

ADMINISTRATIVE ORDER 2020-004-ADM

PROCUREMENT ADMINISTRATIVE ORDER

TABLE OF CONTENTS

SUBJECT	SECTION NUMBER
Short Title.....	1
Purposes.....	2
Interpretation.....	3
GENERAL	
Application.....	4
Exemptions.....	5
Purchases by Agents.....	6
Calculation of Contract Amounts.....	7
Conflict.....	8
RESPONSIBILITIES	
Chief Administrative Officer.....	9
Departments.....	10
Procurement Section.....	11
INITIATING PROCUREMENT	
Requisitions.....	12
Authority to Make a Requisition.....	13
Notice of Intended Procurement.....	14
PROCUREMENT METHODS	
Competitive Procurement.....	15
Alternative Procurement.....	16
Supplier Prequalification & Rosters.....	17
Buying Groups.....	18
Standing Offers.....	19
Low Value Purchases.....	20
SOCIAL PROCUREMENT	
Social Procurement.....	21
EVALUATING BIDS AND AWARDING CONTRACTS	
Openings.....	22
Bids to be in Writing.....	23
Evaluation Criteria.....	24
Fairness Monitors.....	25
Pre-requisites to Awarding of Contracts.....	26
Determination of Best Value.....	27
Award Authority.....	28
Signing Authority.....	29
Publishing of Bid Results.....	30
Reporting of Awards.....	31

CONTRACT MANAGEMENT

Contract Amendments..... 32
Contract Options 33
Contract Assignments 34
Contract Terminations..... 35

SUPPLIER PERFORMANCE

Performance Files 36
Disqualification & Suspension (Bid-Barring)..... 37
Debriefings 38
Bid Challenges & Dispute Resolution..... 39

TRANSITION AND REPEAL

Transition 40
Repeal..... 41

Appendices

ExemptionsAppendix A

**ADMINISTRATIVE ORDER NUMBER 2020-004-ADM
PROCUREMENT ADMINISTRATIVE ORDER**

BE IT RESOLVED, as an Administrative Order of the Council of the Halifax Regional Municipality, as follows:

Short Title

1. This Administrative Order may be cited as Administrative Order Number 2020-004-ADM, the *Procurement Policy*.

Purposes

2. The purposes of this Administrative Order are to:

(a) provide for the procurement of Goods, Services and Construction by the Municipality in a fair, open, consistent and transparent manner resulting in Best Value;

(b) promote procurement processes and decisions that are consistent with the strategic goals and objectives of the Municipality;

(c) provide for sustainable procurement by integrating environmental, economic and social considerations in the procurement process;

(d) maintain ethical business practices;

(e) respect regional, national and international trade agreement obligations and other applicable legislation; and

(f) encourage competitive bidding for the supply of Goods, Services and Construction.

Interpretation

3. In this Administrative Order,

(a) “Agent” means a person or entity expressly appointed through a written contract with the Municipality to purchase Goods, Services or Construction on behalf of the Municipality;

(b) “Alternative Procurement” means a procurement method whereby the Municipality contacts a supplier or suppliers of its choice;

(c) “Award” means the decision of the Municipality to enter into a contract for Goods, Services or Construction with a particular supplier;

(d) “Best Value” means the bid that is determined by the Municipality to be in the Municipality’s best interests, taking into account not only purchase price and life cycle cost considerations, but also taking into account items such as environmental and social

considerations, delivery, servicing, past experience, past performance, and any other criteria or factors stated in the call for bids;

(e) “Buying Group” means a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process. Buying groups include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the Buying Group administers procurement for group members. Buying Groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations;

(f) “CAO” means the Chief Administrative Officer of the Municipality;

(g) “Competitive Procurement” means a procurement method whereby all interested suppliers may submit a bid;

(h) “Construction” means the construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work, excluding professional consulting services related to the construction contract unless they are included in the procurement;

(i) “Council” means the Council of the Municipality;

(j) “Department” means a department of the Municipality’s administration designated as such by the CAO, and for greater certainty includes Halifax Regional Police and Halifax Regional Fire & Emergency;

(k) “Director” means the Director of a Department, and for greater certainty includes the Chief of Police, and the Chief of Fire;

(l) “Goods” means materials, furniture, merchandise, equipment, stationery and other supplies required by the Municipality for the transaction of its business and affairs, including services that are incidental to the provision of such supplies;

(m) “Low Value Purchase” means the procurement of Goods, Services or Construction valued at less than \$10,000;

(n) “Manager” means a person other than a Director who has a managerial role within a Department and a direct reporting relationship to the Director of that Department or to the CAO;

(o) “Municipality” means the Halifax Regional Municipality;

(p) “Notice of Intended Procurement” means a notice published by the Municipality inviting interested suppliers to submit a bid, a response to a request for supplier prequalification, or both;

(q) “Personal Services Contract” means an agreement, whether or not in writing, establishing an employment relationship between an individual and the Municipality and includes an amendment or extension of such agreement;

(r) “Procurement Manual” means the processes, protocols, and best practices document maintained by the Procurement Section;

(s) “Procurement Section” means the organizational unit within the Municipality responsible for managing the procurement of Goods, Services and Construction for the Municipality;

(t) “Procurement Web Portal” means the public procurement website maintained and operated by the Government of the Province of Nova Scotia;

(u) “Requisition” means a request made to the Procurement Section:

(i) to purchase Goods, Services or Construction;

(ii) to create a Standing Offer for future purchases;

(iii) to make a draw from a Standing Offer; or

(iv) to obtain Goods from inventory that have already been purchased by the Municipality.

