



Subject: *Procurement Policy update*
To: Corporate and Residential Services Committee
Date Prepared: June 26, 2025
Related Motions:
Prepared by: Michael Hatfield, Procurement Officer
Approved by: Adam Clarkson, Director of Corporate Services

Summary

This report recommends adopting changes to the **Council Procurement Policy** to bring it into line with recent changes to the *Public Procurement Act of Nova Scotia* (September 2024) and the *Public Procurement Policy* the province adopted in late December 2024. These are additional changes which were not possible when the Council Procurement Policy was last updated in January 2025. This adoption will result in changes to administrative documents supporting the Council Procurement Policy.

The current Council [Procurement Policy](#) establishes both a Low Value Threshold and a High Value Threshold. The High Value threshold establishes the procurement value after which the Municipality is required to go to public competition. The Low Value Threshold is the value over which Departments must seek to obtain three quotations. Any purchases under the Low Value Threshold are subject to the due diligence of the Department Director. The Low Value Threshold was changed from \$5,000 to \$10,000 in December 2024.

The primary change recommended to Council Procurement Policy is to remove the Low Value Threshold entirely. This aligns with changes to the provincial Public Procurement Policy, which transitioned to Canada Free Trade Agreement (CFTA) thresholds instead of a Policy-driven threshold, to allow the province to procure goods, services, and construction in the most agile way possible. In the revised Council Procurement Policy, the threshold after which the Municipality would have to go out to market publicly for goods, services, or construction would be changed to equal the CFTA [thresholds](#). The following table illustrates the change proposed to the Council Policy:

Commodity	Current Low Value (Quotations Required)	Current High Value (Public Procurement)	Proposed High Value (CFTA threshold for MASH)
Goods	\$10,000	\$25,000	\$133,800
Services	\$10,000	\$50,000	\$133,800
Construction	\$10,000	\$50,000	\$334,400

Please note that the Low Value Threshold will be retained in administrative documents to provide CAO control, but the intent of this change is to allow the Municipality the broadest capability, as evidenced in their public-facing Policy, to go to market to get best value for the citizens of East Hants.

Financial Impact Statement

None.

Recommendation

Approve the changes to the Council Procurement Policy to align the High Value Threshold to Canada Free Trade Agreement (CFTA) thresholds, including the adoption of the other revisions specified in the draft Policy attached to this report.

Recommended Motion

Regular Meeting of Council (Policy & In Camera) July 15, 2025

Move that the Corporate and Residential Services Committee recommends to Council that Council give notice of intent to amend their Procurement Policy as attached to the Executive Agenda July 15, 2025 with such amendment to be effective beginning September 1, 2025.

Regular Meeting of Council July 23, 2025

Move that the Corporate and Residential Services Committee recommends to Council that Council amend their Procurement Policy as attached to the Executive Agenda July 15, 2025 with such amendment to be effective beginning September 1, 2025.

Background

The first modern version of this policy was adopted by Council in 2012 and substantial updates occurred in 2019 and January of 2025.

The purpose of the Council Procurement Policy is to establish how the Municipality will fulfill their obligations under the *Public Procurement Act of Nova Scotia*. This Policy is meant to inform Council, staff, suppliers, and the public with respect to how East Hants will procure goods, services, and construction.

The Council Procurement Policy has been 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 East Hants, and conducting open, fair, and transparent procurement processes.

The province has recognized challenges in procurement and made significant changes to the *Public Procurement Act* in September of 2024. They have subsequently updated the *Public Procurement Policy* to change their High Value Threshold to match the Canada Free Trade Agreement (CFTA) thresholds. Please note that the province is subject to lower thresholds under CFTA than the MASH sector (which includes Municipal entities).

There is no trade agreement risk in adopting CFTA thresholds.

Discussion

PROCUREMENT VERIFICATION

The current internal process requires that every procurement over \$10,000 be recorded on a procurement verification form. The intent would be to increase this threshold to \$25,000, the current authority of a Director. This will further reduce the burden on the CAO and staff identified in the January 17, 2025 report to Council while retaining reasonable control.

