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Halifax Regional Council
July 6, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer

DATE: June 20, 2004

SUBJECT: INTERIM AWARD POLICY - 2004

ORIGIN

The purpose of this report is to provide interim approval to the CAO to approve contracts and for purchase and sale of property during the summer break for those awards greater than the current limit approved in Administration Order 35 - Procurement Policy.

RECOMMENDATION

It is recommended that Council approve an interim authority for the CAO to facilitate the award of tenders and acquisition and disposal of real property during the summer break. The proposed award policy would allow the CAO to award tenders and authorize property transactions during the period of summer recess as set out in the discussion section of this report.

DISCUSSION

During each summer Halifax Regional Council does not meet for approximately one month.

The Capital and Operating Budgets have programs approved by Council for completion during the construction season. If approval is given, this work can proceed as soon as the tenders are received and reviewed. Otherwise this work will be delayed for approval by Council to be awarded to the lowest bidder. Recently Regional Council approved changes to the Procurement Policy that increased the CAO award limit for Tenders and RFP for services and goods to the value of \$500,000 and to approve consulting contracts up to the value of \$250,000. During the four week summer break there may be awards greater than these amounts.

During the interim period the CAO would approve contracts which meet the following criteria:

- Where the funds and program have been approved by Halifax Regional Council as part of the annual business planning and budget process and the expenditure will not result in an over-expenditure of the entire budget.
- Where the purchase was the result of a public procurement process conforming to the HRM procurement policy.
- Where the tender is awarded to a supplier with the lowest cost, or highest revenue, meeting specifications.
- Where the award of a Request for Proposal is made to the highest scoring proponent based upon evaluation criteria within the Request for Proposal.
- Where the purchase is a sole source purchase not to exceed \$50,000.00.
- Where there is no legislative requirement to obtain Halifax Regional Council approval.
- Where the CAO does not decide that the award is a matter best dealt with by Halifax Regional Council.

These are the same criteria as found in administrative order 35 - Procurement Policy with the exception of the conditions that limit the amount of the award.

During the interim period the CAO would approve all real property acquisitions and disposals which meet the following criteria:

Acquisitions:

- Property required for programming and/or operational requirements
- Due diligence requirements met
- Purchase price within 10% of market value as determined by Appraisal
- Expenditure approved as part of the annual Business Plan as an approved operating expenditure, capital project or reserve commitment. Approved business case to support expenditure

Disposals:

- Property not required for programming and/or operational requirements
- Due diligence requirements met
- Purchase price within 10% of market value as determined by Appraisal

A report of any awards made under this interim policy will be sent to Council in August.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

1. Council could delay awards that exceed the present CAO award limit until Regional Council returns from vacation.
2. Council could arrange to meet during the vacation period for the purpose of awarding contracts if needed.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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