



# Audit Committee Meeting

Friday, May 13, 2016

1:00 p.m.

Council Chambers, Town Hall

359 Main Street

## Agenda

---

1. Approval of the Agenda
2. Approval of Minutes of January 22, 2016 (attached)
3. Business from Previous Minutes:
  - a. Update on Policy Review
    - i. Tax Exemption Policy/Bylaw
  - b. Procurement Policy
4. New Business (hand out at meeting):
  - a. Information Report: Doubtful Accounts Review
  - b. Information Report: 2015/16 Audit Plan Update
5. Discussion
6. Next Regular Meeting – Friday, June 24, 2016
7. Adjournment

## INFORMATION REPORT

Title: Finance Policy Review Update

Date: 2016-05-11

Department: Finance

---



# SUMMARY

## Finance Policy Review Update

A year ago, the Audit Committee reviewed a list of Town Policies that were viewed to have a financial aspect to them and that might benefit from a review with an eye to possible amendments. These included;

- Tax Exemption Policy – to replace multiple Bylaws
- Open Space Fund Policy
- Procurement Policy
- Conference and Membership Policy
- Reserve Policy
- Council Remuneration Policy

Motions were passed to have Committee of the Whole review the Tax Exemption Policy and Procurement Policy.

Town Council did approve a new Tax Exemption Policy which will now be effective for the 2016/17 fiscal year. This requires the repeal of several bylaws that the Policy replaces and that process is not yet complete. In checking with the Town Clerk's Office, it is noted that Second Reading to Repeal will occur at May 18<sup>th</sup> Council, followed by notification in a local newspaper (as required by the MGA), and finally notice of the repeal will be sent to the Minister's Office.

Review of policies noted above, as well as many others is an ongoing process that impacts all Town Departments. This report will provide information on key changes implemented over the last year, as well as policies expected to be reviewed within the next twelve months. The policy highlighted with this report will be the Procurement Policy.

## INFORMATION REPORT

Title: Finance Policy Review Update

Date: 2016-05-11

Department: Finance

---



### 1) CAO COMMENTS

N/A at this time.

### 2) REFERENCES AND ATTACHMENTS

- Newly adopted Tax Exemption Bylaw (included in agenda package)
- Procurement Policy (copy included in agenda package)

### 3) PURPOSE OF REPORT

The key part of this report will be to provide a forum for further discussion with regard to the Town's Procurement Policy. A secondary purpose is to update on other policy development completed and or underway that may be of interest to the Audit Committee.

### 4) DISCUSSION

As noted above, the new Tax Exemption Policy has been approved by Council and is effectively in place for fiscal 2016/17. Other policies noted above, but not selected last year to proceed to review, are now included in the Town's 2016/17 Operational Plan are;

- Conference and Membership Policy (page 19 of plan under "will do if time allows")
- Council Remuneration Policy (page 21 of plan under "will do")
- Open Space Fund Policy (page 18 of plan under "will do if time allows")

#### **Procurement Policy**

The Town adopted its current Procurement Policy in December 2012, at the time adopting the general template guidelines issued by the province to assist municipalities. Generally speaking the Policy has functioned well for both staff and Council, however several aspects have been questioned in the last couple of years, including:

- Buy local
- Insurance requirement on tenders
- Safety requirements required on tenders

In addition, levels of purchasing authority should be reviewed periodically to ensure they not becoming outdated.

Based on this a brief jurisdictional scan was carried out to see what other municipalities are doing. This was carried out by way of a question posted to the AMA Listserve and results are summarized below. It should be noted that a more intensive review could be undertaken, but at this point in time the Town's Policy is considered to be working the vast majority of the time.

## INFORMATION REPORT

Title: Finance Policy Review Update

Date: 2016-05-11

Department: Finance



	<u>Local Preference</u>	<u>Purchasing Authority</u>					Op Budget
		<u>Council</u>	<u>CAO</u>	<u>Director</u>	<u>Manager</u>	<u>Designate</u>	
Town of Wolfville		any if 10% overbudget	> \$20,000	up to \$20,000	up to \$2,500	up to \$2,500	\$9.6M
Town of Kentville		> \$50,000	up to \$50,000	up to \$10,000	-	up to \$2,500	\$12.4M
East Hants		outside of budget	> \$10,000	up to \$10,000	up to \$5,000	up to \$2,000	\$21.5 M
Town of Antigonish		if over budget	if within budget	if within budget	-	up to \$2,500	\$7.5M
Town of Windsor	5% within west hants	> \$25K goods > \$50K services > \$100K construction	\$10K - \$25K \$10K - \$50K \$10K - \$100K	up to \$10,000	up to \$10,000	up to \$5,000	\$7.6M
Town of Middleton	5% definition?	> \$25K goods > \$50K services/facilities > \$100K construction	> \$10,000	up to \$10,000	up to \$10,000	up to \$1,000	\$4M

It should be noted that it was not entirely straightforward to incorporate each response into categories that aligned with Wolfville's policy. Each respondent, not surprisingly, has a different structure to their policy. Wolfville's intentionally separates "Purchasing Authority (who can buy)" from "Purchasing Process (PO's, invitational bids, local public tenders, tenders on provincial web portal, etc).

Based on the above, it appears that Wolfville is not out of step with the specific dollar thresholds providing to Purchasing Authority. At a more detailed level of their policies/practice, several of the units require tender awards to go to Council even if award is within budget. This same requirement is more explicit in others, for example Windsor as noted above.

