

Resolution 6C

HIRE LOCAL WITHIN LIMITS OF THE ATLANTIC PROCUREMENT AGREEMENT (PASSED)

- ⇒ County of Antigonish
- ⇒ County of Colchester
- ⇒ District of Guysborough

WHEREAS skilled trades people from various communities throughout the province are available and willing to work; and

WHEREAS the three levels of government share in a significant number of infrastructure projects, creating good jobs and growing the economy; and

WHEREAS the employment to local trades people significantly contributes to local economies;

THEREFORE BE IT RESOLVED that the UNSM write the Province asking to identify and implement measures to assist local companies in bidding on contracts for these infrastructure projects, within the limits permitted by the Atlantic Procurement Agreement.

COMMITTEE RECOMMENDATION: *The Committee recommends this resolution.*

Response from:
Department of Internal Services

RESPONSE:

The Province of Nova Scotia is committed to ensuring that its supplier community can continue to grow, be competitive and receive fair treatment in other provinces. To help ensure this, public sector entities adhere to several trade agreements including the Agreement on Internal Trade (AIT), and the Atlantic Procurement Agreement (APA).

The current thresholds for municipalities are:

TRADE AGREEMENT	THRESHOLDS
<i>Atlantic Procurement Agreement</i>	<ul style="list-style-type: none">• Goods: \$25,000• Services: \$50,000• Construction: \$100,000
<i>Agreement on Internal Trade</i>	<ul style="list-style-type: none">• Goods: \$100,000• Services: \$100,000• Construction: \$250,000

Above these thresholds, municipalities are required to provide treatment no less favorable than the best treatment it accords its own goods, services and suppliers. Below are specific references to local preference in trade agreements:

- *AIT, Chapter 5, Article 504, Section 4(a, b)*
 - *Reciprocal Non-Discrimination: No party shall impose or consider, in the evaluation of bids or the award of contracts, local content or other economic benefits criteria that are designed to favour:*
 - *The goods, and services of a particular Province or region, including those goods and services included in a construction contract; or*
 - *The suppliers of a particular Province or region of such goods or services*
- *APA, Section 2 (ii)*
 - *No party to the agreement shall require general contractors to favour subcontractors or suppliers from their own provinces*

There are however, a few measures to consider in an attempt to maximize the local benefit of your procurement projects:

- *For procurement projects below the thresholds of the Atlantic Procurement Agreement, municipalities can apply a local preference or limit the tendering opportunity to suppliers from a specific region of Nova Scotia.*
- *For procurement projects below the thresholds of the Agreement on Internal Trade, municipalities can apply an Atlantic Canadian preference, or limit the tendering opportunity to suppliers from Atlantic Canada.*
- *Consider using delivery and servicing standards in your evaluation criteria. Municipalities, in evaluating the bids, can take into account the submitted price, quality, quantity, delivery, servicing, and the capacity of the supplier to meet the requirements of the procurement and any other criteria that is consistent with not differentiating suppliers based on province.*
- *Explore contracts for the prototype of a first good or service, a contract with another public body or a non-profit organization. Municipalities can hire local in these scenarios.*
- *Certain professional services are exempt from trade agreements and municipalities can hire local for doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries.*
- *Consider including requirements to support the use of apprentices when procuring work within the designated trades. Under the relevant trade agreements, an apprenticeship requirement would be permissible. The*

requirements however, would have to be applied to all suppliers who bid, and would have to accept all apprenticeship programs. The requirements must be non-discriminatory in its use. E.g. A municipality would not be able to require apprentices must be from Nova Scotia. To view a list of the trades designated in Nova Scotia, visit the Nova Scotia Apprenticeship Agency website at: <http://nsapprenticeship.ca/trades#>

- It is also strongly recommended that trade labourers make themselves known to the general contractors who bid on these large infrastructure projects, either on their own or through various trade organizations and associations. The Construction Association of Nova Scotia may be a good starting point.

Trade agreements are designed to open markets for suppliers, by providing them with access to opportunities they may not otherwise have been exposed to. The public procurement market is significant, with Nova Scotia public sector entities alone procuring approximately \$2 billion a year worth of goods, services and construction. Procurement Services staff are always available to work with municipalities to conduct workshops in communities to educate and inform interested suppliers on how to access and bid on public sector tenders. For more information on our Supplier Engagement activities please contact supdev@novascotia.ca