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Halifax Regional Council
October 24, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Cathie O'Toole
Cathie O'Toole, CGA, A/ Director, Finance

DATE: September 12, 2006

SUBJECT: Update - Ethical Procurement Policy/Green Procurement

INFORMATION REPORT

ORIGIN

The September 13, 2005 motion of Regional Council (Item 7.1) for staff to develop an ethical procurement policy within one year.

BACKGROUND

In a report dated 28 June 2005, staff suggested to Council that it was appropriate to formally begin work in the area of ethical procurement policy given that other Canadian Municipalities, most notably the City of Vancouver, had recently adopted a comprehensive Ethical Procurement Policy and Supplier Code of Conduct and others municipalities, including the City of Toronto, were developing policy in this area.

After consideration of the report, Council requested staff to develop a comprehensive, ethical procurement policy and to prepare and present a draft policy to Council within a one year time frame based on best practices and existing policies of other Canadian Municipalities and include an implementation framework.

DISCUSSION

Since this directive of Council, staff has closely monitored the issues concerning ethical procurement and researched best practices including the recent adoption of the Responsible Garment Manufacturer (No-Sweatshop) Policy by the City of Toronto. Staff has encountered barriers and challenges in the process of developing ethical/ sustainable policy including calculating the impact of HRM's future fiscal capacity and identifying ways to mitigate it. The maturation of the policy in other municipalities has been slower than staff had anticipated and has slowed the process. HRM is a recognized leader in sustainability issues, however, in the interest of fiscal accountability HRM is interested in learning from the successes and mistakes of other governments who have implemented such policies.

Business Systems and Controls plans to review HRM's procurement process within the next few months. During this review, staff will continue to monitor best practices in ethical procurement policy and return to Council at a later date with a draft ethical procurement policy.

Staff recognize that ethical procurement is only one of the elements that can be viewed within the broader concept of sustainable procurement that includes: best value for money (such as price, quality, availability, functionality etc.); environmental (green procurement); and social (distribution of resources, labour conditions, human rights, etc.) considerations. Staff is now reviewing current best practices in the area of sustainable procurement and specific green procurement initiatives that may be adopted by HRM. As part of this review, staff will consider what resources are required to move forward with this initiative and incorporate these requirements into future business plans.

The recent collaborative partnership of the Union of Nova Scotia Municipalities (UNSM) and the Province of Nova Scotia in the area of Sustainable Practices and the commitment to have a dedicated Municipal Sustainable Coordinator working with municipalities may provide HRM with some additional support in moving forward with these initiatives.

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.

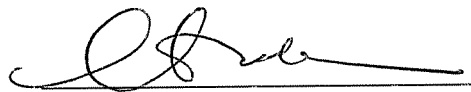
ATTACHMENTS

None

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.

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