

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9.1.1
Transportation Standing Committee
October 1, 2014

TO: Chair and Members of the Transportation Standing Committee

SUBMITTED BY: *Original signed*

Jane Fraser, Director Planning and Infrastructure

DATE: August 6, 2014

SUBJECT: **Raising the spending limit from \$1000 to \$ 5000 for community groups working under the Maintenance and Capital Agreements between Halifax and the Halifax Regional Trails Association**

ORIGIN

This report originates with a motion from Transportation Standing Committee on July 23, 2014, requesting a staff report discussing a request by the Halifax Regional Trails Association to raise their spending authorization, by the community development model, from \$1000 to \$5000, including the authorization required for such a request.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter sections 79 (1) (o) authorizes Council to spend money required by the municipality for public transportation services 70 (1) (ah) authorizing Council to spend money required by the municipality on trails and 79 (av) (v) authorizing Council to spend money required by the municipality for grants or contributions to organizations within the province including those which are community focused and/or recreational in nature.

The Regional Trails Council Report of May 20, 2014 recommended that the Halifax Regional Council approve the following authorities for the Chief Administrative Office (or delegate) required to administer the Regional Trails Program:

1. The authority to execute Regional Trails Capital Funding Agreements; and
2. The authority to execute a Regional Trails Maintenance Agreement; and
3. The authority to execute expenditures related to the development and maintenance of regional trails by way of a contribution to the Halifax Regional Trails Association member groups;

All subject to the annual HRM budget process and funding approved by Regional Council.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that the spending authority of the members of the Halifax Regional Trails Association remain at the current levels.

BACKGROUND

Members of the Halifax Regional Trails Association (HRTA) are required as per the terms of their maintenance and capital agreements to have 3 quotes for all expenditures above \$1000. Members have indicated that, for smaller contracts, amounts \$5000 or under, it is often difficult to get multiple contractors to bid on the work. As a result, the Halifax Regional Trails Association asked the Halifax Active Transportation Committee to raise the existing limit of \$1000 to \$5000 to facilitate the process of getting contractors to bid on small jobs and to make the work of getting quotes less rigorous and time consuming for volunteer trail groups when they are contracting out small jobs. The \$1000 limit was added to the Halifax Regional Trails Association's maintenance and capital agreements since that is the regular procurement limit for Halifax staff unless contractors are on standing offer lists. As one of the conditions of signing the 2014-15 Capital Agreement, the HRTA Executive and Capital Committee asked their representative to bring the matter to the that the Halifax Active Transportation Committee. The request was made at the May 2014 meeting of the Halifax Active Transportation Committee meeting.

DISCUSSION

The spending authority in the Trails Agreements is consistent with Administrative Order 35, Procurement Policy which outlines the following process levels:

Up to \$1000	The acquisition of goods, services, construction and facilities having a value up to \$1,000 and not covered by Standing Offer or supplied by the Municipal Stores System, may be purchased by the Business Unit in accordance with the principles set out in this policy.
\$1,000 to \$15,000	For the acquisition of goods, services, construction and facilities with a value of at least \$1,000 but less than \$15,000, opportunities shall be posted on the procurement web portal whenever possible. If this is not practical, at least three quotations will be solicited by the Procurement Section in consultation with the Business Unit.
\$15,000 to \$100,000	Opportunities and award notices shall be posted on the procurement web portal.

While the Funding Agreements with the Halifax Regional Trails Association are outside of Procurement Policy, establishing inconsistent Spending Authority on this agreement exposes the municipality to compliance and transparency risk in the administration and support of spending requirements for different programs. The challenge of obtaining quotations by the Trails Association is no different than the effort from community operated facilities such as Multi District Facilities, Municipal Staff carrying out municipal works, and other HRM administrative efforts. Staff recommends a consistent spending authority approach to ensure both compliance to municipal expenditures and the perception of how municipal expenditures are made to the general public.

FINANCIAL IMPLICATIONS

There are no financial implications arising from the recommendation to maintain the current spending authority levels, as aligned with Administrative Order #35 – Procurement Policy.

COMMUNITY ENGAGEMENT

The members of the Halifax Regional Trails Association have been working cooperatively with Halifax since 2006 via the community development model inside the structure of the capital and maintenance agreements. Both capital and maintenance funding procedures are reviewed and negotiated by staff in cooperation with the capital and maintenance committees made up of five community representatives each.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Transportation Standing Committee may direct staff to increase the Spending Authority of members of Halifax Regional Trails Association. This is not recommended.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902-490-4210, or Fax 490-4208.

Report Prepared by: Jessie DeBaie, Assistant Regional Trails Coordinator Phone # 490-1393

Report Approved by: *Original signed*

Richard MacLellan, Manager Facility Development, 902- 233-4846

Financial Approval by: *Original signed*

Greg Keefe, Director of Finance & ICT/CFO, 902-490-6308
