procurement Policy Administrative Order, as outlined in Attachment "A" of the April 1, 2012 staff report with the inclusion of the following bullet to Section 9 Award of Contracts Sub Section 4 and 5, pages 13 and 14 of Attachment A,

"Where the Request for Tender is awarded to a supplier based on achieving best value, with best value being determined by an evaluation method and weighted scale of each factor that is contained within the tender documents."

Discussion ensued on the Environment and Sustainability Standing Committee's March 8, 2012 report.

Deputy Mayor Karsten inquired whether or not it would be possible to maintain HRM tenders on the HRM website rather than the provincial website. He requested staff to respond in regard to why a Dartmouth Sportsplex tender was still showing on the HRM webpage.

Councillor Mosher expressed concern that the Agencies, Boards and Commissions were not following the HRM Procurement policy/process and inquired how that could be enforced. She suggested that the policy be sent to all HRM Agencies, Boards and Commissions, large and small facilities, and that Finance staff present the policy/process to those groups to ensure they understand.

Ms. Feist confirmed that there would be an outreach program associated with the amended Procurement Policy.

Without a vote being taken on the motion on the floor, it was **MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the Audit and Finance Standing Committee forward an information Report to the Environment and Sustainability Standing Committee advising them of the changes to the Administrative Order 35**

– Procurement Policy, and; that the matter has been forwarded to Regional Council.

Councillor Outhit suggested a threshold on the monetary amount for an item, such as the \$1,000.00 plus amount before a matter is required to be tendered, so that a request for a table under a certain value could be dealt with by Procurement rather than the matter coming before Regional Council.

MOTION PUT AND PASSED.

A vote was then taken on the main motion as follows:

MOVED by Councillor Uteck, seconded by Councillor McCluskey that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve amendments to Administrative Order 35, the Procurement Policy Administrative Order, as outlined in Attachment “A” of the April 1, 2012 staff report with the inclusion of the following bullet to Section 9 Award of Contracts Sub Section 4 and 5, pages 13 and 14 of Attachment A,

“Where the Request for Tender is awarded to a supplier based on achieving best value, with best value being determined by an evaluation method and weighted scale of each factor that is contained within the tender documents.”

MOTION PUT AND PASSED.

9.2 MEMBERS OF THE STANDING COMMITTEE – NONE

9.3 OFFICE OF THE AUDITOR GENERAL

See Added Items 11.1 and 11.2 below.

9.4 SUB-COMITTEES

9.4.1 Grants Committee – NONE

9.4.2 Investment Policy Advisory Committee – NONE

9.4.3 Special Events Advisory Committee – NONE

10. MOTIONS – NONE

11. ADDED ITEMS

11.1 Use of External Consulting Services Fiscal Years 2007/08 through 2010/11

A copy of the *Use of External Consulting Services Fiscal Years 2007/08 through 2010/11* report was circulated to the Standing Committee at this time.

Mr. Larry Munroe, Auditor General, presented his report on the use of external consulting services. He noted that Mr. Richard Butts, Chief Administrative Officer, has reviewed the report and provided positive feedback. Some of the recommendations are already being implemented, such as those associated with Procurement. Mr. Munroe responded to questions from Members of the Standing Committee.

Councillor Mosher expressed concern with tenders being awarded to groups who did not meet expectations from a previous tender. She suggested an evaluation component be included with the procurement process so that if expectations are not fulfilled that group would have points deducted on their next tender.

In regard to the majority of external Consultants being used for Human Resources, such as Head Hunting services, Councillor Mosher expressed concern that perhaps the organization was not aware of the extensive Human Resources staff and resources available.

Councillor Adams retired from the meeting at 11:17 a.m.

Councillor Outhit requested information on what savings were made by hiring a consultant for a facility to be LEED Gold rather than having staff for that project. There may be a cost, at times, to hiring Consultants but there may be a savings as well.

Deputy Mayor Karsten requested that a copy of the PowerPoint presentation be provided to Members of the Standing Committee.

Councillor McCluskey suggested that each department should be looking at the qualifications/expertise of staff and whether or not they are taking advantage of all their skills/experience/training. If qualification in some areas are lacking then someone with those skills should be hired. There should be opportunities for HRM staff to step forward. She also suggested that expertise may be sought from other areas such as contacting Moncton for their expertise/experience in regard to the stadium.

Councillors McCluskey and Outhit commented that a review of the Canada Games Centre and Four Pad centres would assist in determining whether or not there was significant cost savings to HRM, or not, by outsourcing.

Councillor Walker, Chair, thanked Mr. Munroe for his presentation.

11.2 T.I.P.S. Hotline - Online Submission Form – Verbal Presentation by Mr. Larry Munroe, Auditor General

A copy of the T.I.P.S. Hotline – Online Submission Form report was circulated to the Committee at this time.

Mr. Larry Munroe, Auditor General, provided a verbal presentation on the online form and explained where the form was located on the HRM Website. He noted that a media release would follow in regard to the online T.I.P.S. Hotline form.

Councillor Walker, Chair, thanked Mr. Munroe for his presentation.

12. NOTICES OF MOTION - NONE

13. IN CAMERA

MOVED by Councillor McCluskey, seconded by Deputy Mayor Karsten that the Audit and Finance Standing Committee move In Camera at this time to deal with a Property Matter; Tax Sale Reserve Bid – Amendments to Administrative Order 18: Revenue Collections Policy. MOTION PUT AND PASSED:

13.1 PROPERTY MATTER: Tax Sale Reserve Bid - Amendments to Administrative Order 18: Revenue Collections Policy

This matter was dealt with at an earlier In Camera meeting and was now before the Committee for ratification.

MOVED by Councillor Uteck, seconded by Councillor McCluskey that the Audit and Finance Standing Committee forward this matter to Halifax Regional Council as an In Camera item. MOTION PUT AND PASSED.

14. DATE OF NEXT MEETING – May 16, 2012

15. ADJOURNMENT

The meeting was adjourned at 12:01 p.m.

Chris Newson
Legislative Assistant

INFORMATION ITEMS

1. Upcoming Agenda Items
 - 1.1 Community Facilities Master Plan – Funding Strategies - **spring 2012**
 - 1.2 Sackville Sports Stadium Audit Report – **June 2012**