DUE DILIGENCE

Due diligence is always a requirement when purchases are made for goods, services, or construction. The overall responsibility on a Director to ensure due diligence does not change. Directors will need to continue to ensure that staff are doing their due diligence with purchases less than \$25,000 in value.

OTHER CHANGES/UPDATES

The Council Procurement Policy has been substantially rewritten to reduce complexity. The Key changes are as follows:

- Updated definitions.
- Adding visual representations to the Policy for clarity.
- Updated language on standing offers. Currently, the Policy does not recognize competitions performed by other entities as equal to our own process. This revision of the Policy changes this, meaning we can adopt standing offers performed by other government agencies like the province or federal government at any threshold.
- Removal of “Architects and Professional Engineers” language. The procurement methodology used to obtain such services will vary by the need and this language is prescriptive.
- Removal of “Cooperative Procurement” language. While cooperative procurement is something East Hants will continue to pursue, the experience has been that these opportunities to collaborate are rare and hard to complete due to differing needs. The Procurement Officer is currently Chair of the Association of Municipal Administrators Nova Scotia (AMANS) Procurement Committee with a stated goal to create a procurement community of practice and Staff hope this will help identify areas for collaboration.
- Removal of “Bid Closing”, “Bid Evaluation”, “Award”, “Multiyear Contracts”, “Bid and Contract Security” language, which are the subject of administrative policy and process. Added “Competitions” and “Contract & Risk Management” language to offset some of these requirements and embed the management of risk into the Policy.
- Removed “Workers’ Compensation” as this is now a separate Council policy but wasn’t when this language was originally added.
- Removed “Supplier Development” language. Will continue to work with province and East Hants’ Economic and Business Development on this but removal allows for more responsiveness to strategic priorities of Council.
- Updated Local Preference Language to acknowledge new powers allowed by the *Public Procurement Act*. Added “Community” language
- Adoption of “Protocols”. This method takes complex pieces of Policy administration and puts it into an Appendix of the Policy. In the current Council Policy, Alternative Procurement Practices (ALTPs) and the Supplier Complaint process are already addressed in this manner (called an “Appendix A” and “Appendix B” respectively). This version of the Policy has four “Protocols” which are: ALTPs, Publication of Award, Supplier Complaint, and Supplier Disqualification. Supplier Disqualification was originally being considered as a separate Policy; using this method reduces complexity.

The Alternative Procurement Circumstances issued by the province have changed as well. This Council Procurement Policy adopts these revised Circumstances. The markup of the Policy has comments which map out which circumstances have changed but there are now ten (10) core Circumstances (versus 23); the Council Procurement Policy draft retains two supplementary Circumstances which Staff feel are valid and which are present in the current Council Procurement Policy. The province has moved certain circumstances to the permanent exemption list and Staff will make this change as well (example: work of art).

STRATEGIC ALIGNMENT

This change embraces the Organizational Values, including Fiscal Responsibility by empowering change which uses tax dollars and staff effort more efficiently, Innovation in adopting a more dynamic Policy, and remaining Responsive, transparent, and accountable for how we go to market.

LEGISLATIVE AUTHORITY

The [Public Procurement Act](#) (September 2024) establishes the duties of a Public Sector Entity with respect to procurement, one of which is to “adopt or adapt its procurement policies to be consistent with the requirements...” of Act.

FINANCIAL CONSIDERATIONS

There are no financial implications with respect to making this change other than the cost of staff time to make this change. Such additional time necessary to make the change should be offset by savings in time made in the reduced workload in Finance and in departments.

Alternatives

The alternatives are:

1. Accept the changes and authorize Staff to implement the changes to the Council Procurement Policy; or
2. Choose not to change the Council Procurement Policy at this time. In this event, no changes are required to the Council Procurement Policy; or
3. Council may recommend amendments to the changes proposed. Such amendments would be subject to a specific Council motion describing the changes required.

Attachments

Link or list any related documentation relevant to the report:

1. Council Procurement Policy
2. Draft amended Council Procurement Policy (with markups)
3. Draft amended Council Procurement Policy with tracked changes accepted and ready to adopt.