(v) “Roster” means a list of suppliers that the Municipality has determined satisfy the conditions for participation in that list, and that the Municipality intends to use more than once;

(w) “Services” means services required by the Municipality for the transaction of its business and affairs, excluding services provided by an employee of the Municipality through a Personal Services Contract;

(x) “Standing Offer” means a continuous offer from a pre-approved supplier to supply Goods, Services or Construction to the Municipality at specific prices for a specific period of time, when and if required by the Municipality;

(y) “Urgent Circumstance” means an unforeseeable situation of urgency.

GENERAL

Application

4. Subject to section 5, this Administrative Order shall apply to the procurement of Goods, Services and Construction by the Municipality.

Exemptions

5. The expenditures listed in Appendix A are exempt from sections 12 through 39 of this Administrative Order.

Purchases by Agents

6. (1) Agents are exempt from the application of this Administrative Order but are required to comply with the *Public Procurement Act* and the terms and conditions of the Agent's written contract with the Municipality when making purchases on behalf of the Municipality.

(2) No person or entity shall purchase Goods, Services or Construction on behalf of the Municipality unless expressly appointed as Agent in a written contract with the Municipality.

Calculation of Contract Amounts

7. Contract amounts referenced in this Administrative Order shall be construed to be the sum of all costs for the duration of the contract plus all applicable net taxes, less all rebates.

Conflict

8. Where there is a conflict with the application of this Administrative Order and the *Public Procurement Act* and the regulations thereunder, the Act and its regulations shall prevail.

RESPONSIBILITIES

Chief Administrative Officer

9. The CAO may authorize additional procedures and protocols not inconsistent with this Administrative Order and may delegate his or her authority under this Administrative Order to employees.

Departments

10. Each Department shall be responsible for:

- (a) identifying and initiating procurement activities within their Department;
- (b) complying with this Administrative Order, the Procurement Manual and other procurement procedures established by the Procurement Section;
- (c) procurement of Low Value Purchases;
- (d) monitoring, managing and enforcing contracts requisitioned by their Department; and
- (e) ensuring the specific objectives of contracts requisitioned by their Department are achieved.

Procurement Section

11. The Procurement Section shall be responsible for:

- (a) facilitating the procurement of Goods, Services and Construction according to this Administrative Order;
- (b) establishing, maintaining and publishing the Procurement Manual and other appropriate procurement procedures consistent with this *Administrative Order*, the *Public Procurement Act*, applicable trade agreements, and the Province of Nova Scotia's *Construction Contract Guidelines*;
- (c) providing advice to the Municipality regarding appropriate procurement strategies;
- (d) approving and maintaining the Municipality's standard terms for contracts for Goods, Services and Construction, in consultation with Legal Services;
- (e) collaborating with Departments to consider contract and risk management practices in the procurement cycle, and to combine requirements where possible to achieve efficiencies and reduce costs to the Municipality;
- (f) administering each call for bids and ensuring the fair evaluation of bids;
- (g) facilitating the negotiation, if required, of terms and conditions of contracts for Goods, Services and Construction;
- (h) administering contracts for Goods, Services and Construction; and
- (i) monitoring compliance with this Administrative Order and notifying Directors of non-compliance with it.

INITIATING PROCUREMENT

Requisitions

12. (1) Subject to subsections (2) and (3), when a Department requires Goods, Service or Construction it shall submit a Requisition to the Procurement Section.
- (2) A Requisition is not required for Low Value Purchases.
 - (3) A Department shall not submit a Requisition unless:
 - (a) the funds for the estimated purchase amount are clearly identified in a Council approved budget; or
 - (b) the CAO has authorized the Requisition in advance of a Council approved budget.

Authority to Make a Requisition

13. (1) The authority to make a Requisition is as follows:

CAO	Director	Manager	Employee
Any amount	Any amount within the Director's approved budget	Per delegation of authority from Director	Per sub-delegation of authority from Manager

(2) The Procurement Section shall maintain a list of all delegations and sub-delegations of Requisition authority submitted by a Director or Manager pursuant to subsection (1).

Notice of Intended Procurement

14. (1) Subject to subsection (2), the Procurement Section shall publish a Notice of Intended Procurement for each procurement opportunity, including requests for supplier prequalification, on the Procurement Web Portal.

(2) The Procurement Section is not required to publish a Notice of Intended Procurement for:

(a) Procurement opportunities valued at less than the thresholds set out in applicable trade agreements (unless the Procurement Manual includes any more stringent thresholds or requirements);

(b) Procurement opportunities offered to prequalified suppliers on a Roster; and

(c) Procurement opportunities where the procurement will be conducted using Alternative Procurement.

PROCUREMENT METHODS

Competitive Procurement

15. Subject to sections 16 to 20, Competitive Procurement shall be used for procurement of all Goods, Services and Construction.

Alternative Procurement

16. (1) For procurement opportunities that do not exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, subject to any restrictions or requirements set out in the Procurement Manual.