### Local Supplier Preference

Two policies noted a local preference requirement and both were set at 5%. Other policies may have something similar, these were the two that staff noted the requirement. I located Windsor's definition of local, that being within the borders of West Hants. I did not note Middleton's definition but will bring it to the Committee if I find out that they have one.

Wolfville's Management Team discussed the idea of a local preference requirement. Two issues arose from the discussion, definition of local and what level of discount.

- With regard to discount the opinion was definitely no more than 10% with some general agreement between 5%-10%.
- Definition of local was more difficult. Easy to say, tougher to define. In some cases, it could mean you have to have a head office/facility within the Town borders. However, there are a number of times that there may be no supplier within Town borders, but they exist within the region (Kings County, the "Valley").
- Similar to insurance discussed below, it would be staff's recommendation that any local preference be incorporated in to a SOP, and further that the CAO be authorized to sign off on

## INFORMATION REPORT

Title: Finance Policy Review Update

Date: 2016-05-11

Department: Finance

---



what constitutes “local” based on the specifics of a given tender/RFP. Definition not exceed boundaries of the Valley (Windsor to Annapolis).

### Insurance Requirement

With regard to insurance and safety requirements, this is not something stated in the Town’s Policy, but has been a function of the tendering process. It would be staff’s position that the policy need not address these two items specifically, and that they may fit more appropriately in a tendering Standard Operating Procedure (SOP). A formal SOP is not in use at this point in time, with staff relying on older documents that have not been updated in about a decade. The issue of insurance and safety were discussed at the Management Team sessions and there was consensus that

- both items should still be required as part of any tendering/RFP process
- that wording be developed for an SOP that will provide some flexibility in terms of the level of insurance required, i.e. \$2M versus \$5M versus \$10M. The CAO should be required to sign off on the selected insurance level. A minimum amount of insurance should remain a requirement to ensure the Town is covered from a liability perspective as Council relies on the recommendations laid out by consultants. Construction is more straight forward and clearly insurance is required.
- safety is a cornerstone of the Town’s operations for its own staff and should be a requirement of any contractor engaged to carry out work. Generally speaking, where applicable, Nova Scotia Construction Safety Association Certification (NSCSA) should be required. In those instances where applicable, the Town’s Safety Officer should be authorized to sign off on a plan that meets the Town’s own safety standards. Due to company size, not all contractors are full participants in the NSCSA Certification program.

## 5) FINANCIAL IMPLICATIONS

Not applicable.

## 6) REFERENCES TO COUNCIL STRATEGIC PLAN AND TOWN REPORTS

As with many financial related policies, procurement speaks to Council’s Guiding Principle of effective governance including Accountability and Transparency. Further it speaks directly to Strategic Direction 5 which strives for Efficient and Effective Leadership.

## 7) COMMUNICATION REQUIREMENTS

N/A at this time.

## INFORMATION REPORT

Title: Finance Policy Review Update

Date: 2016-05-11

Department: Finance

---



### 8) FUTURE COUNCIL INVOLVEMENT

It is possible that no future involvement of Council is required as no changes are recommended for the Procurement Policy as it exits.



## POLICY

Property Tax Exemption	
<b>Policy Number:</b> 140-014	<b>Supersedes Bylaws:</b> <ul style="list-style-type: none"><li>• Chapter 45, Property Tax Reduction Bylaw</li><li>• Chapter 69, Wolfville Historical Society Tax Exemption Bylaw</li><li>• Chapter 74, Eastern Kings Memorial Health Foundation Property Tax Exemption Bylaw</li><li>• Chapter 75, Acadia Cinema Co-op Property Tax Reduction Bylaw</li><li>• Chapter 78, Earnscliffe Avenue Property Tax Reduction Bylaw</li></ul>
<b>Effective Date:</b> 2016-04-19	<b>Approved by Council Motion Number:</b> <b>21-04-16</b>

### 1.0 Purpose

To provide a single policy directing the tax reduction and exemptions for eligible properties in the Town of Wolfville in accordance with Section 71 of the *Municipal Government Act*. Until such time that Day Care Centre's can be exempt by Policy, Chapter 76, Day Care Centre's Property Tax Exemption Bylaw shall remain active.

### 2.0 Scope

This policy is applicable to the properties outlined in Schedules A through C.

### 3.0 References

List resources that may be useful when following the Policy; for example:

- 3.1 Municipal Government Act, Section 71
- 3.2 Chapter 76, Day Care Centre's Property Tax Exemption Bylaw

### 4.0 Definitions

Define key terminology identified within the Policy

- 4.1 **Exempt** means the release from obligation to pay the whole or portion of taxes.
- 4.2 **Non-Profit Organization** means an incorporated non-profit organization as defined by the Canada Revenue Agency.
- 4.3 **Policy** means a course or principle of action adopted or proposed by a government, party, business or individual.
- 4.4 **Registered Charity** means a charity registered as defined by the Canada Revenue Agency.



## POLICY

---

4.5 **Tax Reduction** means a reduction in the amount of taxes payable on a property from the amount calculated using the commercial tax rate to the amount calculated using the residential tax rate.

### 5.0 Policy

5.1 The real property for the organizations or institutions named in Schedules A, B, and C to this policy that would otherwise be classified as commercial property shall be exempt or taxed in accordance with the particular schedule.

5.2 The partial or total exemption provided in Section 5.1 shall apply only to that portion of the real property specified in the Schedule.

