



1. PURPOSE

The purpose of this policy is to establish how West Hants Regional Municipality will fulfill their obligations under the *Public Procurement Act*, Nova Scotia. This policy is designed to drive best value for the expenditure of public funds on the acquisition of goods, services, and construction through maximizing competition, adopting commercially reasonable business practices which reflect the needs of the citizens of West Hants Regional Municipality, through open, fair, and transparent procurement processes.

2. DEFINITIONS

The following definitions are used within this policy:

Term	Definition
Alternative Procurement Practice	The specialized or exceptional practices that allow for deviation from the procurement processes that the value or nature of the goods, services, or construction would normally require. This could include non-competitive procurement in the place of a competitive process, and a limited competition in place of an open competition.
Asset Retirement Obligation (ARO)	Legal obligation associated with the retirement of a tangible capital asset.
Best Value	Determined by evaluating all the factors which may affect the value to West Hants Regional Municipality for goods, services, or construction. In some cases, best value will be limited to lowest cost. In other cases, West Hants Regional Municipality will evaluate a number of pre-defined criteria which they will publish in the competition. These criteria will look not only at verifying the capacity and capability of a supplier to deliver the goods, services, or construction, but also at the life-cycle costs, environmental considerations, social considerations, sustainability, delivery, quality, and other factors specific to procurement.
Bid	Supplier response to a competition document. Synonymous with proposal, response, tender submission, quotation, or offer.
Bidder	A person, firm, or corporation who submits a bid. Synonymous with proponent, respondent, or tenderer.
Competition	A general term referring to the various methods of procuring goods, services, and construction. This term will encompass each of the various request types. Synonymous with solicitation.



Construction	Construction, reconstruction, demolition, repair, or renovations 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 document.
Contract	An enforceable binding legal agreement that is a voluntary arrangement between two or more parties, which is formally documented.
Entrenched Incumbent	Suppliers whose goods or services are integral to the operation of West Hants Regional Municipality and where change to or removal of the supplier would result in severe disruption to Municipal activities. To qualify, the potential change of supplier would not be advisable for economic or technical reasons AND would cause significant inconvenience or substantial duplication of costs to West Hants Regional Municipality.
Goods	Materials, furniture, merchandise, equipment, stationery, and other supplies required by a department for the transaction of its business and affairs and includes services that are incidental to the provision of such supplies.
Invitational Competition	A competitive process in which an invitation to submit bids is issued to at least three (3) suppliers.
Life Cycle Cost	The total costs associated with a product or asset over its life span, including the cost of maintenance, repairs, operation, disposal, or retirement.
Limited Competition	An alternative procurement practice that may be used where circumstances permit the procurement of goods, services, or construction through invitational competition when open competition would otherwise be required.
Local Bidder	A Nova Scotia based supplier, as per the Canada Free Trade Agreement and the Atlantic Procurement Agreement.
Open Competition	The solicitation of bids through a publicly posted competition document.
Piggyback Procurement	Post-award use of a contract or competition process that allows a Public Sector Entity that was not specifically named in the contract/process to enter into a new contract to purchase the same goods or services as if they were a party to the contract/process.
Procurement Value	The value of the total contract excluding taxes but including all options whether exercised or not. In service contracts this value is determined by the maximum fees payable over the term of the contract. For facilities, this value is determined by the monthly lease/rent multiplied by the term of the contract.



Public Advertisement	Advertising public competition notices on the Nova Scotia Procurement Portal.
Purchase Order	A document used to finalize purchase or competition for goods, services, and construction.
Purchasing Authority	The person with the appropriate level of signing authority.
Services	A service required by a department for the transactions of its business and affairs but does not include services provided by an employee of the Municipality through a personal services contract, as per Canada Revenue Agency guidelines.
Single Source	An alternative procurement practice in which two or more suppliers can supply the goods and/or perform the services required, but where one supplier is selected over the others for reasons such as expertise, previous municipal, or other related experience and NOT through a competitive process.
Social Considerations	Factors associated with the purchasing or manufacturing of a product or asset that relates to the rights or interests of the workers involved, such as working conditions, fair wages, and compliance with human rights legislation and conventions.
Sole Source Procurement	An alternative procurement practice in which it is evident that only one supplier can supply the goods and/or perform the services required and an award is made to that supplier.
Standing Offer	A continuous offer of rates from a pre-approved supplier to supply goods and/or services, as requested.
Supplier	A person carrying on the business of providing goods, services, or construction.
Sustainable Procurement	A holistic approach to government procurement that considers the environmental, economic, and social factors related to the goods, services, and construction that are procured. Factors may include, but are not limited to: <ul style="list-style-type: none"> • Fair/Living Wages • Community Benefits • Environmental Benefits • Socially Responsible Production • Advanced Health and Safety Practices

3. APPLICATION

This policy applies to all procurement activities of the Municipality. The CAO is responsible for ensuring compliance with this policy. All Municipal personnel who have responsibility for the



procurement of goods, services, or construction must adhere to this policy. Failure to adhere may result in a temporary or permanent loss of procurement privileges or in more extreme cases, disciplinary actions and/or dismissal.

