

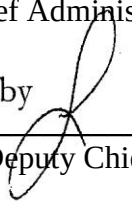
Item No. 11.1.1

**Halifax Regional Council
January 10, 2012**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: December 22, 2011

SUBJECT: Greater Halifax Partnership – Connector Program

ORIGIN

- June 28, 2011, approval of the Service Level Agreement with the Greater Halifax Partnership for the 2011-2012 fiscal year, moved by Councillor Nicoll, seconded by Councillor Karsten.
- March 22, 2011, endorsement of the 2011-2016 Economic Strategy, moved by Councillor Nicoll, seconded by Councillor Streach.
- Staff review of invoice from GHP.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the payment of the final two invoices, for the completion of the Connector Program, in the amount of \$80,000 and \$10,000, to Greater Halifax Partnership.

BACKGROUND

In 2008, HRM entered into a three year agreement with the Maytree Foundation via a grant process for the purpose of establishing the Connector Program, an initiative designed to build and sustain a strategy that assists new skilled residents living in HRM to find employment in their area of education and experience. Maytree is a private Canadian charitable foundation committed to reducing poverty and inequality in Canada and to building strong civic communities.

The Connector Program was established to develop a way to forge connections between existing and new residents of HRM. The Program objectives are to:

- Raise awareness and change perceptions on the benefits of hiring immigrants
- Increase the business network of new immigrants so they can find employment related to their work experience and qualification
- Provide key decision-makers with the information they need to source, select, develop and welcome skilled immigrants to their workforce

In order to award a grant, Maytree requires the recipient to be either a municipal government or registered charity. Given GHP's SLA objectives related to economic development and talent retention, and its close connections to the business community, HRM contracted GHP to carry out the development and oversight of the Connector Program. The Greater Halifax Partnership is authorized by Council to provide economic development services on behalf of HRM. The relationship between GHP and HRM has been set out in service level agreements (SLA), the most recent of which was approved by Council in June. As was the case in past SLAs, GHP's deliverables and outcomes include implementation of HRM Economic Strategy goals.

In both the past 2005-10 and current 2011-16 Economic Strategies, a primary goal has been workforce recruitment and retention. The availability of jobs is the primary factor in a newcomer's decision to stay or leave. The Connector Program was designed to meet this need by building and expanding networks between new HRM residents and established members of the community. Connectors (established community members and business leaders) meet with participants (new residents) who are looking for work in a related field to provide information on the industry in Nova Scotia. The Connector then introduces the participant to three more community members who each do the same thing in turn. Thus the business network of the newcomer grows and the potential job pool for the Connector also expands.

Since the Connector Program launched in July of 2009, GHP has recruited over 350 Connectors and 250 participants. Over 500 connections have taken place and statistics indicate that 101 participants have found employment as a result of their connections. All participants have gained a basic network of business leaders and a better understanding of how their industry works in Halifax. The Program has been recognized by the Conference Board of Canada as a best practice for immigrant attraction and retention and has been replicated in seven other Canadian communities. The Connector Program continues to grow with the following successes:

- The Program was expanded in September 2010 to include International Students in September 2010
- GHP is working with other Nova Scotia RDAs to help them implement a Connector Program in their region
- A web-based tracking program is being implemented to measure and track connections and employment results
- Discussion is underway with provincial partners to expand the program's reach to include young and emerging professionals
- Received honorable mention in the 2010 IEDC International Economic Development Awards
- Second Place in 2010 RBCs best Economic Development Program in Canada

The Maytree grant of \$90,000 per year for three years covered the full cost of establishing the program: \$80,000 for program operation and \$10,000 upon receipt of a written report with performance indicators and achievements. There was no budget impact to HRM. The Maytree grant funding agreement was signed by HRM and the Maytree cheques were made payable to HRM. GHP submitted a yearly invoice to HRM for the \$80,000 and subsequent \$10,000, and HRM provided the project funding to GHP.

DISCUSSION

Upon a recent review, it was raised that since this opportunity falls outside the SLA as approved by Council, it is subject to the Sole Source provisions outlined in the Policy. In consideration of the Procurement Policy, this agreement exceeds the authority of the CAO or staff to approve. Therefore staff seeks Council's approval to pay the current \$80,000 invoice to GHP, as well as the upcoming \$10,000 invoice to come after GHP submits a final report on the Connector Program to Maytree in the spring.

As indicated above, HRM entered into this agreement with GHP in 2008 due to the synergies with GHP's Service Level Agreement and Economic Strategy deliverables. As provided for in the SLA, GHP was to carry out certain economic development services on HRM's behalf. Subsequent to the execution of the SLA, HRM requested GHP to provide services relating to the Connector Program which were in addition to those in the SLA.