5.3 Each of the properties identified in the Policy is exempted upon the condition that, and only for so long as, the property (or portion of the property, in the case of a partial exemption from taxes and rates) meets the conditions of eligibility set out for the part of the Policy.

5.4 When a property listed in the Policy ceases to meet the applicable conditions of eligibility for the tax exemption, the tax exemption shall cease and the owner of the property shall immediately be liable for the taxes and rates on such property for a portion of the fiscal year then unexpired.

5.5 Owners of the properties listed in the Policy shall report to the Town's Director of Finance any change in the status of the ownership or use of the property which would affect or could reasonably be interpreted as affecting its eligibility for tax exempted status pursuant to this Policy within thirty (30) days of such change.

5.6 Annually, as part of the budget presentation, Schedules A, B and C will be presented to Council.

5.7 This Policy shall have effect and shall apply to rates and taxes that are payable or would otherwise be payable during the fiscal year April 1, 2016 – March 31, 2017 and each subsequent fiscal year thereafter.

### 5.8 Policy Review

This policy will be reviewed every year from effective/amended date.

---

CAO

April 20, 2016

---

Date





## POLICY

---

### SCHEDULE A

Property of a named registered Canadian Charitable organization that is used directly and solely for a charitable purpose to be taxed under Section 71(1)(a) of the *Municipal Government Act* in the manner set out in the last two columns of this Schedule.

<b>OWNER</b>	<b>PROPERTY</b>	<b>CHARITABLE NUMBER</b>	<b>EXTENT OF APPLICATION</b>	<b>EXTENT OF TAX EXEMPTION</b>
Wolfville Historical Society	Land and Building 259 Main Street Account #04989724	119301943RR0001 (Benefits to the Community and other)	The Whole	100% of commercial and residential property taxation



## POLICY

---

### SCHEDULE B

Properties of incorporated non-profit organization which are either community-oriented, charitable, fraternal, educational, recreational, religious, cultural or sporting organization and in which the opinion of the Council provide an active services, through programs or maintenance of the property, to the Town that might otherwise be a responsibility of the Council which are to be taxed under Section 71(1)(b) of the *Municipal Government Act* to the extent set out in the last two columns of this Schedule.

OWNER	PROPERTY	EXTENT OF APPLICATION	EXTENT OF TAX EXEMPTION
Eastern Kings Memorial Health Foundation	Land "Quiet Park" Lot 1.35 acres Earnscliff Avenue Account #08112843	The Whole	100% of commercial and residential property taxation including all area rates except fire hydrant protection rates.



## POLICY

---

### SCHEDULE C

The Council may, by Policy, to the extent and under the conditions set out in the policy, provide that the tax payable with respect to all or part of the taxable commercial property of any non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization named in the policy be reduced to the tax that would otherwise be payable if the property were a residential property, inclusive of area rates as set out in Section 71(2) of the *Municipal Government Act* as is determined by Council from year to year to the extent set out in column three.

To be eligible for a reduced property tax rate, the applicant must:

- a) Provide a service to Town residents that might otherwise be a responsibility of the Council;
- b) Be open for public use;
- c) Be a non-profit organization with a volunteer board of directors;
- d) Generate at least 30 percent of their operating funds from non-governmental sources;
- e) Be able to demonstrate that the assessed address/location is the site of the program(s) and/or service(s) that are provided to Town residents; and
- f) Demonstrate a financial need.

Owner	Property	Extent of Application	Extent of Tax Exemption
Acadia Cinema Co-op Limited	Building 450 Main Street Account #03620697	Partial	The residential rate is applied to rather than the commercial rate to the portion of commercial assessment applicable to the theatre portion of the building where films and motion pictures are presented for public viewing.
St. George's Lodge	Land and Building 43 Gaspereau Avenue Account #04405595	The Whole	The residential rate is applied rather than the commercial rate. Area Rates for other Town services will be applied.
Wolfville Curling Club	Land and Building 19 Elm Avenue Account #04989643	The Whole	The residential rate is applied rather than the commercial rate. Area Rates for other Town services will be applied.
Wolfville Lions Club	Land and Building 36 Elm Avenue Account #08084637	The Whole	The residential rate is applied rather than the commercial rate. Area Rates for other Town services will be applied.



# POLICY

---

<h2>PROCUREMENT</h2>	
<b>Policy Number:</b> 140-001	<b>Supersedes Policy Number:</b> 1221-03 & 1221-04
<b>Effective Date:</b> 1999-12-12; 2004-09-20 Revised; 2012-12-17 Amended	<b>Approval By Council (Motion Number):</b> 12-12-99, 09-09-04, 04-12-12

### 1.0 Purpose

To establish a Policy that guides Town staff in the acquisition of goods and services on behalf of the organization in a manner that is (1) consistent with Council’s budget approvals, and (2) complies with the Province of Nova Scotia’s Public Procurement Act.

The Town of Wolfville is committed to:

- Providing for the procurement of goods, services, construction and facilities in a fair, open, consistent, and transparent manner resulting in best value
- Encouraging competition, innovative ideas and solutions, while respecting all Legislative and Trade Agreement obligations
- Promoting sustainable procurement in procurement decisions, including identifying and exploring opportunities to work with and support social enterprises and businesses that are owned by and who employ under-represented populations
- Ensuring that qualified suppliers have equal opportunity to bid on the Town of Wolfville’s procurement activity
- Being accountable for procurement decisions.

### 2.0 Scope

This Policy is applicable to all Town of Wolfville employees involved in the procurement process.