(2) For procurement opportunities that exceed thresholds set out in applicable trade agreements, Alternative Procurement may be used, provided that it is not done for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any jurisdiction covered by an applicable trade agreement, in the

following circumstances:

- (a) if:
 - (i) no bids were submitted or no suppliers requested participation;
 - (ii) no bids that conform to the essential requirements of the call for bids were submitted;
 - (iii) no suppliers satisfied the conditions for participation; or
 - (iv) the submitted bids were collusive,

provided that the requirements of the call for bids are not substantially modified;

(b) if the Goods, Services or Construction can be supplied only by a particular supplier and no reasonable alternative or substitute Goods, Services or Construction exist for any of the following reasons:

- (i) the requirement is for a work of art;
- (ii) the protection of patents, copyrights, or other exclusive rights;
- (iii) due to an absence of competition for technical reasons;
- (iv) the supply of Goods, Services or Construction is controlled by a supplier that is a statutory monopoly;
- (v) to ensure compatibility with existing Goods, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative;
- (vi) work is 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;
- (vii) work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or
- (viii) the procurement is for subscriptions to newspapers, magazines, or other periodicals;

(c) for additional deliveries by the original supplier of Goods, Services or Construction that were not included in the initial procurement, if a change of supplier for such additional Goods, Services or Construction:

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and

(ii) would cause significant inconvenience or substantial duplication of costs for the Municipality;

(d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Municipality, the Goods, Services or Construction could not be obtained in time using Competitive Procurement;

(e) for Goods purchased on a commodity market;

(f) if the Municipality procures a prototype or a first Good or Service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first Good or Service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the Good or Service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;

(g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;

(h) if a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organized in a manner that is consistent with the principles of applicable trade agreements, in particular relating to the publication of a Notice of Intended Procurement; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; or

(i) if Goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through Competitive Procurement could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

Supplier Prequalification & Rosters

17. (1) The Procurement Section may limit bids to prequalified suppliers, either through the use of Rosters or through multi-stage procurement opportunities.

(2) The Procurement Section shall allow all prequalified suppliers to participate in a particular procurement, unless the Procurement Section states in the request for

supplier prequalification any limitation on the number of suppliers that will be permitted to submit bids and the criteria for selecting the limited number of suppliers.

(3) A request for supplier prequalification inviting interested suppliers to apply for inclusion on a Roster shall be published in a Notice of Intended Procurement at least every 3 years on the Procurement Web Portal and shall include:

- (a) the criteria that will be used to prequalify suppliers, unless those requirements are included in the qualification documentation;
- (b) a statement that only the suppliers on the Roster will receive further notices of procurement opportunities covered by the Roster; and
- (c) the period of validity of the Roster.

Buying Groups

18. (1) Subject to subsections (2) and (3), the Procurement Section may establish or take part in Buying Groups, including those formed by the Province of Nova Scotia, the Government of Canada or any other public sector entity or private sector entity.

(2) The Procurement Section shall publish a notice of the Municipality's participation in a Buying Group at least annually on the Procurement Web Portal. Such notice shall direct potential suppliers to the Buying Group tender notices website if it is different from the Procurement Web Portal.

(3) Any agreements required to formalize the Municipality's participation in a Buying Group shall be approved and signed by the Manager of Procurement.

Standing Offers

19. (1) The Procurement Section may establish Standing Offers using Competitive Procurement, Alternative Procurement or through participation in a Buying Group.

(2) In issuing a call for a Standing Offer, the Procurement Section shall indicate how subsequent purchases will be made from a supplier under a Standing Offer.

(3) The Manager of Procurement may negotiate and make modifications to a Standing Offer that they determine to be in the best interests of the Municipality, such as adding or deleting items or extending the duration of a Standing Offer.

(4) For the purposes of contract award, the total estimated value of the Standing Offer shall be used to determine the appropriate approval authority.

(5) Individual draws from a Standing Offer shall be approved by a Director.

(6) A Director may delegate their authority under subsection (5), and a list of such delegations shall be provided to and maintained by the Procurement Section.

(7) Where the Procurement Section has established a Standing Offer for Goods, Services or Construction, it shall be mandatory to use the Standing Offer for the purchase of such Goods, Services or Construction.

Low Value Purchases

20. If a Standing Offer is not applicable, Departments may make Low Value Purchases of Goods, Services and Construction by employing one of the acceptable procurement methods set out in the following table:

Amount	Acceptable Procurement Methods
< \$1,000	<ul style="list-style-type: none">• Petty cash or Corporate Purchasing Card
\$1,000 to \$10,000	<ul style="list-style-type: none">• Request two or more quotes• Competitive Procurement• Alternative Procurement

SOCIAL PROCUREMENT

Social Procurement

21. (1) When making Low Value Purchases or when conducting invitational calls for bids, staff will, where feasible, invite at least one diverse or social enterprise supplier to submit a bid.

(2) In each call for bids the Procurement Section and the Department responsible for the purchase shall, in accordance with the Social Value Framework set out in Appendix B, include evaluation criteria and/or contract requirements that aim to achieve social value or social impacts such as:

- (a) supplier diversity (i.e. opportunities for diverse suppliers including suppliers owned, operated by, or employing African Nova Scotians, Indigenous peoples, people with disabilities and/or other traditionally underrepresented groups);
- (b) workforce development (i.e. offering apprenticeships, skills training and/or other developmental support to employees, subcontractors and/or volunteers);
- (c) fair wage/living wage;
- (d) community benefits;
- (e) environmental benefits;
- (f) socially responsible production; and

(g) advanced health and safety practices.

(3) In each call for bids, the Procurement Section shall include terms that require bidders to comply with the Supplier Code of Conduct (including the Living Wage requirements therein) as set out in Appendix C.

EVALUATING BIDS AND AWARDING CONTRACTS

Openings

22. (1) Bids will be accepted in accordance with the closing time and date stipulated in the call for bids.

(2) The Manager of Procurement may conduct public openings at their discretion.

Bids to be in Writing

23. (1) Subject to subsection (2) the Municipality shall only consider bids that are submitted in writing.

(2) The Municipality may consider verbal bids for Low Value Purchases

Evaluation Criteria

24. (1) Bids will be evaluated in accordance with the evaluation criteria published in the call for bids.

(2) The Procurement Section shall ensure that each call for bids includes appropriate evaluation criteria to ensure the Municipality achieves Best Value.

Fairness Monitors

25. The Municipality may engage the services of a fairness monitor to monitor and report on the fairness of a particular procurement.