Elected Municipal Officials, employees of the Municipality, or their agents, will not be permitted to bid on the procurement of goods and services for the Municipality, unless their interest is declared and they remove themselves from the decision-making process, as stated in the terms of the *Municipal Conflict of Interest Act* or applicable employee policy.

4. PURCHASING AUTHORITY

Chief Administrative Officer (CAO)

The CAO is authorized to make purchases for goods, services, or construction for the purposes of carrying on the business of the Municipality, where:

- the amount of the expenditure does not exceed the values stated below (excluding HST), and

	Maximum
Goods	\$50,000
Services	\$50,000
Construction	\$100,000

- such expenditure has been included in the approved budget.

Any purchase for goods, services, or construction that exceeds the amounts listed above, or is outside of the approved budget, must be accompanied by approval from Council.

Nothing in this policy prevents the CAO from seeking advice or direction from Council in relation to the awarding a competition or from recommending that Council itself award a competition.

Should the CAO be unavailable to approve purchases at these values, the Director, Financial Services is authorized to make approvals on their behalf. For instance, if the CAO is away for vacation, meetings, or conference, etc.

Directors

Directors are authorized to make purchases for goods, services, or construction for the purposes of carrying on the business of the department, where:



- the amount of the expenditure does not exceed \$14,999.99 (excluding HST), and
- such expenditure has been included in the approved budget.

Senior Management

Directors may delegate the purchasing authority to senior management within their department corresponding with each individual's duties and responsibilities, where:

- the amount of the expenditure does not exceed \$5,499.99 (excluding HST),
- such expenditure has been included in the approved budget, and
- a formal request form is completed, signed by the designate, Director, and CAO and returned to Manager, Accounting & Financial Reporting.

Designated Staff

Directors may delegate the purchasing authority to designated staff within their department corresponding with each individual's duties and responsibilities, where:

- the amount of the expenditure does not exceed \$2,499.99 (excluding HST),
- such expenditure has been included in the approved budget, and
- a formal request form is completed, signed by the designate, Director, and CAO and returned to Manager, Accounting & Financial Reporting.

5. GRANTS, CONTRACTS, AND PURCHASE ORDERS

Purchase Orders

A purchase order will be utilized for any purchase over \$1,000 (excluding HST). A purchase order should describe the item or service to be ordered, anticipated cost, delivery date, and the account to which the purchase will be allocated in the financial records. Full details on using and creating purchase orders can be found in the *Accounts Payable Procedure*.



Contracts

Contracts will be utilized for any purchases over \$25,000 (excluding HST).

- A contract is a tool used to finalize the purchase or tendering process for all goods, services, construction, and facilities.
- The contract should include all specific requirements, deadlines, terms, financial commitments, and outline the responsibilities of both parties.
- Contracts may be in the form of tender agreements, service agreements, lease agreements, etc.

Copies of all agreements, quotations, and contracts must be kept with the Director or designate, and the Manager, Accounting & Financial Reporting, with originals filed with the Municipal Clerk.

Grants

Any community group, organization, or club receiving funding of \$25,000 or higher from the Municipality for any single capital project must use procurement practices which meet or exceed those used by the Municipality. A copy of this policy will be provided to the group or organization. If the organization is following an alternative policy, the policy must be provided to the Municipality prior to initiating the financial transaction. Community groups receiving funding agree to provide documentation of expenses upon request.

Grants under the \$25,000 threshold for any single capital project will be evaluated on a per application basis. If deemed necessary for the nature of the project, the community group, organization, or club will be asked to meet the minimum procurement standards either through their own policy or this policy.

6. PAYMENT METHODS

Petty Cash

Any purchase made below \$25, can be reimbursed by the petty cash fund. Original receipts with manager's approval must be submitted for reimbursement. Please see Manager, Revenue & Cash Management should petty cash be needed.

Purchase Cards

Purchase cards include credit cards and account cards. Council shall approve available credit. Acquisition of financial institution credit cards and supplier account cards will be approved by the CAO or Director, Financial Services. These cards will be used in compliance with the *Municipality Act*,



Section 65A – Authorized Municipal Expenditures and Section 67 – Expenditure for Municipal Purposes. These cards will be placed in a secured location when not in use. Procedure to use these cards is as follows:

- A purchase order needs to be approved **before** a purchase can be placed on the card. *
- Once the purchase transaction has been completed, the card will be returned to its secure location.
- A purchase order and transaction documentation supporting the transaction will be given to Directors (or designate) within two (2) working days of the transaction.
 - This documentation should include a description of the item or service, date of transaction, department, account number to be charged, and signed by the appropriate signing authority.
- Each Director (or designate) will verify/reconcile the monthly credit card statement with supporting documentation prior to submitting to Manager, Accounting & Financial Reporting, or designate.
 - Any discrepancies will be brought back to the staff member using the card.
- Supplier purchase card documentation will be verified with the relevant statements or invoice copies.
 - Any discrepancies will be brought back to the staff member using the card.
- Misuse of Municipal credit cards or account cards could result in a suspension in use of these cards.