### 3.0 References

- 3.1 Nova Scotia Municipal Government Act



## POLICY

---

### 4.0 Definitions

For the purposes of this policy, the following definitions are provided:

- 4.1 Atlantic Standard Terms & Conditions** - Standard instructions that support public tenders issued by the four Atlantic provinces for goods and services. Supplements may be added if and when required.
- 4.2 Best Value** - Evaluating bids not only on purchase price and life cycle cost considerations, but also taking into account items such as environmental and social considerations, delivery, servicing, and the capacity of the supplier to meet other criteria as stated in the tender documents.
- 4.3 Bid** - A supplier response to a public tender notice to provide goods, services, construction or facilities.
- 4.4 Construction** - The construction, reconstruction, demolition, repair, or renovation of a building, structure, road or other engineering or architectural work, excluding the professional consulting services related to the construction contract unless they are included in the procurement.
- 4.5 Construction Contract Guidelines** - Standard instructions developed in consultation with the Construction Association of Nova Scotia that support construction tenders.
- 4.6 Goods** - Materials, furniture, merchandise, equipment, stationery, and other supplies required by the Town of Wolfville for the transaction of its business and affairs and includes services that are incidental to the provision of such supplies.
- 4.7 Procurement Advisory Group** - The advisory group established by the Public Procurement Act to provide advice and recommendations to advance the outcomes of the Act.
- 4.8 Procurement Activity** - The acquisition of all goods, services, construction, or facilities procured by purchase, contract, lease, or long-term rental.
- 4.9 Procurement Value** - The value of the total contract excluding taxes but including all options whether exercised or not. For Facilities this value is determined by the monthly lease/rent times the term of the contract.
- 4.10 Procurement Web Portal** - The public website maintained by the Province where all public tender notices are posted.
- 4.11 Public Advertisement** - Advertising a public tender notice on the provincial procurement web portal when PPA thresholds are exceeded. Public advertisement could also include advertisement on Town's website and local, provincial, and national newspapers, most notably when PPA thresholds are not exceeded.



## POLICY

---

- 4.12 Public Procurement Act (PPA)** - An Act outlining the rules related to the procurement activity of all public sector entities in the Province of Nova Scotia.
- 4.13 Public Tender** - Procurement for goods, services, construction, or facilities obtained through public advertisement. (See appendix 2 for an outline of the various tools that can be used for public tender.)
- 4.14 Public Tender Notice** - Notice of intended procurement for goods, services, construction, or facilities obtained through public advertisement.
- 4.15 Services** - Services required by the Town of Wolfville for the transaction of its business and affairs, excluding services provided by an employee through a personal services contract.
- 4.16 Standing Offer** - A standing offer is a contractual arrangement with a supplier to provide certain goods or services on an “as required” basis, during a particular period of time, at a predetermined price or discount, generally within a predefined dollar limit.
- 4.17 Sustainable Procurement** - Sustainable Procurement involves taking a holistic approach to obtain best value. This will be done by integrating the following considerations in the procurement process:
- Environmental considerations: e.g. Green House Gas Reduction, Waste
  - Reduction, Toxic Use Reduction
  - Economic considerations: e.g. Life Cycle Cost, Fiscal Responsibility, Support
  - for the Local Economy
  - Social considerations: e.g. Employee Health and Safety, Inclusiveness and
  - Fair Wage, Health Promotion.

## 5.0 Policy

### 5.1 Application

- 5.1.1 This policy applies to all procurement activity of the Town of Wolfville effective January 1, 2013.
- 5.1.2 The Chief Administrative Officer of the Town of Wolfville is responsible for ensuring compliance with this policy.
- 5.1.3 All Town of Wolfville personnel who have authority for the procurement of goods, services, construction, or facilities must adhere to this policy. Failure to adhere may result in a temporary or permanent loss of procurement privileges or in more extreme cases result in disciplinary action and/or dismissal.



## POLICY

---

### 5.2 Purchasing Authority

5.2.1 Purchase Authority shall be designated based on the following thresholds:

Up to \$2,500 – A Department Head, or designate approved by the CAO, is authorized to make contracts for the acquisition of goods and services where such expenditure is within budget allocation.

\$2,501 - \$20,000 – A Department Head, is authorized to make contracts for the acquisition of goods and services where such expenditure is within budget allocation.

Greater than \$20,000 – The Chief Administrative Officer, is authorized to make contracts for the acquisition of goods and services where such expenditure does not exceed budget by more than 10%.

5.2.2 All dollar threshold references are to be values excluding tax.

### 5.3 Directives

5.3.1 Low value procurement of goods and services having a cost of less than \$1,000.

- a. If a standing offer with the Town exists, the goods or services must be procured under the standing offer.
- b. If a standing offer exists through the Province of Nova Scotia, the good or service may be procured through that standing offer, however the Purchase Authority may give preference to local suppliers.
- c. If no standing offer exists with the Town, the Purchase Authority may authorize acquisition from any supplier, so long as the purchase is consistent with the Purpose of this Policy.

5.3.2 Mid-range value procurement of goods and services between \$1,001 and \$25,000.

- a. If a standing offer with the Town exists, the goods or services must be procured under the standing offer.
- b. If a standing offer exists through the Province of Nova Scotia, the good or service may be procured through that standing offer, however the Purchase Authority may give preference to local suppliers.
- c. If no standing offer exists, the Purchase Authority will obtain competitive quotes and award the purchase to the supplier providing best value to the Town of Wolfville.