Pre-requisites to Awarding of Contracts

26. (1) The following pre-requisites shall apply to the approval of any contract award:

(a) repealed;

(aa) the proposed expenditure shall be

(i) budgeted and funded, or

(ii) budgeted but not yet funded, providing the expenditure is capital expenditure and the Chief Financial Officer is satisfied that the funding will become available;

(b) the Goods, Services or Construction being purchased shall be consistent with the approved program deliverables; and

(c) the purchase shall be compliant with this Administrative Order, the Procurement Manual, and any other applicable policies, legislation and trade agreements.

(2) Any award requiring the approval of the CAO or Council requires a recommendation report and any such report shall:

(a) be prepared by the Department that initiated the procurement;

(b) be reviewed by the Procurement Section to ensure that the procurement has been conducted in accordance with applicable policies, legislation, trade agreements and ethical business practices;

(c) provide details of the recommended purchase and describe the method of procurement used; and

(d) be signed by the appropriate Director and forwarded to the CAO or Council for approval.

Determination of Best Value

27. (1) Unless the Municipality determines that it is not in the public interest to award a contract, the Municipality shall award the contract to the supplier whose bid the Municipality has determined represents Best Value.

(2) If the Municipality receives a bid from a supplier with a price that is abnormally lower than the prices in other submitted bids, the Procurement Section may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

(3) In the case of a tie bid, the Manager of Procurement may request the tied suppliers to submit a best and final offer, and if a tie bid still occurs, Best Value may be determined on the basis of a coin flip.

Award Authority

28. (1) The approval authority limits for the awarding of contracts are as follows:

Method	Manager	Director	CAO	Council
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000
Competitive Procurement	Per delegation of authority from Director [not to exceed \$100,000]	\$100,000	\$1,250,000	Any amount
Competitive Procurement – Street, sidewalk, & active transportation Construction projects	Per delegation of authority from Director	\$100,000	Any amount	Any amount
Competitive Procurement – Establishment of Standing Offer	\$5,000,000 (Manager of Procurement only)	\$5,000,000 (Director of Finance only)	\$5,000,000	Any Amount
Alternative Procurement	Per delegation of authority from Director	\$100,000	\$1,250,000	Any amount
Alternative Procurement – Urgent Circumstances per 16(1)(d)	Per delegation of authority from Director	\$100,000	Any amount	Any amount

(2) Notwithstanding the approval authority limits listed in subsection (1):

(a) a contract award must be forwarded to Council for approval where there is a legislative requirement for Council to approve the award, or where the CAO is of the opinion that the award is a matter best dealt with by Council;

(b) a contract award must be reviewed by Legal Services and forwarded to the CAO or Council for approval where the proposed supplier is not the lowest-priced or highest-scoring supplier;

- (c) the CAO may delegate their authority to a Director if:
- (i) prior to Requisition, the Director prepares a report for the CAO recommending the purchase and receives written approval from the CAO to make the purchase;
 - (ii) the award is the result of Competitive Procurement;
 - (iii) the value of the contract to be awarded does not exceed 110% of the estimated value of the contract as reported to and approved by the CAO in accordance with sub-clause (i); and
 - (iv) the proposed supplier is the lowest-priced or highest-scoring supplier.

Signing Authority

29. (1) The following pre-requisites apply to the execution of any procurement contract on behalf of the Municipality:

(a) the award of the contract must be approved in accordance with the authorities set out in section 28 of this Administrative Order; and

(b) for all contracts (except Low Value Purchases), the contract terms and conditions must be reviewed by Legal Services or be in the form of a template approved by Legal Services.

(2) The authority to execute procurement contracts on behalf of the Municipality is as follows:

Position	Signing Authority
CAO	Any contract
Manager of Procurement	Any contract where the supplier is bound to the Municipality's standard terms & conditions
Director	Any contract where the award has been approved by the Director or by an employee in the Director's Department.
Manager	Per delegation of authority from his or her Director

(3) The CAO may set further conditions or procedures and make further delegations regarding signing authority provided that such conditions, procedures and delegations are not inconsistent with this Administrative Order.

(4) A Director may delegate to one or more Managers in their Department, the authority to execute contracts provided that:

(a) the Procurement Section is given a list of such delegations showing the delegate's name and amount that they have been delegated; and

(b) the amount of the delegation is no greater than the Director's award authority pursuant to section 28.

Publishing of Bid Results

30. In each instance where the Procurement Section has published a Notice of Intended Procurement, the Procurement Section shall publish a notice of contract award on the Procurement Web Portal no later than 72 days after the date the contract was awarded. The information shall remain readily accessible for a reasonable period of time. The notice of award shall include at least the following:

(a) a description of the Goods, Services or Construction procured;

(b) the name and address of the Municipality;

(c) the name and address of the successful supplier;

(d) the value of the successful bid;

(e) the date of award; and

(f) if Alternative Procurement was used, the conditions and circumstances described in section 16, and the corresponding trade agreement reference that justified its use.

Reporting of Awards

31. (1) The Manager of Procurement shall provide a report to the Council members, at least quarterly, containing a list of:

(a) all awards approved by the CAO;

(b) all awards exceeding \$100,000; and

(c) all awards exceeding \$50,000 resulting from Alternative Procurement.

(2) The report shall show the name of the contract, the name of the successful supplier, the amount of the contract, and the budgetary estimate.

CONTRACT MANAGEMENT

Contract Amendments

32. (1) All contract amendments are subject to the identification and availability of sufficient funds in the Council approved business planning and budget process.

(2) A contract amendment that increases the price of a contract shall not be made without a corresponding change in contract deliverables or scope of work, unless it is otherwise in the best interest of the Municipality to agree to the contract amendment.