* The only exception in waiting for the purchase order approval would be in emergencies, or where timeliness of the purchase is required. At which time the card holder or Manager, Accounting & Financial Reporting must be notified, with the best estimate of cost and why it could not wait for purchase order approval.

Cheque/Electronic Fund Transfers

The Municipality's payment terms are net 30 days, unless other arrangements have been requested and approved by the CAO, Director, Financial Services, or designate. The Municipality will make every effort to ensure timely issuance of payment.

Further guidelines on the purchase processes can be found in the *Accounts Payable Procedure*.



7. PROCUREMENT OF GOODS, SERVICES, AND CONSTRUCTION

West Hants Regional Municipality must procure goods, services, and construction in accordance with the following tables to ensure fair and open competition. The amounts shown exclude HST.

Spending Category	Low-Value Procurement	Mid-Value Procurement		High-Value Procurement
	Regular Purchasing	Quotations	Invitational Competition	Open Competition
Goods	<\$5,000	\$5,000 - \$10,000	\$5,000 - \$24,999	\$25,000 and above
Services	<\$5,000	\$5,000 - \$10,000	\$5,000 - \$24,999	\$25,000 and above
Construction	<\$5,000	\$5,000 - \$10,000	\$5,000 - \$24,999	\$25,000 and above

Dividing procurement activity to reduce or keep the procurement value below certain thresholds is not permitted.

Low-Value Procurement

Directors have authority to purchase goods, services, and construction as approved in their annual budgets, on an as-needed basis.

For purchases less than \$5,000 (excluding HST)

- Supplies and services required to maintain on-going and existing operations.
- Formal price comparisons are not required, but from time-to-time some comparison should be done to ensure the Municipality is getting the best value.
- Directors must approve these purchases and appropriate documentation.
 - Such as receipts, invoices, etc.
- Purchase orders are required for purchases above \$1,000 (excluding HST), as per **Section 5** of this policy.
- Where possible, group purchasing between departments should be considered.

Mid-Value Procurement

For purchases between \$5,000 and \$9,999.99 (excluding HST)

- Three (3) informal quotes, verbal, faxed, or emailed, will be sought from suppliers.
- The decision to award is at the discretion of the Director.
- The quotations are to be recorded and kept on file, in accordance with the Records Management Policy RCOGE-002.00



For purchases between \$10,000 and \$24,999.99 (excluding HST)

- Invitation competition is to be used to receive a minimum of three (3) formal quotes.
- Up to \$14,999.99 the decision to award is at the discretion of the Director, as long as the purchase was approved in the budget.
 - If the amount exceeds 10% of the approved budget, the decision is at the discretion of the CAO.
- \$15,000 and above the decision to award is at the discretion of the CAO.
- Formal bids are to be kept on file, in accordance with the Records Management Policy RCOGE-002.00

Only the quote from the successful supplier will be disclosed to other suppliers, upon request. Purchase orders are required for all purchases made under mid-value procurement.

The CAO can approve exceptions to the mid-value procurement section of this policy for the following reasons:

- Certain goods, services, or construction projects may only be provided by one qualified supplier or in limited cases only a few suppliers are known, in which case discretion can be given for inviting bids that normally would exceed \$25,000.
- Further phases of a similar project or service may be best completed by a supplier familiar with the service or project.
- An emergency may require immediate action.
- Directors may recommend that the open competition process should be used for goods, services, or construction projects that would qualify for an invitational competition.

High-Value Procurement

For purchases greater than, and including, \$25,000 (excluding HST)

- Open competition must be conducted.
- Open competition will be solicited through public advertisement.
- If the competition is within the approved budget, and within the CAO signing authority, the decision to award is at the discretion of the CAO.
- Should the competition be outside of the approved budget, or over the CAO signing authority, a formal recommendation report must be submitted to Committee of the Whole and the decision to award is at the discretion of Council.



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- The recommendation report must include:
 - Competition timelines
 - List of all bidders with pricing
 - Scoring to support the recommendation.
 - There are several options for open competition, which will be detailed in **Section 9** of this policy.

Asset Retirement Obligations

Should the Municipality procure an item with asset retirement obligations (ARO), the cost of these obligations is required to be accounted for as per *RCOFN-014.00 - Asset Retirement Obligation Policy*.

Architects and Professional Engineering Services

West Hants Regional Municipality recognizes that certain professional services, such as design services, may have a significant influence on a project's construction requirements and specification. The extent of this influence is often disproportionate to the direct price value of the professional services. Further, there are a variety of different methodologies, including Qualifications Based Selection (QBS), which can be used to recognize quality over cost.