## POLICY

---

### 5.3.3 High Value procurement of goods and services greater than \$25,000.

- a. If a standing offer with the Town exists, the goods or services must be procured under the standing offer.
- b. If no standing offer exists, the procurement must take place by public tender. If the procurement activity exceeds the thresholds stipulated in the PPA, then any public advertisement must include use of the provincial procurement web portal.

### 5.4 Alternative Procurement Practices

In order to balance the need for open, competitive process with the demands of urgent or specialized circumstances, Alternative Procurement Circumstances have been developed. These circumstances must be used only for the purposes intended and not to avoid competition or used to discriminate against specific suppliers. To ensure appropriate use, each circumstance must be documented by Town of Wolfville personnel stating the rationale permitting the Alternative Procurement Circumstance, and signed by the CAO. All documents must be filed and maintained for audit purposes. See Appendix 1 for a list of the Alternative Procurement circumstances, as well as further requirements on documentation.

### 5.5 Bid Opening, Evaluation, and Award

#### 5.5.1 Bid Opening

Bids are accepted in accordance with the closing time, date, and place stipulated in the bid request documents. Members of the public may receive the list of bidders electronically after bid opening.

#### 5.5.2 Bid Evaluation

All bids are subject to evaluation after opening and before award of contract. The bid request documents must clearly identify the requirements of the procurement, the evaluation method, evaluation criteria based on the purpose and objectives of this policy, and the weights assigned to each criterion.

#### 5.5.3 Award

The winning bidder and contract award amount for all high value procurement activity must be posted on the Province of Nova Scotia's Procurement Web Portal. After contracts have been awarded, routine access to information at the vendors request shall be provided in the following areas:

- Bidders list
- Name of winning bidder
- Award price excluding taxes of the winning bidder

**Access to tender documents or other proprietary information is subject to the provisions of the Freedom of Information and Protection of Privacy Act.**





## POLICY

---

### 5.5.4 Supplier Debriefing

At the request of a supplier who submitted a bid, Town of Wolfville personnel will conduct a supplier debriefing session to provide feedback on the evaluation of the public tender. Suppliers can find out how their proposal scored against published criteria, obtain comments on their bid, and gather information on how future bids may be improved. Supplier's bids are not compared to other bids, nor will information on other bids be provided.

### 5.5.5 Supplier Complaint Process (SCP)

When a supplier is not satisfied with the information provided in a supplier debriefing, the supplier may file a complaint in accordance with the Supplier Complaint Process as defined in the Public Procurement Act. The SCP is not a dispute resolution process, but rather is intended to handle supplier complaints and to improve faulty or misleading procurement processes. The SCP is an integral part of a fair and open procurement policy.

## 5.6 Fair Treatment for Nova Scotia Suppliers

Based on the principle of best value for the Town of Wolfville and when deemed to be in their best interest, Town of Wolfville personnel may apply a preference for goods valued up to and including \$25,000 that are manufactured or produced in Nova Scotia. The final decision to apply a preference to a Nova Scotia supplier shall be approved by the Chief Administrative Officer.

Town of Wolfville personnel may also choose to apply a Nova Scotia preference or restrict the receipt of quotations at or below the low value procurement thresholds to Nova Scotia Suppliers. Any decision made by Town of Wolfville personnel should be based on budget considerations, and shall be approved by the Chief Administrative Officer.

## 5.7 Other Considerations

### 5.7.1 Cooperative Procurement

Town of Wolfville personnel are encouraged to look for opportunities to collaborate with government agencies when the arrangement may result in overall cost savings or other substantial advantages. For example, joint procurement may be appropriate to procure commonly used goods, services, fuel oil, telecommunications, etc.

### 5.7.2 Standing Offers

Town of Wolfville personnel may access all Province of Nova Scotia standing offers, as well as any standing offer established through the Procurement Advisory Group for the Province should Town of Wolfville personnel wish to make use of the savings opportunities.



## POLICY

---

### 5.8 Obligations under the Public Procurement Act

In addition to the areas already covered by this Policy, the following are additional obligations of the Public Procurement Act that the Town of Wolfville personnel are required to adhere to with their Procurement practices.

#### 5.8.1 Terms and Conditions

Every public tender notice must include or have attached the terms and conditions that govern the purchase of goods, services, construction, or facilities. The terms and conditions of every public tender notice must be consistent with the Atlantic Standard Terms and Conditions for the procurement of goods, services, or facilities and the Construction Contract Guidelines developed in collaboration with the Construction Association of Nova Scotia for the procurement of construction.

#### 5.8.2 Posting Tender Notices and Awards

All opportunities subject to a public tender, as required by the PPA guidelines, must be advertised on the Province of Nova Scotia Procurement Web Portal. Town of Wolfville personnel must also post on the Procurement Web Portal the name of the successful bidder for the public tender and the contract amount awarded.

#### 5.8.3 Code of Ethics

Town of Wolfville personnel and board members must ensure their conduct in relation to procurement activity is consistent with the “Duties of public sector entity employees” in the Public Procurement Act. This includes a request for removal from a procurement activity when a personal conflict of interest is perceived.

#### 5.8.4 Other

##### Policy Posting

Town of Wolfville personnel will ensure this policy is posted on the Town of Wolfville web site.

