

An award of a contract based on a Request for Proposal shall be made to the proponent, whose proposal is determined to be the most advantageous to the Municipality based upon criteria for evaluation set out in the Request for Proposal and equitably applied to all proposals. As price is only one of the factors taken into consideration in obtaining best value, the contract may not necessarily be awarded to the lowest price proposal.

(6) Request for Quotation: A Request for Quotation is an informal request for prices for goods, services, construction and facilities and is normally used where bid deposit and performance bonds are not required and where the cost of work does not warrant the time and level of effort required for a formal tender process. Quotations shall be written but can be verbal depending upon the cost of the goods, services, construction or facilities and time constraints.

(7) Request for Information: A Request for Information is an invitation to suppliers of goods, services, construction and facilities and shall be used to provide information from the marketplace on the scope of work or services contemplated to be procured by the Municipality.

(8) Request for Expression of Interest: A Request for Expression of Interest shall be used to determine the interest in the marketplace in providing goods, services, construction or facilities contemplated to be procured by the Municipality.

(9) Request for Qualification: A Request for Qualification is an invitation to suppliers of goods, services and construction and shall be used for the purpose of selecting qualified bidders if the nature of the work or services to be performed requires ascertainable minimum standards.

(10) Negotiation: Negotiations with one or more suppliers for the supply of goods, services, construction and facilities shall take place when any of the following conditions exist:

- (a) Due to market conditions, goods, services and/or construction are in short supply.
- (b) There is only one source of the goods, service, construction or facilities.
- (c) Efforts at breaking identical bids have previously been unsuccessful and the same goods, services, construction or facilities are required again.
- (d) All bids received are not acceptable or exceed the amount budgeted for the purchase.
- (e) The extension, or reinstatement of existing contracts would be more cost effective or beneficial to the Municipality. The extension or reinstatement of existing contracts are subject to the approvals listed in Section 9.0 Award of Contracts.
- (f) When authorized by Council.

(11) Alternative Procurement Practices may be used as follows:

A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, 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 there is an absence of competition for technical reasons and the goods or services can be supplied only 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 property by a contractor according to 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 purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.
- (l) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.

The terms and conditions of a sole source/single source purchase shall be negotiated. Sole source/single source purchases over \$25,000 and not exceeding \$50,000 shall be approved by the CAO.

B. Exceptional Circumstances. These occur:

- (m) Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those 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.
- (n) Where compliance with the open tendering provisions of this policy would interfere with the Municipality's ability to maintain security or order or to protect human, animal or plant life or health.
- (o) Where items are offered by sale by tender or auction.

Purchases of this nature shall be negotiated and/or bids submitted and must be

approved by the CAO.

C. Emergency Purchases. These occur:

- (p) In the absence of bids in response to an open or selective public tender, or when the bids submitted have not been in conformity with the essential requirements in the public tender.
- (q) Where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures.

Emergency purchases are completed using the most expedient method, but shall take economy into consideration. Limits for emergency purchases shall be as indicated in Section 7. However, in each case the authorizing person is required to report the emergency in a timely fashion, in writing, to the next level of authority with a copy to the Manager of Procurement.

Award of Contracts

- 9. (1) All Formal Request for Submissions shall be presented to the CAO for approval except as noted below. A report of the purchasing process and details of the purchase will be prepared jointly by the Procurement Section and the Business Unit and approved by the Director (or designate) and forwarded to the CAO for approval.
- (2) Awards less than \$25,000 may be committed by the Manager of Procurement in conjunction with the Business Unit.
- (3) Awards over the value of \$25,000, but below the value of \$50,000 may be committed by the Manager of Procurement with concurrence of the appropriate Director. A Director may delegate all or a portion of this approval to a Manager depending upon operational requirements.
- (4) The CAO, or his designate, may approve the award of contracts under the following conditions:
 - (a) 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.
 - (b) Where the purchase was the result of a public procurement process conforming to the Halifax Regional Municipality Procurement Policy.
 - (c) Where the Request for Tender is awarded to a supplier with the lowest cost, or highest revenue, meeting specifications.
 - (d) Where the Request for Tender is awarded to a supplier based on achieving best value, with best value being determined by an evaluation method and weighted scale of each factor that is contained within the tender documents.