Therefore, West Hants Regional Municipality, in their sole discretion and where reasonable to do so, will emphasize the recognition of skill, qualifications, and expertise in their competitive processes, by limiting the value of cost as a factor of award and by using elimination methods to prevent suppliers who do not meet minimum requirements from being considered for award.

8. SUSTAINABLE PROCUREMENT

To align with the Municipality's Climate Action Committee's goals to reduce negative impacts on the environment, departments shall consider suppliers and contractors that meet the following when making purchases:

- Environmentally responsible business conduct, created by offering or using environmentally responsible products and services to the extent available, with the goal of reducing any negative impact on the environment.



- Greenhouse Gas (GHG) emissions mitigation, which may include establishing a reduction target, focusing on operational efficiencies and technological improvements, and offering low carbon products and services.
- Promote environmental responsibility through initiatives such as implementing policies and programs to reduce water usage, waste, energy, and resource consumption.
- Incorporate climate change risk assessments into risk management procedures.

When procuring goods or services priority shall be given to options that have reduced environmental impacts, have sustainable certifications such as those below, meet operational requirements, and are similar in cost to traditional options, when such options exist.

Low to Mid-Value Sustainable Procurement

When making low to mid-value procurement purchases, departments will use appropriate standards to achieve environmental outcomes and value for money.

Recommended Standards:

EPEAT	<p>A free online database that lists electronic products that are certified sustainable by meeting specific international standards. There are three (3) levels of certification: Bronze, Silver, and Gold.</p> <p>Staff procuring electronics shall search the database for their desired product or options that meet operational requirements and are similar in cost to the specified product.</p>
FSC	<p>An international certification for forestry-related products, which certifies the products are sourced from responsibly managed forests. These products can include, but are not limited to, lumber, stationery, cardboard, and furniture. Most products will have an FSC label attached, which describes the sourcing material.</p> <p>FSC certified products that meet operational requirements and are similar in cost to the desired product shall be given priority.</p>

High-Value Sustainable Procurement

Staff will ensure appropriate environmental specifications are prepared for the goods, services, and construction to be acquired. These specifications may include, but are not limited to, GHG emission targets, sustainable certifications, exclusion of environmentally harmful materials, and targets for improving the circular economy through reduction, reuse, and recycling.



For facility renewal and construction, competition documents should reflect requirements for facilities to be net-zero or near net-zero emissions, reduce or eliminate the consumption of fossil fuels, and increase usage of renewable energy. LEED, an international standard for green building construction to reduce emissions and resource consumption, provides guidelines for sustainable building construction. LEED certification may be implemented for Municipal facilities to demonstrate the Municipality’s commitment to sustainability.

9. PROCUREMENT METHODS

West Hants Regional Municipality can utilize a number of different types of competition when procuring goods, services, or construction. This section of the policy serves to provide an overview of each of these types and when it is appropriate to use in competition.

Competition Method	Description & When to Use
<p>Request for Standing Offer (RFSO)</p>	<p>A procurement process that establishes a qualified list of suppliers who are eligible to perform certain work or supply certain goods at set prices, under terms and conditions defined by the standing offer documents. Standing offers reduce the number of individual bids and reduce overall cost due to the higher volume gained by combining the requirements of a number of departments.</p> <p>Standing offers include a contract signed by both parties. Standing offers may not exceed five (5) years in total duration.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Low to Mid-Value purchases of goods, services, and construction. <input type="checkbox"/> Common, regularly purchased goods and services.
<p>Invitational Competition</p>	
<p>Request for Quotation (RFQ)</p>	<p>A competitive process in which an invitation to submit bids is issued to at least three (3) suppliers.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Mid-Value purchases of goods, services, and construction. <input type="checkbox"/> Specification or requirements for the purchase are well known. <input type="checkbox"/> Contract terms are clear. <input type="checkbox"/> Bidder ranking is based on the lowest price.
<p>Open Competition</p>	



Request for Quotation (RFQ)	<p>An open competition process in which a public advertisement is posted to the Nova Scotia Procurement Portal inviting suppliers to provide quotes on a specific item or service the Municipality is interested in purchasing.</p> <p>Submissions will be opened in public. After opening, a list of bidders and total pricing will be published on the Nova Scotia Procurement Portal.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"><input type="checkbox"/> High-Value purchases of goods, services, and construction.<input type="checkbox"/> Specification or requirements for the purchase are well known.<input type="checkbox"/> Contract terms are clear.<input type="checkbox"/> Bidder ranking is based on the lowest price.<input type="checkbox"/> All the contract requirements and performance terms and conditions can be clearly defined and incorporated into the competition documents to permit the finalizations of the contract with the successful bidder without negotiations.
Request for Construction (RFC)	<p>Open competition for construction, reconstruction, demolition, remediation, repair, or renovation of a building, structure, road, bridge, or other engineering or architectural work. The competition documents usually contain a set of terms and conditions and a separate bid form that applies to the specific project. An RFC usually does not include professional consulting services related to the construction contract unless they are included in the competition specification.</p> <p>Submissions will be opened in public. After opening, a list of bidders and total pricing will be published on the Nova Scotia Procurement Portal.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"><input type="checkbox"/> High-Value purchases of goods, services, and construction.<input type="checkbox"/> Specification or requirements for the purchase are well known.<input type="checkbox"/> Bidder ranking is based on a number of factors described in the competition documents.<input type="checkbox"/> One envelope submissions are acceptable.
Request for Proposal (RFP)	<p>An open competition process in which a public advertisement is posted to the Nova Scotia Procurement Portal inviting suppliers to describe how their services, methods, equipment, or products can address or meet the needs of the Municipality.</p>