The SLA makes it clear that HRM can request GHP to provide additional services, but GHP is not obligated to accommodate such request if it impacts its existing priorities, budgets or staff resources. There is no further mechanism for HRM to expand program delivery under the SLA.

Per Administrative Order #35, Procurement Policy, Section 8(11)(m) HRM may contract with certain nonprofit corporations for the purchase of services pursuant to single source provisions of the procurement policy. The procurement policy indicates that where a purchase is determined by Council to be fair and reasonable and is made by a nonprofit corporation supported by the Municipality, such a purchase may be made by a single source purchase.

GHP is a nonprofit corporation which is supported at the Board level and financially by HRM. It

is the opinion of staff that HRM may rely on the single source provisions in this circumstance.

The sole/single source provisions provide, however, that Council must have approved both the funds and the program.

The following Council-approved SLA and Economic Strategy objectives are supported by the Connector Program:

- Develop a labour force attraction and retention initiative (*Economic Strategy 2005-10*)
- Increase immigration to HRM and increase retention of immigrants (*Economic Strategy 2005-10*)
- In conjunction with funding and community partners, implement the strategies and activities identified in the Partnership's Regional Immigration Strategy in an effort to attract 2800 immigrants per year and retain at least 70% of newcomers (*SLA 2005-2010*)
- Through collaboration with HRM, play an active role in the delivery of goals and objectives related to the Immigration Action Plan, Regional Plan, Cultural Plan and various youth initiatives (*SLA, 2005-2010*)
- Assisting business improvement organizations and business associations promote their areas for ongoing business development and to support local business growth (*SLA 2011*)
- Build a welcoming and inclusive environment for under-represented groups (*Economic Strategy 2011-16*)
- Develop Halifax Index indicator "percentage increase in new immigrants employed/retained in the community" (*Economic Strategy 2011-16*)

Through the approval of these objectives, Council also tacitly approved the objectives related to the program; however, the approval did not specifically address the funds associated with the program. Staff is, therefore, requesting Council approve the payment of the final invoice to GHP in accordance with the Procurement Policy.

BUDGET IMPLICATIONS

The funds received from Maytree in the amount of \$90,000 have been deposited to Cost Centre centre E127 – 5508. The invoices from GHP will be processed through the same Cost Centre, therefore there will be no financial impact on HRM.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

Consultation was undertaken with GHP. No community consultation was undertaken as the report concerns internal HRM processes.

ALTERNATIVES

Council could choose not to approve the final invoice payments. This is not recommended as there is an amount owing to GHP from HRM for a successful program developed to deliver on its immigration objectives. Non-payment of this invoice would put HRM in breach of its contractual obligations.

ATTACHMENTS

Administrative Order #35, Procurement Policy (excerpt)

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 Totten, Corporate Policy Analyst, 490-5623
Report Prepared by: Dawn Watters, Solicitor, 490-7075
Report Prepared by: Stephen Terry, Senior Procurement Consultant, 490-2175

Report Approved by: _____
Jennifer Church, Managing Director, External and Corporate Affairs, 490-3677

Report Approved by: _____
Mary Ellen Donovan, Director, Legal Services, 490-4226

Financial Approval by: _____
James Cooke, CGA, Director of Finance/CFO, 490-6308

Appendix A
**Administrative Order 35
Procurement Policy Section 8 (11)
Sole Source/Single Source Purchases**

(11) **Sole Source/Single Source Purchases:** The terms and conditions of a sole source/single source purchase shall be negotiated. A sole source/single source purchase occurs:

- (a) To ensure compatibility with existing products, facilities or service, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where, for technical reasons, there is an absence of competition and the goods or services can be supplied by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on a property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the procurement of a good or service for testing or trial use.
- (i) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- (j) For the procurement of original works of art.
- (k) For the procurement of goods intended for resale to the public.
- (l) Where the Municipality has a rental contract with a purchase option and such purchase option could be beneficial to the Municipality.
- (m) Notwithstanding anything in this policy, where a purchase is determined by Council to be fair and reasonable and is made from a nonprofit corporation supported by the Municipality, such a purchase may be made as a single source purchase.
- (n) Where items are offered by sale by tender, auction or negotiation such purchase will be deemed to be a single source purchase and the CAO may authorize the submission of a bid or the conduct of negotiations where the CAO determines the purchase to be clearly in the best interest of Halifax Regional Municipality.
- (o) Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of such matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest. Purchases of this nature must be approved by the CAO
- (p) Where compliance with an open tendering process may interfere with the Municipality's ability to maintain security or order or to protect human, animal or plant life or health.