(3) A contract amendment for the delivery of Goods, Services or Construction that were not included in the initial procurement shall:

- (a) meet the conditions for Alternative Procurement; or
- (b) be in the best interests of the Municipality.

(4) Contract amendments shall be tracked and significant variances substantiated.

(5) Approvals for contract amendments and copies of all contract amendments shall be documented in writing and submitted to the Procurement Section. Where practical, such submission shall be done prior to the work being undertaken.

(6) Approval formats for contract amendments will be as approved by the Manager of Procurement.

(7) The approval and signing authority limits for cumulative contract amendments are as follows:

Position	Approval Authority
Director (or his or her delegate)	(a) \$15,000; or (b) a 15% increase to the originally approved contract amount, whichever is greater.
CAO	(a) \$20,000 or (b) a 20% increase to the originally approved contract amount, whichever is greater.
CAO - Urgent Circumstances	Notwithstanding the above, in Urgent Circumstances the CAO may approve and sign a contract amendment for any amount, provided that the CAO must submit a report including the details of such contract amendments at the next scheduled meeting of the Audit & Finance Standing Committee.
Council	Any amount

Contract Options

33. (1) The exercising of any option under a contract is subject to the identification and availability of sufficient funds approved by Council through the business planning and budget process.

(2) Subject to alternate direction from Council at the time of contract award, the authority to exercise any contractually defined option, including an option to extend a contract, is as follows:

Option Authority	Total Cost of Exercising Option
Manager	\$10,000
Director	\$500,000
CAO	\$1,250,000
Council	Any Amount

Contract Assignments

34. The authority to consent to a request by a supplier to assign a contract to another person or entity is as follows:

Assignment Authority	Total Value of Contract
Manager of Procurement	\$500,000
CAO	\$1,250,000
Council	Any Amount

Contract Terminations

35. (1) The failure of a supplier to fulfill its obligations under any contract with the Municipality shall be documented by the Department responsible for the contract.

(2) Legal Services and the Procurement Section shall be consulted prior to the termination of any contract by the Municipality.

(3) The authority to approve the termination of a contract due to the default by the supplier of its obligations, or otherwise is as follows:

Termination Authority	Total Value of Contract
Director	\$500,000
CAO	\$1,250,000
Council	Any Amount

SUPPLIER PERFORMANCE

Performance Files

36. (1) Departments shall complete a supplier evaluation scorecard at the completion of each contract or as otherwise directed by the Manager of Procurement.

(2) The Procurement Section shall maintain supplier performance files that contain information supplied by Department and Procurement Section staff, including supplier evaluation scorecards.

(3) Supplier performance may be evaluated based on factors including safety, project management, scheduling and overall quality of work.

Disqualification & Suspension (Bid-Barring)

37. (1) Upon reasonable notice in writing to the supplier involved, and after a reasonable opportunity for response, the Municipality may formally disqualify or suspend a supplier from bidding on any Municipal procurement opportunities for a period not exceeding 5 years, on grounds including:

- (a) Bankruptcy or insolvency;
- (b) False declarations;
- (c) Significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;
- (d) Final judgments in respect of serious crimes or other serious offences;
- (e) Professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or
- (f) Failure to pay taxes.

(2) A written decision shall be issued to the supplier disqualified or suspended setting out the reasons for its disqualification or suspension.

(3) Disqualification or suspension of a supplier shall be approved by the Manager of Procurement.

(4) Disqualification or suspension applies to the supplier and its owner(s) and principal(s).

Debriefings

38. (1) A supplier may request a debriefing after a contract is awarded if the request is made in writing to the Manager of Procurement within 10 business days of the award

notice being posted on the Procurement Web Portal.

(2) At a debriefing, suppliers can find out how their bid scored against published criteria, obtain comments from the evaluation team on their bid, and gather information on how future submissions may be improved.

(3) At a debriefing, bids shall not be compared to each other, nor shall information on other bids be provided.

Bid Challenges & Dispute Resolution

39. (1) Suppliers are encouraged to raise any concerns with the Procurement Section about a particular procurement or procurement process prior to submitting a formal complaint or commencing legal proceedings.

(2) Notwithstanding any other recourse available to a supplier, a supplier may submit a formal complaint to the Province of Nova Scotia's Chief Procurement Officer in accordance with the Province of Nova Scotia's Vendor Complaint Procedure.

TRANSITION AND REPEAL

Transition

40. A reference in an enactment to any previous Procurement Policy of the Municipality, is to be read as including a reference to the provisions of this Administrative Order relating to the same subject-matter.

Repeal

41. Administrative Order 2016-005-ADM, the *Halifax Regional Municipality Procurement Administrative Order*, adopted by Council on February 7, 2017 and all amendments thereto is repealed.

Done and passed in Council this 7th day of July, 2020.

Mayor Mike Savage

Sherryl Murphy, Acting Municipal Clerk

I, Sherryl Murphy, 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 July 7, 2020.