	<p>To preserve confidentiality or sensitive commercial information contained in a submission, the submission will not be opened in public, but must be opened in the presence of at least two (2) representatives of the Municipality. After opening, a list of bidders and total pricing will be published on the Nova Scotia Procurement Portal.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> High-Value purchases of goods, services, and construction. <input type="checkbox"/> Complex goods and services, which the Municipality may be unable to clearly or completely specify the goods or services required. <input type="checkbox"/> Bidder responses may help inform the final specification or performance terms. <input type="checkbox"/> Bidder rank is based on highest score. <input type="checkbox"/> Contract negotiations are allowed after the submissions have been opened, subject to complying with the terms of the RFP. <p>The Municipality must award the procurement contract to the supplier whose proposal is determined to provide the best value to the Municipality based on the evaluation criteria set out in the RFP and equitably applied to all proposals.</p>
<p>Two-Phase Competition</p>	<p>An open competition process in which two submissions are received from each bidder:</p> <ul style="list-style-type: none"> • Phase 1 – one or more steps in which bidders submit proposals for evaluation. • Phase 2 – those bidders whose submissions are determined to be acceptable based on a preset pass mark (80%) will be entitled to submit priced bids for consideration. <p>This type of competition has the advantage of an RFP in phase one and an RFQ in phase two.</p> <p>Submissions will be opened in public. After opening, a list of bidders and total pricing will be published on the Nova Scotia Procurement Portal.</p> <p>This is the Municipality’s preferred method of procurement, as it achieves the best value.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Any RFP, RFQ, or RFC can be a two-phase competition.



	<ul style="list-style-type: none"> <input type="checkbox"/> Bidders are required to provide detailed information on what they can supply/provide for the Municipality. <input type="checkbox"/> Weight will be given to the proposal meeting municipal needs in the scoring as well as to the pricing component.
<p>Request for Expression of Interest (RFEI)</p>	<p>Like an RFP and is sometimes referred to as a pre-qualification. RFEI invites suppliers to propose a solution to a problem. The RFEI is only the first stage in the competition process and does not typically include pricing. Bidders responding to the RFEI will be short-listed according to their scoring. Those on the short list will be invited to response to an RFP.</p> <p>After opening, the successful bidders will be posted to the Nova Scotia Procurement Portal, only if a short list is created.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Purchasing goods, services, or construction through a two-phase RFP <input type="checkbox"/> To ensure potential bidders are qualified and experienced to undertake and successfully complete the project prior to inviting them to bid on the detailed requirements. <input type="checkbox"/> There is potential for a large number of bidders, and you want to narrow the field prior to requesting bids. <input type="checkbox"/> A minimum threshold score must be achieved before a potential bidder will be considered eligible to participate in the second stage of the competition.
<p>Cooperative Procurement</p>	
<p>Canoe Procurement</p>	<p>A cooperative procurement process used to aggregate purchases for a large group with similar buying needs. This allows each group to secure better pricing and service due to increased value. Canoe procurement is a Canada-wide cooperative, joining municipalities, public agencies, and not-for-profit organizations with similar requirements and expenses.</p> <p>Canoe Procurement is used in place of a traditional open competition process; however, it is still an RFP. Canoe has completed the initial stages and have vetted all the suppliers and products. All RFP documents can be found on their website.</p> <p>Please see <i>Accounts Payable Procedure</i> for the process to follow when using Canoe Procurement.</p> <p><u>When to Use:</u></p>



	<ul style="list-style-type: none"> <input type="checkbox"/> Purchasing goods, and some limited services through an RFP or RFQ <input type="checkbox"/> Goods or services that are straightforward with limited modifications.
<p>Piggyback Procurement</p>	<p>A cooperative procurement process that enables the Municipality to use an awarded contract or competition process that it was not originally named in to enter a new contract to purchase the same goods or services as if they were a party of the original contract/process, so long as the contract includes a piggyback clause.</p> <p><u>When to Use:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Municipality is looking to purchase the same goods or services that another public sector entity has a valid contract for. <input type="checkbox"/> The contract time period must still be valid. <input type="checkbox"/> The originating public sector entity went through competition to award the contract. <input type="checkbox"/> Contract includes a piggyback clause.