- (e) Where the award of a Request for Proposal is made to the highest scoring proponent based upon evaluation criteria within the Request for Proposal.
- (f) Where the award does not exceed \$500,000 for the purchase of goods, equipment, services, construction or facilities by Request for Tender.
- (g) Where the award does not exceed \$500,000 for the purchase for goods, equipment, services, construction or facilities by Request for Proposal.
- (h) Where the purchase is a sole source/single source purchase not to exceed \$50,000
- (i) Where there is no legislative requirement to obtain Halifax Regional Council approval.
- (j) Where the CAO does not decide that the award is a matter best dealt with by Halifax Regional Council.

(5) During the summer months (July - September) and December Holiday break periods, the CAO or his/her designate, may approve the award of contracts under the following conditions:

- (a) 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 and is within scope.
- (b) Where the purchase was the result of a public procurement process conforming to the Halifax Regional Municipality Procurement Policy.
- (c) Where the Request for Tender is awarded to a supplier with the lowest cost, or highest revenue, meeting specifications.
- (d) Where the Request for Tender is awarded to a supplier based on achieving best value, with best value being determined by an evaluation method and weighted scale of each factor that is contained within the tender documents.
- (e) The award of a Request for Proposal is made to the highest scoring proponent based upon evaluation criteria within the Request for Proposal.
- (f) Where the purchase is a sole source/single source purchase not to exceed \$50,000.
- (h) Where there is no legislative requirement to obtain Halifax Regional Council approval.
- (h) Where the CAO does not decide that the award is a matter best dealt with by Halifax Regional Council.

(6) A quarterly report of awards of contracts over the value of \$50,000 approved by the CAO, or his designate, shall be made available to Halifax Regional Council and shall show the name of the contract, the name of the bidders and the bids (or proponents and scores), any person or company to whom a single or sole source has been awarded, the amount of award, the budgetary estimate and provision.

Contract Amendments

10. (1) No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Halifax Regional Municipality.

(2) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work unless otherwise in the best interest of the Municipality.

(3) Amendments to contracts shall be subject to the identification and availability of sufficient funds in the approved operating or project budget.

(4) Contract amendments for construction projects shall be in accordance with the guidelines in Appendix B.

Vendor Performance

11. (1) Vendors may be subject to disqualification if there is sufficient evidence of consistent failure to meet standards specified by Halifax Regional Municipality. The Procurement Section shall maintain vendor performance files. Information in this file is supplied by the requisitioner, receivers, and the procurement staff. Vendors may be evaluated based on competitive price, quality of a product, contract adherence and performance, after sales service and replies to call for bids. Upon reasonable notice in writing to the vendor involved, and after a reasonable opportunity for response, a vendor can be disqualified for a period not exceeding three years from participation in a solicitation for goods, services, construction or facilities.

(2) Vendors shall be disqualified when:
 - (a) Conviction for a criminal offense of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract or an indication of lack of business integrity or honesty which directly and seriously effects the responsibility of the contractor.
 - (b) Serious breach of contract indicating an unwillingness to perform a contract in accordance with the terms and conditions or specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its specifications or both.
 - (c) The offer of any gratuity to an official or employee of the Municipality by a vendor or contractor for consideration.
- (3) A written decision shall be issued to the person disqualified or suspended setting out its reasons for disqualification or suspension, to the usual business address of that person

as shown in the records of the purchasing section.

(4) Disqualification shall be approved by the CAO.

Vendor Debriefings and Complaints

12. (1) Vendor debriefings will be in accordance with the procedure outlined in Appendix C. A vendor may request a debriefing after the contract is awarded if the request is made within 10 days of the award notice being posted on the procurement web portal.

(2) All vendor complaints, whether directed to an elected official, the CAO, or a member of staff shall be referred to the Manager of Procurement and dealt with in accordance with the procedure outlined in Appendix C.

Disposal of Surplus Assets

13. (1) Business Units shall make surplus assets available to other Business Units and Agencies, Boards and Commissions of the Regional Municipality, before seeking to dispose of them outside of the Regional Municipality. For surplus assets that cannot be redistributed internally, the Procurement Section shall arrange for their sale.

(2) Assets shall be sold by the most effective means in order to obtain the highest net value for the Regional Municipality. Assets shall be disposed of by either Request for Tender, Request for Quotation, or auction as reasonably practical. Surplus assets with an offer exceeding \$100,000 shall be awarded by the CAO.

