



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
February 7, 2017**

PRESENT: Mayor Mike Savage
Deputy Mayor Steve Craig
Councillors: Steve Streach
David Hendsbee
Bill Karsten
Lorelei Nicoll
Sam Austin
Tony Mancini
Waye Mason
Lindell Smith
Shawn Cleary
Russell Walker
Stephen Adams
Richard Zurawski
Matt Whitman
Lisa Blackburn
Tim Outhit

STAFF: Mr. Jacques Dubé, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Mr. Kevin Arjoon, Municipal Clerk
Ms. Jennifer Weagle, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

*A video recording of this meeting is available:
http://archive.isiglobal.ca/vod/halifax/archive_2017-02-07_live.mp4.html*

*The agenda, supporting documents, and information items circulated to Council are available online:
<http://www.halifax.ca/council/agendasc/170207cow-agenda.php>*

The meeting was called to order at 10:00 a.m., and Council adjourned at 11:46 a.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 10:00 a.m.

2. APPROVAL OF THE MINUTES – NONE

3. Proposed Administrative Order 2016-005-ADM – Procurement Policy

The following was before Committee of the Whole:

- A supplementary recommendation report dated December 13, 2016
- A recommendation report from the Audit and Finance Standing Committee dated July 26, 2016, with attached staff recommendation report dated July 13, 2016
- An extract of the Regional Council minutes of August 2, 2016
- Staff presentation dated February 7, 2017

Amanda Whitewood, Director of Finance and Information Technology/Chief Financial Officer, introduced Jane Pryor, Manager of Procurement, and Stephen Terry, Senior Procurement Consultant.

Ms. Pryor and Mr. Terry presented the proposed Administrative Order 2016-005-ADM – Procurement Policy. The presentation is available on file and online.

MOVED by Councillor Streach, seconded by Councillor Smith

THAT Committee of the Whole recommend that Halifax Regional Council approve:
a) The repeal of Administrative Order #35 Procurement Policy; and
b) The adoption of Administrative Order #2016-005-ADM – Procurement Policy as outlined in Appendix A of the staff report dated December 13, 2016.

Councillor Hendsbee arrived at 10:26 am.

MOVED by Councillor Mason, seconded by Councillor Mancini

THAT the motion be amended to strike section, 36.2 (a) “the CAO may approve a contract award of any amount when Council is on summer or December holiday break” and renumber the rest of the section accordingly.

Councillor Mason noted that section 36.2 (a) is unnecessary because Council is never away for more than 3 weeks, and the Executive Standing Committee has authority to act as Council in an emergency.

Ms. Whitewood and Jacques Dubé, Chief Administrative Officer, agreed with the amendment.

AMENDMENT PUT AND PASSED.

At the request of members, Mr. Terry, Mr. Dubé, and John Traves, Municipal Solicitor, outlined the policy and procedure that is in place to prevent any potential for corruption with the procurement system, noting the following:

- Procurement policy does not allow lobbying during the procurement process, and a bidder can be removed from consideration if they have inappropriate contact with staff or members of Council.
- Procurement is protected by the openness and transparency of the system, where awards are posted online, and therefore an unsuccessful bidder would be able to challenge the award if they had reason to do so.
- The Office of the Auditor General is in place as a check and balance.
- All procurement reports have to be signed by the Chief Financial Officer and the Municipal Solicitor, for oversight.

Councillor Karsten commented that it is the responsibility of Council to give public consideration to the approval of procurement matters, and that it gives the public confidence that funds are being spent in an open and transparent manner. Councillor Karsten, referencing a table on slide 9 of the staff presentation, inquired out of the 21 awards that were approved by Council in 2016 with values between \$500,000 and \$1,250,000, how many were time sensitive, and under what category were they classified.

Mr. Terry advised that he did not have an answer and would need to look into it.

Several members suggested that tenders related to construction projects must be brought forward in April of each year, instead of in the summer, to make business planning easier for the construction industry.

Mr. Dubé concurred, and advised that staff would be coming back to Council to discuss this further, as a multi-faceted approach to get better value for tax payers.

Councillor Hendsbee discussed supporting local business, noting that there should be preferential scoring for local businesses.

Ms. Whitewood advised that staff have looked at previous Council reports and discussions on local preference; however, Council did not move forward with directing staff to embed local preference in the procurement policy. She noted that at the time, 87% of HRM spending was local, however, Council may wish to review the issue again.

Responding to questions regarding efficiencies in contract management, Ms. Whitewood reviewed procedures for diligent payment of invoices. She advised that if a contract comes in underspent, those funds go into a capital pool and it is up to Council how those funds are spent during budget approval.

Mr. Dubé added that there are on-site inspections and progress reports for construction projects, and due diligence is verified against invoices.

Responding to a point of clarification, Mr. Dubé clarified that the amended procurement policy will not align with provincial policy, noting that a Deputy Minister's signing authority is set at two million dollars.

Councillor Mancini requested that staff be asked to create a document showing the checks and balance within the procurement process, so that Council can have a good understanding of the process and communicate that with the public.

Responding to questions regarding Auditor General oversight, Mr. Traves confirmed that the Auditor General does periodically check procurement matters, although the administration and responsibility ultimately lies with the CAO.

In response to a question regarding how to ensure that construction contracts are brought to Council for approval earlier in the year, Bruce Zvaniga, Director, Transportation and Public Works, indicated that staff are focused on moving to a two year cycle for construction tenders, where the first year would involve planning, and awards would take place in the second year. Mr. Zvaniga noted that Council will be presented with further information on the two year cycle during the presentation of the Transportation and Public Works budget at Committee of the Whole the following day.

The Municipal Clerk noted a typographical error at the bottom of the table on page 15 of the proposed Administrative Order 2016-005-ADM, which reads “not exceeding **\$2,000,000** if clause 36(2)(f) applies” but should read “not exceeding **\$1,250,000** if clause 36(2)(f) applies”.

MOVED by Councillor Mason, seconded by Councillor Mancini

THAT the note on page 15 of the proposed Administrative Order 2016-005-ADM indicating “not exceeding \$2,000,000 if clause 36(2)(f) applies” be amended to reflect \$1,250,000.

AMENDMENT PUT AND PASSED.

The main motion, as amended, was considered at this time, as follows:

MOVED by Councillor Streach, seconded by Councillor Smith

THAT Committee of the Whole recommend that Halifax Regional Council approve:

- a) **The repeal of Administrative Order #35 Procurement Policy; and**
- b) **The adoption of Administrative Order #2016-005-ADM – Procurement Policy as outlined in Appendix A of the staff report dated December 13, 2016 with the following amendments:**
 - **Strike section 36.2 (a) “the CAO may approve a contract award of any amount when Council is on summer or December holiday break” and renumber the rest of the section accordingly;**
 - **The note on page 15 indicating “not exceeding \$2,000,000 if clause 36(2)(f) applies” be amended to reflect \$1,250,000.**

MOTION PUT AND PASSED.

MOVED by Councillor Smith, seconded by Councillor Zurawski

THAT Council direct staff to return with a report that addresses options for scoring of Local preference, social economic benefit, employee compensation/living wage, and environmental impact when evaluating proposals, and recommend any supporting amendments to the procurement policy as a result.

Councillor Smith noted that the procurement policy should reflect Council’s priorities and goals and support local business.

Mr. Traves advised that the previous Council had requested and received a report on this topic, and staff will review, revise and bring forward that report for Council’s information.

Members discussed concerns and restrictions regarding the implementation of local preference.

MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting was adjourned at 11:46 a.m.

Kevin Arjoon
Municipal Clerk