10. ALTERNATIVE PROCUREMENT PRACTICES

Alternative Procurement Practices are not intended to avoid a competition or discriminate against specific suppliers, but are an alternative method of procuring goods, services, and construction which are required when circumstances prevent obtaining competitive bids.

Appendix I provides the Alternative Procurement Practices which are acceptable and when they are permitted to be used.

11. ENTRENCHED INCUMBENT

Entrenched incumbents are suppliers whose goods or services are integral to Municipal operations and where a change or removal of the supplier would result in severe disruption to Municipal activities. To qualify, the potential change of supplier would not be advisable for economic or technical reasons AND would cause significant inconvenience or substantial duplications of costs to West Hants Regional Municipality. Such suppliers may include, but are not limited to, banking services and insurance coverage.

Departments may request an exemption for an entrenched incumbent, from the CAO or designate, where it can be demonstrated that a change of supplier will create economic or technical inefficiencies and cause significant inconvenience or substantial duplication of costs.



Suppliers on this list must be reviewed every five (5) years, by the CAO or designate, to ensure the reasons for exemption from regular competition as presented in this policy are still valid. If the reasons are found to be invalid, the department responsible for the goods or services must plan to procure as per this policy in the next instance they are required.

12. OPEN COMPETITION PROCESS

Directors will ensure appropriate specifications are prepared for the goods, services, and construction to be acquired. Specifications should be in sufficient detail to allow bidders to prepare a clear and complete response. Where possible, all requirements should be specific rather than implied (i.e. insurance, warranties, environmental issues, safety requirements, quality of materials, and equipment supplied, etc.). Where specifications or details are not readily available, Directors will ensure a sufficient and appropriate description of the desired outcome is included.

Procurement Documents

Procurement documents will include the following:

- Form of Instructions to Bidders
- Form of Procurement (see **Section 9** for appropriate process)
- Form of Contract Agreement
- Form of General Conditions
 - Include the method for which bids are evaluated, and the evaluation criteria. It will also include the set pass mark (80%) for the proposal evaluation process.
- Project drawings and/or specifications, where required.

Certain competitions follow prescribed processes. In the case of competitions where the specification for goods or services is clearly stated the minimum instruction to bidders will include:

- Closing date and time.
- The fact that all bids must be submitted in sealed envelopes, clearly marked with the purpose of the competition number.
- All information necessary for the bidder to prepare the bid on the specific requirements for completion of the project.



Other methods of competition may require a two-envelope process. Submissions must be sealed in an envelope separate from the bid. The proposal will be opened prior to the bids and evaluated. Only bidders who have passed the evaluation will have their bid reviewed.

The detailed internal process of procurement competition can be found in the *Accounts Payable Procedure*.

Privilege Clause

A statement will be included in the advertisement and the tender document that states:

“The Municipality reserves the right to accept or to reject any or all bids received, or to select a bid which is deemed by the Municipality to be in its best interests. The Municipality reserves the right to negotiate with the lowest compliant bidder in the event that all bids are higher than anticipated.”

Bidders to Investigate

Bidders are responsible to know the work sites and conditions discussed in the competition. A statement will be included in the competition documents that states:

“Before bidding, bidders shall have examined the site of the work and shall have satisfied themselves as to the working conditions, including labour conditions and labour rules, the nature and kind of work to be done, any special risks associated therewith and all other matters which may be necessary in order to form a proper conception under which the work will be required to be performed. Bidders shall not be entitled to claim at any time after closing of competition that there was any misunderstanding in regard to all such conditions.”

Competition Advertisement

Potential bidders are to be notified by posting on the Nova Scotia Procurement Portal and other means of soliciting potential bidders, such as the use of newspaper advertising, and/or direct contact if necessary.

Single Envelope Openings

- All bids will be received by the Municipality at the location, date, and time identified in the competition advertisement.



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- Staff receiving the documents will stamp or mark the received date and time on the envelope and place the tender in a secure location.
 - No bids will be received by fax; however, amendments will be accepted if the price is not revealed in the fax.
 - At the appointed time of opening the Manager, Accounting & Financial Reporting, department Director, or designate, and Administrative Assistant will meet in the prescribed location.
 - The Directors or designate will bring the bids (which have been securely stored until the hour of closing) to the prescribed location for opening.
 - The public is permitted to view the opening. The Municipality will record the proceedings at the opening, including the names of those persons in attendance, names of those who submitted a bid, the document submitted, and the amounts of the bids, if declared at the time of the opening.
 - Opened bids will then be referred to the appropriate Director and/or staff member for review and analysis, along with the Manager, Accounting & Financial Reporting.
 - A recommendation will be made to the CAO who will ensure that an appropriate written report and recommendation to Council is completed, if required.
 - Manager, Accounting & Financial Reporting will review and provide financial information to this report before the Director, Financial Services signing.
 - Bids received after the closing will be returned unopened to the bidders.
 - Any information pertaining to the bid including the names and numbers of bidders will not be divulged until after the opening.
 - Once a bid has been awarded, the names of bidders and total prices of bid will be posted to the Nova Scotia Procurement Portal.