##### Supplier Development Activities

Town of Wolfville personnel will make every attempt where appropriate to participate in vendor outreach activities as requested by the Procurement Governance Secretariat

##### Regulations

Town of Wolfville personnel will make sure that procurement practices remain consistent with any regulations that are adopted under the Public Procurement Act.



## POLICY

---

### 5.9 Amendments

Any amendments of this Policy will be communicated to the public on the Town of Wolfville website.

A handwritten signature in blue ink, appearing to read 'M. Bruden', is written above a horizontal line.

CAO

March 10, 2016

Date



## POLICY

---

### **Appendix 1**

#### Alternative Procurement Approval, Consultation, and Reporting Process

Only those holding the appropriate role/position within the Town of Wolfville may delegate signing authority.

##### Low & Medium Value:

The Department Head will be accountable for the proper use of alternative procurement transactions.

##### High Value:

Town of Wolfville personnel wishing to make use of a high value alternative procurement practice (with the exception of an emergency) must consult with the Chief Administrative Officer to obtain his or her approval and identify the most appropriate means by which to proceed with the satisfaction of the requirement. If in agreement, the Chief Administrative Officer may direct Town of Wolfville personnel to proceed with the procurement. The Chief Administrative Officer may wish to confer with provincial government procurement officials for discussion, validation, and or alternative options.

The Chief Administrative Officer may delegate signing authority for high value alternative procurement transactions to an Acting Chief Administrative Officer in his or her absence. All appropriate documentation will be maintained on file for audit purposes. The Chief Administrative Officer will ensure persons with delegated signing authority will be held accountable for their actions. The Chief Administrative Officer shall remain accountable for the proper use of alternative procurement transactions.

#### Alternative Procurement Circumstances

The Province of Nova Scotia is currently reviewing ALTP circumstances and will be issuing regulations that outline best practices in this area. Once issued by the Province, these revisions will be reviewed for incorporation into this Policy.

##### A. No Threshold Restrictions

Town of Wolfville personnel may use the following Alternative Procurement practices as described below for the procurement of goods, services, construction or facilities, with no threshold restrictions:

1. Where an unforeseeable situation of urgency exists and the goods, services, or construction cannot be obtained in time by means of open procurement procedures. Entities must ensure inadequate planning does not lead to inappropriate use of this exemption.
2. Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption, or otherwise be contrary to the public interest.



## POLICY

---

3. Where compliance with the open tendering provisions set out in this Policy would interfere with a Party's ability to maintain security or order, or to protect human, animal, or plant life or health.
4. In the absence of tenders in response to an open or selective tender, or when the tenders submitted have been collusive, or not in conformity with the essential requirements in the tender.
5. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
6. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
7. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
8. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
9. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
10. For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
11. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
12. For the procurement of original works of art.
13. For the procurement of subscriptions to newspapers, magazines, or other periodicals.
14. For the procurement of real property.
15. For the procurement of goods intended for resale to the public.
16. For the procurement from philanthropic institutions, prison labour, persons with disabilities, sheltered workshop programs, or through employment equity programs.
17. For the procurement from a public body or a non-profit organization.
18. For the procurement of services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation



## POLICY

---

### B. Threshold Restrictions

Town of Wolfville personnel may use the following Alternative Procurement practices as described below, up to the high value thresholds of this Policy:

1. For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic, or social benefits when compared to conventional technology, but not for any subsequent purchases.
2. For procurement that fosters the development of minority businesses.



## POLICY

---

### **Appendix 2**

Below is an outline of some of the various tools available for use when issuing a public tender:

#### Request for Proposal (RFP)

Used when a supplier is invited to propose a solution to a problem, requirement, or objective. Suppliers are requested to submit detailed proposals (bids) in accordance with predefined evaluation criteria. The selection of the successful proposal is based on the effectiveness, value, and price of the proposed solution. Negotiations with suppliers may be required to finalize any aspect of the requirement.

#### Request for Construction (RFC)

Used to publicly tender for a construction, reconstruction, demolition, remediation, repair, or renovation of a building, structure, road, bridge, or other engineering or architectural work. When a supplier is invited to bid on a construction project the tender documents usually contain a set of terms and conditions and separate bid form that apply to that specific project. Suppliers are requested to submit a response (bid) in accordance with predefined criteria. The selection of the successful proposal is based on a number of factors as described in the tender documents. A request for construction usually does not include professional consulting services related to the construction contract, unless they are included in the specifications.

#### Request for Quotation (RFQ)

A request for quotation on goods or products with a minimum specification. Award is usually made based on the lowest price meeting the specification. An RFQ does not normally but may sometimes include evaluation criteria.

#### Request for Standing Offer (RSO)

A public tender to provide commonly used goods or services. The term of the standing offer can vary in duration but will be clearly defined in the tender documents. RSO's may include evaluation criteria depending on the requirement.

#### Request for Expression of Interest (REI)

The Request for the Expression of Interest is similar to the Request for Proposal and is sometimes referred to as a Pre-Qualification, where suppliers are invited to propose a solution to a problem. The REI, however, is only the first stage in the procurement process. Bidders responding to the REI will be short listed according to their scoring in the evaluation process. The short listed firms will then be invited to respond to a subsequent Request for Proposal. A REI does not normally include pricing as price is a key evaluation criteria used in the second stage RFP process.