Sherryl Murphy, Acting Municipal Clerk

Notice of Motion: June 23, 2020
Approval: July 7, 2020

Amendment #1

Amended Subsection 21(2), Added subsection 21(3)
Added Appendix B, Added Appendix C

Notice of Motion: September 1, 2020
Approval: September 30, 2020
Effective Date: April 1, 2021

Amendment #2

Amended Subsection 12(3), Added clause 26(1)(aa)
Repealed 26(1a)

Notice of Motion: February 23, 2021
Approval: March 9, 2021

APPENDIX A – EXEMPTIONS

List of Exemptions

1. The following expenditures shall be exempt from the application of section 12 through 39 of this Administrative Order:

- a) Expenditures that, by their nature, are not expenditures for the acquisition of Goods, Services or Construction; and
- b) Expenditures that are expressly exempt from the public procurement requirements of applicable trade agreements including:
 - (i) public employment contracts;
 - (ii) non-legally binding agreements;
 - (iii) any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;
 - (iv) a contract awarded under a cooperation agreement with an international cooperation organization if the procurement is financed, in whole or in part, by the organization;
 - (v) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;
 - (vi) measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail or are a disguised restriction on trade;
 - (vii) procurement or acquisition of:
 - (i) fiscal agency or depository services;
 - (ii) liquidation and management services for regulated financial institutions; or
 - (iii) services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities;
 - (viii) procurement of:
 - (i) financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including

ancillary advisory and information services, whether or not delivered by a financial institution;

(ii) health services or social services;

(iii) services that may, under applicable law, only be provided by licensed lawyers or notaries; or

(iv) services of expert witnesses or factual witnesses used in court or legal proceedings; or

(ix) procurement of Goods, Services or Construction:

(i) financed primarily from donations that require the procurement to be conducted in a manner inconsistent with applicable trade agreements;

(ii) on behalf of a person or entity not subject to applicable trade agreements;

(iii) between the Municipality and enterprises that are controlled by or affiliated with the Municipality, or between the Municipality and another government body or enterprise or their affiliates;

(iv) by non-governmental bodies that exercise governmental authority delegated to them;

(v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;

(vi) under a commercial agreement when operating a sporting or convention facility;

(vii) conducted for the specific purpose of providing international assistance, including development aid, provided that the Municipality does not discriminate on the basis of origin or location within Canada of Goods, Services, Construction or suppliers; or

(x) conducted:

(i) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or

(ii) under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance.

Approval Authorities

2. Unless stated otherwise, addressed in another policy, or delegated by the CAO, the approval and execution of expenditures that are exempt from the application of this Administrative Order are subject to the following authority limits:

Position	Authority Limit
Manager	\$25,000
Director	\$100,000
CAO	Any Amount

3. Notwithstanding section 2, the procurement of external legal services must also be authorized by the Municipal Solicitor.

APPENDIX B – SOCIAL VALUE FRAMEWORK

1. Application

1.1. The effective date for this Social Value Framework is April 1, 2021

1.2. This Framework shall apply to all Municipal purchases of Goods, Services and Construction except purchases for time and materials-based consulting services and purchases made from prequalification lists (rosters).

2. Social Impact Opportunity Analysis

2.1. The Procurement Section shall develop appropriate tools to determine the potential for achieving social impacts or social value in Procurement activities.

2.2. The Procurement Section and the ordering Department shall consider community impact, reach, workforce and training potential, inclusion, environment, and other social factors, as well as the market's ability to respond.

2.3. Unless it is determined that it is not appropriate or practical, all procurement opportunities with estimated values of \$1,250,000 or greater shall include evaluation criteria and/or contract requirements that aim to achieve social impacts or social value.

2.4. Unless it is determined that it is not appropriate or practical, all Requests for Pre-Qualification and Request for Proposals issued by the Procurement Section, regardless of value, will contain evaluation criteria that aim to achieve social impacts or social value, and clearly identify to proponents the types of strategies that can be proposed to address the associated evaluation criteria. The evaluation team will include the appropriate staff with relevant/appropriate experience to evaluate proposals.

2.5. Requests for Quotation and Tenders shall set out any mandatory submission or contract requirements related to social impact or social value.

3. Supplier Diversity

3.1. The Procurement Section shall develop and maintain a list of diverse supplier certification organizations which may be accessed by staff to identify certified diverse suppliers.

3.2. Departments shall seek at least one (1) quotation from a diverse supplier when making a Low Value Purchase.

3.3. Where The Procurement Section shall seek at least one (1) quotation from a diverse supplier when making a purchase via an invitational process.

3.4. All publicly advertised Requests for Quotations and Tenders will include language to encourage bidders to develop or adopt a supplier diversity policy that aims to include diverse suppliers in their supply chain.

4. Standing Offers and Small to Medium Businesses

4.1. The Procurement Section in consultation with Departments shall review standing offer agreements prior to renewal or re-tendering to assess the ability for small to medium local business to respond to the call for bids and, where appropriate, reduce the scope of the standing offer based on the following considerations:

- a) Is the standing offer so comprehensive in its nature that small to medium businesses are unable to respond?
- b) Does the standing offer include universally available Goods as well as specialized Goods that may restrict competition?
- c) Would the unbundling of the Goods have an unreasonable adverse effect on the Municipality?
- d) Can the call for bids be reduced in scope in compliance with the Procurement Policy and applicable Trade Agreements?

5. Workforce Development and Employment Equity

5.1. For all calls for bids with an anticipated value above \$1,250,000 (including option years) the Procurement Section and the ordering Department will review all bid documents to determine if Workforce Development or Employment Equity requirements should be included on the basis of the following principles:

- a) Suitability – the degree to which possible employment-related opportunities can provide candidates with meaningful experience, learning and skill development.
- b) Reach – the degree to which candidates can meet the minimum qualifications needed to access possible employment opportunities.
- c) Volume – the number of employment opportunities that could be offered as part of the project.
- d) Feasibility – likelihood that workforce development outputs can be achieved within the proposed timeframe of the contract.

5.2. Where opportunities for workforce development and/or employment equity are identified in a Procurement process, bidders will, as part of the procurement process, be

required to provide to HRM a commitment respecting workforce development and/or employment equity in the event their bid is accepted.

6. Environmental Stewardship

6.1. The Procurement Section and ordering Departments will integrate environmental stewardship and life-cycle principles in procurement planning and practices.