Two-Phase Envelope Openings

- During the opening process, only the proposal envelope will be opened at the appointed time.
- Price Criteria Envelopes will be opened only following an evaluation of all qualified proposals.
- Only those proposals which achieve pass mark (80%) established in the competition documents will be opened.



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- The opening of Price Criteria Envelopes will be done in the presence of the Manager, Accounting & Financial Reporting, department Director, or designate, and Administrative Assistant who will record the process.
 - Opened cost envelopes will then be referred to the appropriate Director and/or staff member for review, analysis, along with the Manager, Accounting & Financial Reporting.
 - A recommendation will be made to the CAO who will ensure that an appropriate written report and recommendation to Council is completed, if required.
 - Manager, Accounting & Financial Reporting will review and provide financial information to this report before the Director, Financial Services signing.
 - Individual bidders will only be provided with summary information of the successful bidder's score as it related to their own score. At the request of the bidder a meeting may be held to discuss the bidder's score.
 - Once a bid has been awarded, the names of bidders and total prices of bid will be posted to the Nova Scotia Procurement Portal.

Competition Awarding

Depending on the evaluation method defined in the competition documents, it will be customary to award the bidder of the lowest price or the highest cumulative score meeting the specifications. However, the Municipality reserves the right to accept or reject any offer; if it is in the best interest of the Municipality to reject the lowest bid and accept another, this may be done. The reasons for the decision must be clearly documented.

The evaluation criteria should be used in cases where price is not the only factor to be considered:

- References.
- Past performance history.
- Capability to conduct the project.
- Whether the bid is realistic.
- Completion date of bids.
- Any other criteria that the Municipality may consider necessary that will be weighed in addition to costs.

Specific evaluation criteria shall be included in each of the competition documents to ensure bidders and staff are aware of the requirements.



If all the bids received exceed the approved budgeted one of the following must be done:

- Cancel or postpone the project.
- Recommend to the CAO (through to Council) that an additional allocation be made to the affected budget.
- Undertake negotiations in the scope of the work with the bidder submitting the accepted bid to reduce or alter the scope and advise the CAO of the change in work scope.

In the case of a tie bid where there is no local bidder, the names of the bidders will be placed on equal sized pieces of paper and placed in a box. One name will be drawn, by a person chosen by the CAO, and will be the successful bidder.

In the case of a tie bid where there is a local bidder, the bid will be awarded to the local bidder in compliance with the Sustainable Procurement Policy of the Province of Nova Scotia.

All bidders will be notified of the decision. The winning bidder will be notified, and the agreement will be signed. Copies of the contract will be kept with the appropriate Director and Manager, Accounting & Financial Reporting, and originals filed with the Municipal Clerk.

After the awarding of a contract, the bids are open for public inspection except to the extent otherwise stated in the competition documents and subject to the Freedom of Information and Protection of Privacy Act of Nova Scotia. All submissions must be kept in accordance with the Records Management Policy.

Amendment or Withdrawal of Submissions

Submissions may be amended or withdrawn by letter, e-mail, or fax. Amendment of individual unit prices is the only acceptable price amendment. Amendments will not disclose either original or revised total price and will be submitted in the form specified in the "Instructions to Bidders" section of the contract document.

Progress Payments

All progress payments submitted on projects will be approved by the consultant (if any) and the CAO or responsible Director. West Hants Regional Municipality will make payments based on a term of net 30 days.



Change Orders

All change orders requests must be approved by the CAO prior to the work being completed.

- All change orders should be forwarded to Manager, Accounting & Financial Reporting for review and recording.
- Manager, Accounting & Financial Reporting will ensure the CAO gets these in a timely manner for approval.
- All change orders are required to have a new PO created and approved by CAO.



APPENDIX I - ALTERNATIVE PROCUREMENT PRACTICES

The following circumstances provided by the Canada Free Trade Agreement (CFTA) – Alternative Procurement Awards, when applicable, are allowable exceptions to this policy, provided they are within the budget or a result of an emergency AND have CAO approval:

1. Insofar as is strictly necessary where, for reasons of urgency brought about by events unforeseeable by West Hants Regional Municipality, the goods, services, or construction could not be obtained in time using an open competition.
2. Where goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open competition could reasonably be expected to compromise confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to public interest.
3. To ensure compatibility with existing products, or to maintain specialized products that must be maintained by the manufacturer or its representative.
4. To ensure the protection of patents, copyrights, or other exclusive rights.
5. Due to an absence or competition for technical reasons.
6. For the procurement of goods or services that are controlled by a supplier that has a monopoly.
7. For goods purchased on a commodity market. A commodity market is a physical or virtual marketplace for buying, selling, and trading raw or primary products.
8. For work performed on a leased building or property that may be performed only by the lessor.
9. For work to be performed on a property by a contractor according to provisions of a warranty or guarantee held in respect of the property of the original work.