(3) Assets that cannot be sold, or for which sales costs exceed the anticipated revenue, other more cost effective disposal methods shall be used. These assets shall be considered as solid waste and disposed of in an environmentally responsible manner, consistent with the principles of sustainable development and in accordance with governing legislation for waste disposal.

(4) The disposal of surplus assets without competition to any not-for-profit corporation, association, or entity or any Municipality, Crown Corporation School Board, or any level of government shall be awarded by Halifax Regional Council.

Contract Documents, Bid and Performance Securities and Specifications

14. (1) The CAO may from time to time approve such standard forms including bid and performance securities, if any, for purchases by Request for Tender, Request for Proposal, Request for Quotation, alternative procurements as well as forms of contract for types of purchases including but not limited to construction, supplies and installation or service as they may deem advisable.

(2) Bid bonds, Performance bonds and other securities including Labour and Material bonds shall be required for such purchases in such form and in such amounts, as the CAO deems advisable.

Special Services

15. (1) Legal Services - Legal Services shall be acquired by staff based upon work requirements from a roster of lawyers selected through a Request for Qualification based upon qualifications, experience, services offered, past performance, proposed fees and other relevant considerations.

The selection of the lawyer from the roster in an individual case shall be based upon the particular expertise required for that case. Legal services having a value of less than \$50,000 may be acquired by the Director of Legal Services and Risk Management in consultation with the Director(s) of the Business Unit.

Legal services having a value of \$50,000 or more shall be awarded by the CAO (or designate). A Request for Qualification for legal services shall be issued, at a minimum, every three (3) years.

(2) Professional Services (i.e. Architectural, Engineering, Communications, IT, Human Resources) - When these services are less than \$50,000, they shall be acquired by staff from a roster of consultants selected through a Request for Qualification as identified in each Request for Qualification.

Consultants shall be selected, by project, based upon qualifications, experience, services offered, past performance, proposed fees, and other relevant considerations as outlined in the Request for Qualification. A Request for Qualification for these services shall be issued, at a minimum, every two (2) years with an update annually. A Request for Proposal shall be issued for required services over the value of \$50,000.

Rosters offered by the Government of the Province of Nova Scotia or other public sector entities may be used under the constraints within this policy where it is in the best interest of the Halifax Regional Municipality.

(3) Banking Services - General Banking services shall be acquired by public solicitation at intervals not greater than every five years. These services shall be contracted on a one year term to be renewed on an annual basis up to a five year maximum on terms satisfactory to Halifax Regional Municipality.

(4) Auditing Services - Services of External Auditors shall be acquired by public solicitation at intervals not greater than every five years. These services may be contracted on a one year term to be renewed on an annual basis up to a five year

maximum on terms satisfactory to Halifax Regional Municipality. Selection of an auditor shall be completed by the Audit and Finance Standing Committee of Council who shall recommend the selection of an External Auditor to Council. Annual renewal of the contract for External Audit services shall be made by the Audit and Finance Standing Committee.

Tie Bids

16. In the case of a tie bid, the Procurement Manager shall request the tie bidders to submit a final offer. If this is not successful and a tie bid still occurs, the contract shall be awarded to the local bidder.

Done and passed in Council this 8th day of June, 2004.

Mayor

Acting Municipal Clerk

I, Jan Gibson, Acting Municipal Clerk of Halifax Regional Municipality, hereby certify that the above-noted Administrative Order was passed at a meeting of Halifax Regional Council held on June 8, 2004.

Jan Gibson, Acting Municipal Clerk

Notice of Motion: Councillor Hetherington
Approved:

May 25, 2004
June 8, 2004

Amendment # 1
Notice of Motion: Councillor Walker
Approved:

September 6, 2005
September 13, 2005

Amendment # 2
Notice of Motion: Councillor Outhit
Approved:

June 16, 2009
September 22, 2009

Amendment # 3
Notice of Motion: Councillor Walker
Approved:

March 1, 2011
March 8, 2011

Amendment # 4
Notice of Motion: Councillor McCluskey
Approved:

June 28, 2011
July 5, 2011

Amendment # 5
Notice of Motion:
Approval:

May 1, 2012
May 15, 2012

**Procurement Policy
List of Exemptions**

Petty Cash Items:

Training and Education:

Conferences, Conventions and Tradeshows
Newspapers, Magazines & Periodicals (subscriptions)
Memberships
Seminars, Workshops not specifically designed for HRM

Refundable Employee/Other Expenses:

Advances
University Courses
Entertainment
Miscellaneous Non-Travel
Meal Allowances
Travel Expenses
Hotel Accommodation
Refunds: tax, recreation, permits

Employer's General Expenses:

Payroll Deduction Remittances
Grants to Agencies
Medical & Dental Expenses
Debenture Payments
Payment of Damages
Petty Cash Replenishment
Tax Remittances
Sinking Fund Payments
Employee Income
Councillors' Discretionary Funds
Real Property, including land, buildings, easements, encroachments, licences
Licences (vehicles, elevator, etc.)
Charges to and from other government bodies or Crown corporations
Bank Charges and Underwriting Services where covered by agreements

Legal and Special Services:

- Expert Witness Services
- Legal Opinion and Representation
- Court Reporter Services
- Arbitrators and Moderators
- Discoveries (Legal)
- Legal Settlements
- Performing Artists (i.e. Musicians, Clowns, Acrobats, Actors, Educational Performers)

Utilities:

- Water & Sewage Charges
- Power and Related Infrastructure when purchased from the Public Utility
- Telephone Service Invoices
- Cable Television Invoices

Miscellaneous (under \$1,000 only)

- Customs Services Invoices
- Taxi Services Invoices
- Courier Invoices
- Catering, groceries and small incidentals appropriate to purchase on the HRM Purchasing Card
- Postage

Miscellaneous

- Print, Television and Radio Media Advertising Accounts

Contract Amendment Guidelines – Construction Projects

Purpose:

To define the guidelines for approval of contract amendments to construction projects.

Policy:

Contract amendments to construction projects are to be tracked and significant variances addressed. Contract amendments are to be approved in accordance with the following guideline.

- Contract amendments must be fully funded. Council has approved funds and funds remain for this use. Shortfalls in funding must be addressed in accordance to policy.
- Cumulative contract amendments that exceed the greater of 10% of the original award amount or \$10,000 must be approved by the Director, for funds to be issued.
- Cumulative contract amendments that cumulatively exceed the greater of 15% of the original award amount or \$15,000 must be approved by the CAO, for funds to be issued.

Once the cumulative 15% increase or \$15,000 limit has been reached and CAO approval sought, successive approvals for contract amendments require CAO approval. Successive approvals may be given by the Director until the cumulative amendments exceed the threshold for CAO approval.

Procedure:

Approvals for contract amendments must be documented and submitted to Procurement prior to the work being undertaken. Report formats and approval processes will be as approved by the CAO. These reports must be maintained by the Business Unit for reference purposes.

Vendor Complaint Procedure

Purpose:

To define the guidelines for handling vendor complaints.

Policy:

All vendor complaints, whether directed to an elected official, the CAO, or a member of staff shall be referred to the Manager of Procurement or designate to be dealt with in accordance with these guidelines.

Procedure:

Vendors shall to be encouraged to resolve problems directly with Procurement staff wherever possible as many problems can be easily resolved before a complaint is formulated.

A complaint refers to a written objection submitted by a potential vendor regarding a bid solicitation, contract award, or proposed contract for goods, services, facilities or construction.

Complaints shall contain relevant contact information, details of the issue and the resolution being requested. Complaints shall be submitted or referred to the Manager of Procurement and shall be reviewed to determine if further action is warranted.

Complaints may be resolved, dismissed or withdrawn*

Complaints may be dismissed without further consideration at any time in the process, where in the opinion of the Manager of Procurement,

- the complaint on its face is inconsequential.
- the complainant is not a participant in the competitive process (i.e. did not submit a bid).
- the complaint is made more than 10 days after the award notice is posted on the procurement web portal. **
- is otherwise inappropriate for consideration.

The Manager of Procurement shall respond formally to vendor complaints within 45 days of the posting of the award notice on the procurement web portal. If the review is anticipated to extend beyond this time, the vendor will be advised in writing when a response will be provided.

If the complaint is dismissed, the Manager of Procurement shall notify the vendor of their right to appeal the decision to the CAO.

Disputes that are litigious in nature shall be referred to Legal Services.

- * Resolved - the vendor is satisfied with the explanation/solution provided by HRM.
Dismissed - the Manager of Procurement concludes that the complaint is the result of a properly applied fair procurement process.
- ** A request for a vendor debriefing within 10 days of the award notice being posted on the procurement web portal shall be considered sufficient to meet this condition. ** A vendor debriefing shall be held within 30 days of the award notice being posted on the procurement web portal.