6.2. The Procurement Section and ordering Departments will use appropriate standards (eg. LEED, EPEAT, FSC, and others) to achieve environmental outcomes and value for money (i.e. appropriate balance of factors, such as cost, performance, availability, quality, and environmental performance).

6.3. When creating a standing offer the Procurement Section will seek to include environmentally preferable options (i.e. that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose) to user Departments.

7. Reporting and Compliance

7.1. Where social value requirements are included in a Procurement process, such requirements will be included in the resulting contract, in addition to contractual obligations for ongoing reporting on the status of such commitments from the supplier.

7.2. The Procurement Section will develop procedures to guide the determination of whether a supplier achieves or fails to meet their social value commitments, including but not limited to, the degree of compliance, the effort made by the supplier in working towards meeting their commitment and the role of subcontractors within the contract.

APPENDIX C – SUPPLIER CODE OF CONDUCT

1. Application

1.1 The effective date for this Supplier Code of Conduct is April 1, 2021

1.2 The provisions of this Supplier Code of Conduct set forth Halifax Regional Municipality’s expectations for all suppliers (and their subcontractors) with whom the Municipality does business.

1.3 Suppliers and their subcontractors shall comply with all provisions of the Supplier Code of Conduct and with all applicable laws and regulations in the jurisdiction(s) where the Supplier operates with respect to manufacturing of goods, development and protection of intellectual property rights, delivery of services and construction, and ethical business practices. This includes but is not limited to those laws relating to working conditions, human rights, health and safety, and the environment. Where applicable laws and this Supplier Code of Conduct address the same issue, the standard that is most stringent will apply.

1.4 The purpose of compliance with this Supplier Code of Conduct is to ensure that all suppliers and their subcontractors, regardless of their place of operation, adhere to a consistent set of minimum performance standards related to social responsibility, environmental standards, ethics, human rights and fair workplace practices.

2. Child Labour

2.1 The supplier and its subcontractors must commit to a zero-tolerance policy toward the use of child labour in the provision of any goods or services to the Municipality. The term “child” refers to any person under the age of 16. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is permitted.

3. Forced Labour

3.1 Suppliers and their subcontractors shall not:

a) Use forced, illegal or involuntary prison labour, including indentured or bonded labour, or any form of compulsory labour in the production of Goods or Services.

b) Require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.

c) Require any foreign contract worker to remain in employment for any period of time against his or her will or burden workers with any required agency recruitment commissions.

4. Equity and Non-discrimination

4.1 In hiring and employment practices such as promotions, rewards, and access to training, neither the supplier nor its directors, officers, or employees will engage in discrimination based on race, religious beliefs, colour, gender, gender identity, gender expression, physical or mental disability, ancestry, marital status, family status, source of income, age, place of origin, and sexual orientation. In addition, workers or potential workers shall not be subjected to unlawful or discriminatory medical tests.

4.2 Suppliers and their subcontractors shall not interfere with the exercise of the rights of personnel to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.

4.3 Suppliers and their subcontractors shall not permit or condone behavior including gestures, language and physical contact, that is coercive, threatening, abusive or exploitative.

5. Disciplinary Practices

5.1 Suppliers and their subcontractors must ensure their employees are treated with respect and dignity and that disciplinary policies and procedures are clearly defined and communicated to employees. The supplier and its subcontractors must ensure that its employees are not subject to inappropriate treatment, including any personal or sexual harassment, nor to the threat of any such treatment.

5.2 Suppliers and their subcontractors shall not retaliate against or discipline any employee for reporting harassment or other inappropriate treatment in the workplace.

6. Hours of Work

6.1 Suppliers and their subcontractors shall comply with all applicable employment standards and related law and legislation in the jurisdiction(s) of production or services with respect to hours of work, vacation pay, overtime hours and overtime pay.

7. Wages

7.1 Suppliers and their subcontractors will at a minimum meet legislated minimum wage rates and comply with all employment standards and related law, legislation and applicable collective agreements in the jurisdiction(s) of production or services with respect to compensation, including wages and benefits.

8. Living Wage Requirement

8.1 For Services contracts where outsourced labour is performed on a regular, ongoing basis (such as custodial work, security services, solid-waste collection, grass

mowing and snow removal), suppliers and their subcontractors shall pay, at minimum, a “living wage” to their employees when such employees are assigned to operational duties within HRM-owned or operated buildings, parks, streets, sidewalks, rights of way, playgrounds or parking lots. For the purposes of this paragraph, “living wage” is the living wage rate for Halifax, Nova Scotia as defined, calculated and published by Living Wage Canada as of the date that the call for bids is published

8.2 Notwithstanding the foregoing, the requirement to pay a living wage is not applicable to:

- a) contracts entered into and contracts tendered or retendered prior to this Code of Conduct coming into force;
- b) students, interns and practicum placements for summer projects, etc
- c) contracts requiring fewer than 120 total person-hours of service per year;
- d) ad hoc contract work (for example emergency or non-recurring repairs or maintenance where no standing contracts are in place);
- e) Construction Services
- f) volunteers;
- g) employees of organizations (for profit or not-for-profit) that lease property from the City; or
- h) social enterprise.

8.3 Suppliers and their subcontractors shall, upon request, provide the Municipality with evidence of their compliance with the living wage requirements set out herein.