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10. Where a procuring entity procures a prototype of a first good or service that is developed in the course of, and for a particular contract for research, experiment, study, or original development. This may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good and 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.
 11. 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.
 12. The requirement is for a work of art.
 13. Where a contract is awarded to a winner of a design contest provided the contest has been organized in a manner consistent with the principals of this policy, in particular related to the publication of notices; and the participants are judged by an independent jury with a view to a design contract being awarded to a winner.
 14. For the procurement of subscriptions to newspapers, magazines, or other periodicals.
 15. For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, where a change of supplier for sub additional goods, services, or construction cannot be made for economic or technical reasons such as requirements for interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement, and would cause significant inconvenience or substantial duplication of costs for the Municipality.
 16. No bids were submitted, or no suppliers requested participation; no bids that conform to the essential requirements of the competition documentation were submitted; no suppliers satisfied the conditions for participation.
 17. For the procurement or acquisition of fiscal agency or depository services, liquidation, or management services for regulated financial institutions, or services related to the sale,



redemption, and distribution of public debt, including loans, government bonds, notes, and other securities.

18. For the procurement of goods and services for commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale.
19. For the procurement of goods and services financed primarily from donations that are subject to conditions that are inconsistent with this policy.
20. Procurement of goods or services from another government body.
21. Procurement from philanthropic institutions, non-profit organizations, prison labour, or persons with disabilities.
22. Where compliances with the normal methods of procurement would interfere with the Province's ability to maintain security or order or to protect human, animal, or plant life or health.
23. The procurement supports a measure adopted with respect to Aboriginal peoples.


Under the Canada Free Trade Agreement (CFTA), Alternative Procurement Awards for the above circumstances, 1 and 3 to 16 inclusively must be publicly posted to the Nova Scotia Procurement Portal within 72 hours of being awarded, if the award value is greater than the CFTA thresholds of goods or services greater than \$101,100 and construction greater than \$252,700. The posting must include the supplier's name, award amount, circumstance description and number, and the project description.



**WEST HANTS REGIONAL MUNICIPALITY
PROCUREMENT POLICY**

RCOFN-003.00

I, **Deanna Snair**, Municipal Clerk of the West Hants Regional Municipality, in the Province of Nova Scotia, do hereby certify that this is a true copy of the Policy as adopted by the Council of the West Hants Regional Municipality at a meeting duly called and held on the **26th** day of **March, 2024**.



 Deanna Snair, Municipal Clerk

<i>Adoption</i>	
<i>Notice to Council:</i>	March 9, 2020
<i>Approval:</i>	March 23, 2020
<i>Description:</i> Initial approval of the Procurement and Tendering Policy, RCOFN-003.00. Approved by the Co-ordinating Committee of the Region of Windsor and West Hants Municipality.	
<i>First Amendment</i>	
<i>Notice to Council:</i>	March 12, 2024
<i>Approval:</i>	March 26, 2024
<i>Description:</i> <ul style="list-style-type: none"> ● Amend Policy Name from “<i>Procurement and Tendering Policy</i>” to “<i>Procurement Policy</i>” ● Amend overall policy formatting and updated to use more standard wording, such as competition instead of tender. ● Amend definitions to remove: <ul style="list-style-type: none"> ○ Bid by Invitation ○ Council ○ CAO ○ Director ○ Employee ○ Municipality ○ Public Tender ● Amend definitions to add: 	



- Alternative Procurement
- Asset Retirement Obligations (ARO)
- Best Value
- Bid
- Bidder
- Competition
- Entrenched Incumbent
- Invitational Competition
- Limited Competition
- Open Competition
- Piggyback Procurement
- Procurement Value
- Public Advertisement
- Single Source Procurement
- Social Considerations
- Sole Source Procurement
- Standing Offer
- Supplier
- Sustainable Procurement
- Amend *Section 5* to increase the Purchase Order value threshold from \$500 to \$1,000.
- Amend *Section 7* title from *Methods of Procurement* to *Procurement of Goods, Services, and Construction*.
 - Add sub-section on ARO.
 - Add sub-section on Architects and Engineering procurement.
- Add *Section 8 – Sustainable Procurement* to align with the Climate Act Committees work.
- Amend *Section 9* to display the different types of procurement competition options, including check lists on when to use each.
 - New Procurement Types added:
 - Canoe Procurement
 - Piggyback Procurement
- Amend *Section 10* to move Alternative Procurement list to *Appendix I*



WEST HANTS REGIONAL MUNICIPALITY
PROCUREMENT POLICY

RCOFN-003.00

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- Add *Section 11 – Entrenched Incumbent* to allow the Municipality to extend relationships with certain suppliers that would cause undue hardship or cost to change.
 - Amend *Section 12 from Procurement Procedure to Open Competition*
 - Amend Privilege Clause and Bidder to Investigate sub-sections to adjust wording to match industry.
 - Add Change Order sub-section.