

City of Mississauga Corporate Report



Date: September 9, 2022

To: Mayor and Members of Council

From: Shari Lichterman, CPA, CMA, Commissioner of
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
November 16, 2022

Subject

Single Source Procurement with Hemson Consulting Ltd. – Extension of Contract for Post-By-Law Activities

Recommendation

1. That the Chief Procurement Officer or designate be authorized to extend the contract with Hemson Consulting Ltd. beyond its current expiry date of December 31, 2022 for a term of up to five years, from January 1, 2023 to December 31, 2028, as detailed in the report titled "Single Source Procurement with Hemson Consulting Ltd. – Extension of Contract for Post-By-Law Activities", dated September 9, 2022 from the Commissioner of Corporate Services and Chief Financial Officer.
2. That the Chief Procurement Officer or designate be authorized to issue amendments to increase the value of the single source contract subject to budget approval.

Background

In 2020, the City of Mississauga needed to undertake a new Development Charges (DC) Background Study and By-law, a Community Benefits Charge (CBC) Strategy and By-law, and a new Parkland Conveyance By-law, due to legislative changes as a result of Bill 108 and Bill 197.

The Province provided municipalities with a two-year transition timeframe to update and develop new by-laws. On December 9, 2020, Council approved a report entitled, "Single Source Procurement with Hemson Consulting Ltd. for the DC Background Study, CBC Strategy and Parkland Conveyance By-law", which recommended the execution of a contract with Hemson Consulting Ltd. for work on the various development studies and by-laws, for a term of up to two years expiring December 31, 2022. Hemson Consulting Ltd. completed the work on the background studies and by-laws, as planned and staff submitted the reports to Council for approval.

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On June 22, 2022, Council approved the new or updated by-laws for Development Charges, Community Benefit Charges and Parkland Conveyance By-law. All three by-laws were subject to appeal.

As of August 2, 2022, the City Clerk's Office received 12 appeals, including appeals for DC (3), CBC (3) and Parkland Conveyance By-law (6). Post-By-law work is required from Hemson Consulting Ltd. in order to prepare for anticipated Ontario Land Tribunal (OLT) hearings. Services may include research, and witness testimonials.

Comments

Hemson Consulting Ltd. has a long history of working with the City of Mississauga on DC-related projects. They have provided their consulting services and expertise for all the Development Charges Background Studies conducted by the City, and for all related appeals to the Ontario Municipal Board (OMB)/Local Planning Appeals Tribunal (LPAT) against the DC Background Studies over the years, including the latest appeal against the 2019 Development Charges Background Study and By-law. Hemson Consulting Ltd's work is satisfactory by staff.

Hemson Consulting Ltd. has agreed to the five-year contract extension and there will be no increase to the current contract rates.

AUTHORITY:

Procurement By-law Authorization

The recommendation in this report is made in accordance with the Procurement By-law 0013-2022; Schedule "A",

(h) For additional Goods and/or Services from the original Supplier that were not included in the original Procurement, if the change of Supplier for such additional Goods and/or Services cannot be made for:

(i) Economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial Procurement; and

(ii) Would cause significant inconvenience or substantial duplication of costs for the City.

Policy No. 03-06-16 Contract Amendments and Termination

In accordance with Policy No. 03-06-16, (A)(3), for HVA contracts, if the total value of one or more increases to the Original Contract value is more than 20% of the Original Contract value and more than \$100,000, then authority is by Council.


Financial Impact

The original contract (Procurement PRC002658) value is \$340,000.

The cost of the post by-law services is estimated to be \$250,000, which is included in the existing approved project for the DC/CBC Background Study and By-law (PN 21603). It should be noted that since this is the first year of the Community Benefit Charge By-law and the first year that the Parkland Conveyance By-law is appealable, it is difficult to determine if the estimate is sufficient. This report requests that the Chief Procurement Officer or designate be authorized to issue amendments to increase the value of the single source contract subject to budget approval.

Conclusion

The current contract with Hemson Consulting Ltd. expires December 31, 2022. A contract extension is required for a five-year term from January 1, 2023 to December 31, 2028 with an increase in contract value of \$250,000.



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Ann Wong, Manager, Financial Strategies