9. Freedom of Association and Collective Bargaining

9.1 The supplier and its subcontractors must work directly with employees to find solutions to any outstanding legal and employment issues while at all times respecting worker rights to obtain representation, join labour unions, and bargain collectively. Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment

10 Health and Safety

10.1 Suppliers and their subcontractors shall meet or exceed the requirements of all occupational health and safety codes and related law and regulations in the jurisdiction(s) of production or where the services are being performed. At minimum suppliers and their subcontractors shall:

- a) Provide a safe and healthy working environment and take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment;
- b) Appoint a representative responsible for the health and safety of all personnel, and accountable for the implementation of the Health and Safety elements identified in this Supplier Code of Conduct;
- c) Ensure that all personnel receive regular and recorded health and safety training (in a language understood by the worker) and that such training is repeated for new and reassigned personnel;
- d) Establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel;
- e) Provide for use by all personnel, clean bathrooms, access to potable water and, if appropriate, sanitary facilities for food storage.

11 Environmental Stewardship

11.1 In June 2020, Halifax Regional Council adopted HalifACT 2050. HalifACT 2050 is a commitment to reducing emissions, switching to clean and reliable energy sources and demonstrating local government leadership. This transformational plan aligns the Municipality's efforts to support an equitable shift to a low-carbon economy by 2050. The plan will also help communities adapt by raising awareness about climate hazards and helping them better prepare. In addition to the environmental benefits, the implementation of this plan will lead to economic opportunities, healthier communities and a more resilient Halifax. In support of the plan:

- a) Suppliers and their subcontractors must seek to conduct their businesses in an environmentally responsible way, offering or using environmentally responsible products and services to the extent available, all with the goal of assisting in the reduction of any negative impact on the environment.
- b) Suppliers and their subcontractors shall mitigate their greenhouse gas ("GHG") emissions, which may include establishing GHG emissions reduction targets, undertaking projects focused on operational efficiencies and technological improvements, and offering low-carbon products and services to HRM
- c) Suppliers and their subcontractors shall undertake initiatives to promote greater environmental responsibility, such as implementing policies and programs relating to reducing water, waste, energy and paper consumption.

- d) Suppliers and their subcontractors shall incorporate climate change risk assessment into their risk management procedures.

12. Conflicts of interest or unfair advantage.

12.1 Suppliers must declare and fully disclose any actual or potential conflict of interest or unfair advantage related to the preparation of their bid or where the supplier foresees an actual or potential conflict of interest in the performance of the contract. Such potential conflicts of interest or unfair advantages include, but are not limited to:

- a) Engaging current or former Municipal employees to take any part in the preparation of the bid or the performance of the contract if awarded, any time within two (2) years of such persons having left the employ of the Municipality;
- b) Engaging any family members, friends or private business associates of any Municipal employee which may have, or appear to have, any influence on the procurement process, or subsequent performance of the contract;
- c) Prior access to confidential Municipally-owned information by the supplier, or affiliated persons, that is materially related to the solicitation and that was not readily accessible to other prospective suppliers; or
- d) The supplier or its affiliated persons are indebted to or engaged in ongoing or proposed litigation with the Municipality in relation to a previous contract

13. Confidential Information

13.1 Suppliers and their subcontractors may, by virtue of their dealings with the Municipality, come into contact with confidential information in respect to the Municipality, including its business partners, citizens and employees. Suppliers and their subcontractors must comply with all legal and contractual restrictions with respect to the handling of confidential information and where required must have appropriate policies and procedures in place to comply with applicable laws and regulatory requirements regarding the management of confidential information (such as information barriers or “ethical walls”) and must prevent inappropriate access or disclosure of confidential information.

14. Publicity

14.1 Suppliers and their subcontractors must not make any promotional statements (whether on company websites or via social media or otherwise), issue any media releases or distribute any marketing materials referencing the Municipality or Municipal trademarks or logos, unless the Municipality has approved each proposed use in advance, or such use is expressly permitted in an existing agreement with the Municipality.

15. Ethical Standards

15.1 Suppliers and their subcontractors must comply with high ethical standards in doing business, including but not limited to the following:

- a) Refrain from exerting pressure of any kind on or offering money or gifts to employees, officials or directors of any entity sourcing goods, services, intellectual property rights, or construction, whether through a competitive or non-competitive sourcing process, in order to gain an advantage of any kind over other participants or potential participants in the sourcing process;
- b) Comply with all applicable domestic and international laws;
- c) Abide by any standards, rules, and codes of conduct set out by any bodies which govern the supplier;
- d) Without limiting the foregoing, refrain from engaging in any reviewable conduct or offences under the Competition Act;
- e) Refrain from knowingly providing inaccurate or misleading information in response to any kind of invitation to submit a bid or proposal;
- f) Refrain from intimidating or attempting to intimidate any other participants or potential participants in any competitive or non-competitive sourcing process;
- g) Refrain from engaging in questionable or unethical financial practices;
- h) Refrain from engaging in any deceptive marketing practices; and
- i) Refrain from engaging or attempting to engage in any other corrupt or otherwise unethical business practices.

16. Implementation and Compliance

16.1 The Municipality expects all its suppliers and their subcontractors to comply with the Supplier Code of Conduct and to actively do their best to exceed the Municipality's standards.

16.2 The Municipality's suppliers and their subcontractors have an obligation to inform their employees about the Supplier Code of Conduct and appropriate avenues of complaint. This Code of Conduct shall be communicated to all employees and posted in both English and the local language of the employees, in an area accessible to all employees.

16.3 The Municipality reserves the right to require suppliers to provide details on factory and production facility locations.

16.4 The Municipality reserves the right to ask for proof of compliance with all applicable labour, health, safety and environmental laws, and may inspect work locations at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the Supplier Code of Conduct and the Municipality may ask that they are independently verified at the supplier's expense.

16.5 On-going or unresolved non-compliance with the Supplier Code of Conduct may be considered as grounds for termination of contract and/or disqualification from future procurement opportunities.