## INFORMATION REPORT

Title: Doubtful Accounts Review March 31/16

Date: 2016-05-11

Department: Finance

---



## SUMMARY

### Doubtful Accounts Review – March 31/16

This report is being prepared for the Audit Committee as part of the annual year-end financial statement process. Presentation of this information helps to act as an internal control for the Town, i.e. the timely review of accounts receivable arrears that may no longer be collectible, i.e. ultimately bad debts. It should be noted that the Town of Wolfville's success at receivable recoveries is a positive one, which is supported by one of the provincial Financial Indicators, Uncollected Taxes. The Town's score in this area is 5.2% compared to the Town's average of 7.9% and an expected threshold of below 10%.

Regardless of positive efforts to date, continual review of all accounts receivable (A/R) is a process that should occur every year, and this update to the Audit Committee is part of that process. This particular Info Report deals with Sundry Accounts Receivable and Water/Sewer Accounts Receivable as at March 31<sup>st</sup>. It has been a couple of years since a formal report has come to the Audit Committee.

At this stage, the two listings attached to this report have not yet been approved as bad debt write offs. A subsequent Request for Decision (RFD) may be required after this information review whereby formal approval for bad debt write off is sought from the Audit Committee and Council. That RFD, if required, will include customer names and balances owed as permitted under MGA 480 (4) (f). For this reports purposes names have not been included as a matter of courtesy pending notification of the third parties of pending bad debt status. If members of the Audit Committee wish to review names, it is recommended that we do so in camera at this stage.

Further details are included in the report under Discussion, but in summary the following amounts by category are considered at doubtful:

- Water/Sewer Receivables, inactive accounts \$2,100 (86 accounts)
- Sundry A/R \$4,518 (3 accounts)

No motion is required at this stage. Information is presented for discussion/review. A formal RFD will be brought forward at a future meeting, if required.



## INFORMATION REPORT

Title: Doubtful Accounts Review March 31/16

Date: 2016-05-11

Department: Finance

---



### 1) CAO COMMENTS

### 2) REFERENCES AND ATTACHMENTS

- Municipal Government Act (MGA) – Section 38 Duty of Treasurer to Advise
- NS Utility and Review Board (NSUARB) Accounting and Reporting Handbook
- Town of Wolfville Water Utility Rules and Regulations (approved by NSUARB in 2002).
- Provincial Municipal Financial Condition Indicators
- Sundry AR doubtful listing (attached)
- Water/Sewer AR (inactive accounts) listing (attached)

### 3) PURPOSE OF REPORT

To provide Audit Committee a preliminary update on the status of receivable collections during fiscal 2015/16 and assist in identifying magnitude of likely bad debts.

### 4) DISCUSSION

As noted in the opening summary, this report forms part of the process of managing accounts receivable for the Town. The one area it does not cover is outstanding property taxes, however this is intentional. With the elimination of business occupancy taxes a number of years ago, the remaining property taxes will rarely be doubtful or ultimately a bad debt. The ability to carry out a tax sale ensures that arrears can ultimately be collected. The risk area that remains is in instances where the market value of a property is impaired below the taxes owing. Currently staff does not believe that such a situation exists at present.

Updates on property taxes will come through the presentation of the year end financial statements in July which will include an update on provincial financial indicators.

#### **Water/Sewer Accounts, inactive**

Generally speaking the collection rate on active sewer accounts proceeds smoothly. It should be noted that we have yet to formalize a procedure that was previously discussed and planned back in 2013. This will percolate to the top of the pile this year, all things being equal. Other initiatives that involved more significant dollars have taken priority.

The net amount owed to the Town, before applying all customer deposits, for inactive Water/Sewer A/R is \$4,415. A portion of these accounts have small amounts owing back to customers. A listing is attached showing the accounts with balances *owed to* the Town and it totals just under \$5,800. Of this amount, \$355 has been received since March 31<sup>st</sup> and a further amount of is covered by customer deposits on hand. That leaves \$2,130 at risk of non-payment, i.e. bad debt.

## INFORMATION REPORT

Title: Doubtful Accounts Review March 31/16  
Date: 2016-05-11  
Department: Finance

---



Currently the Town has \$3,500 set up as an Allowance for Doubtful Accounts covering Water/Sewer receivables. So from a purely bottom line expense point of view, the Town has already allowed for this level of expense. So even if the full amount of \$2,100 was not recovered...no impact would hit the year end surplus/deficit position.

That said, there is still a need for staff to formally review the listing, apply deposits to arrears and bring back what should be considered the list of accounts to formally write off.

Further discussion can take place at the Audit Committee meeting itself.

### **Sundry A/R Accounts**

This subledger covers all the customer invoices the Town issues that are not Property Taxes or Water/Sewer consumption accounts. It covers a variety of items from services provided to other municipalities, water/sewer service hookups, dog tags, and any other one off invoices that may be required.

This group of receivables often does not receive the attention it should, in terms of collections and timely write off of bad debts. In 2011 the finance department completed a review of old A/R accounts still on the books (some over 20 years old) and brought forward a recommendation to Council of a list of bad debt write offs. Since that time we have tried to address potential issues earlier in the process.

Of the \$32,376 owing to the Town at March 31<sup>st</sup>,

- \$12,862 has been collected
- Arrangement made for payment of \$1,063 has been made
- \$3,245 of the total is being paid off by way of monthly payments
- \$8,592 has been identified as an error in billing and appropriate adjustments are being made.
- Just over \$500 relates to unpaid dog tags, which past experience has shown a significant portion will relate to families no longer residing in Wolfville, or perhaps pets that have passed away.

