

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



**SUBMITTED BY:**

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Dan English, Chief Administrative Officer



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Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services  
and Strategy

**DATE:** June 2, 2008

**SUBJECT:** Interim Award Policy - 2008

**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 Administrative Order 35 - Procurement Policy.

**RECOMMENDATION**

**It is recommended that:**

- a) Council approve the Interim Award Policy as set out in the Discussion Section of this report for the entire period July 1 to September 2; and
- b) The Interim Award Policy apply when a regular Regional Council meeting has been cancelled or the regular schedule creates more than eight (8) business days between Council meetings.

## DISCUSSION

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 awaiting approval by Council for award to the lowest bidder. In addition, occasionally Regional Council does not meet due to a cancellation. These cancellations also slow the tender process. The present Procurement Policy authorizes the CAO to award contracts up to the value of \$100,000. During Council breaks there are often awards greater than these amounts.

During the summer break and other short term breaks and cancellations, it is recommended that the CAO 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.
- 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.

The purchase of real property is governed by a council report approved in October 2002. This policy allows the CAO to approve purchases of real property up to \$200,000 and disposal of real property up to \$150,000. 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 award made under this interim policy will be sent to Council in September, or the next regular Regional Council meeting.

### **BUDGET IMPLICATIONS**

None.

### **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.
3. Council approve the Interim Award Policy as set out in the Discussion Section of this report to allow the CAO to award tenders and authorize property transactions only during the period of Council summer recess July 1 and between July 15 - July 29 and August 19 to September 2.
4. Council approve the summer break portion of the recommendation only.

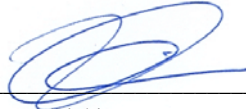
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Anne Feist, Operations Manager, Procurement (490-4200)

(Original Signed)

Report Approved by:

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Peter Stickings, Manager, Real Property (490-7129)