As noted on attached list, 3 invoices have been identified as at risk of non-collection and they total \$4,518. The largest of these staff are currently pursuing and a payment arrangement looks to be in place shortly. The smallest amount (\$59.04) actually goes back to 2011 and relates to a temporary service provided to a construction company. Given the age of the account it is unlikely the amount will be collected.

### **Overall Summary**

## INFORMATION REPORT

Title: Doubtful Accounts Review March 31/16

Date: 2016-05-11

Department: Finance

---



Staff needs to complete a bit more work before a formal list for write off is brought forward. All of the inactive Water/Sewer AR accounts will be sent to a collection agency including amounts approved for write off by Council. Any recoveries would be recorded as Bad Debt Recoveries.

### 5) FINANCIAL IMPLICATIONS

As illustrated by the dollar amounts noted above, any write off of accounts will have limited impact on the Town's bottom line.

### 6) REFERENCES TO COUNCIL STRATEGIC PLAN AND TOWN REPORTS

The review and presentation of this information addresses Council's Guiding Principles of accountability, openness and transparency. It demonstrates a commitment to sound financial management practices of effective collection of customer arrears, providing equity to all those customers that do pay on time.

### 7) COMMUNICATION REQUIREMENTS

At this stage of the process the key communication will involve advising accounts that will be tagged for Write-Off, that their accounts will be brought before the Audit Committee and Council for approval to write-off, and further that the list will be public and the accounts so approved will be sent to a collection agency for follow up.

### 8) FUTURE COUNCIL INVOLVEMENT

As noted earlier in the report, an RFD will be prepared as the year end financials are compiled, and it is anticipated that the report will be presented to the Audit Committee at its June meeting date.

**Town of Wolfville**  
**Possible Doubtful Accounts Review**  
**Information Report to Audit Committee**  
**Prepared May 10, 2016**

Account #	On last years inactive list Cor <u>Total</u>	Class
10980.02 *	\$296.07	REG
22020.12 *	\$265.50	REG
2640.02 *	\$259.71	REG
870.14 *	\$209.56	REG
2390.05 *	\$190.25	REG
20120.19 *	\$162.52	REG
11900.03 *	\$160.92	REG
3140.08 *	\$156.39	REG
21600.2 *	\$154.59	REG
21780.14 *	\$152.59	REG
18000.02 *	\$148.99	REG
21120.07 *	\$147.32	REG
19890.11 *	\$142.05	REG
19470.04 *	\$127.17	REG
8990.02 *	\$126.56	REG
3970.11 *	\$125.88	REG
5700.06 *	\$125.28	REG
21620.2 *	\$113.75	REG
21620.19 *	\$111.18	REG
23549.03 *	\$109.89	REG
19940.15 *	\$97.61	REG
21760.04 *	\$95.93	REG
23581.03 *	\$86.85	REG
12030.06 *	\$80.73	REG
21650.15 *	\$80.38	REG
20780.14 *	\$80.24	REG
3460.05 *	\$76.16	REG
12560.03 *	\$72.99	REG
21610.08 *	\$70.65	REG
440.01 *	\$68.66	REG X
16890.04 *	\$68.66	REG
21790.16 *	\$62.87	REG
21620.21 *	\$59.43	REG
11880.02 *	\$54.75	REG
19750.1 *	\$52.48	REG
21820.05 *	\$52.07	REG
17400.16 *	\$51.94	REG
3840.06 *	\$50.49	REG
11780.03 *	\$48.67	REG
21610.11 *	\$48.22	REG
18080.02 *	\$47.66	REG
23532.03 *	\$45.92	REG
23590.04 *	\$45.92	REG
23588.02 *	\$45.21	REG

**Town of Wolfville**  
**Possible Doubtful Accounts Review**  
**Information Report to Audit Committee**  
**Prepared May 10, 2016**

Account #	Cor	Total	Class
On last years inactive list			
22640.03	*	\$45.18	REG
23510.02	*	\$44.96	REG
10400.02	*	\$43.68	REG
14280.11	*	\$41.57	REG
23585.01	*	\$41.44	REG
11610.05	*	\$41.09	REG
21370.08	*	\$39.59	REG
22730.01	*	\$35.67	REG
18180.11	*	\$35.40	REG
18840.1	*	\$33.61	REG
21510.05	*	\$33.61	REG
17400.06	*	\$32.90	REG
21610.13	*	\$32.77	REG
3090.02	*	\$31.73	REG
20950.09	*	\$30.24	REG
13020.03	*	\$29.52	REG
8200.02	*	\$29.00	REG
16370.07	*	\$27.37	REG
21200.07	*	\$26.96	REG
11090.02	*	\$24.97	REG
19870.05	*	\$22.18	REG
21770.07	*	\$21.57	REG
21820.13	*	\$20.58	REG
16890.03	*	\$17.78	REG
11790.07	*	\$17.20	REG
19940.04	*	\$17.20	REG
6590.03	*	\$16.00	REG
16190.1	*	\$15.05	REG
21540.08	*	\$15.05	REG
21600.16	*	\$15.05	REG
21750.1	*	\$15.05	REG
6060.03	*	\$12.90	REG
19950.11	*	\$12.90	REG
3970.05	*	\$11.46	REG
21600.06	*	\$10.75	REG
21600.15	*	\$10.75	REG
11230.05	*	\$8.00	REG
1560.05	*	\$5.43	REG
970.01	*	\$2.00	REG
21630.12	*	\$0.50	REG
4020.05	*	\$0.40	REG
21630.13	*	\$0.04	REG
		\$5,799.76	