

City of Mississauga Corporate Report



Date: March 26, 2025 To: Chair and Members of General Committee	Originator's files:
From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building	Meeting date: April 23, 2025

Subject

Single Source Approval Award for a Software License Agreement with CoStar Realty Information, Inc.; File Ref: PRCX002112

Recommendation

1. That Council approve the Single Source procurement for an data service, for a period of five (5) years, with the option to extend the term for an additional five (5) years, as detailed in the corporate report entitled "Single Source Approval Award for a Software License Agreement with CoStar Realty Information, Inc.", dated March 26, 2025 from the Commissioner of Planning and Building.
2. That the Chief Procurement Officer, or their designate, be authorized to execute all contracts and related ancillary documents with respect to the purchase between the City and CoStar Realty Information, Inc. for a high-value acquisition with an estimated amount for the 10-year period being less than \$0.6M exclusive of taxes, in accordance with the City's Procurement Bylaw 0013-2022, as amended, and all in a form satisfactory to the City Solicitor.

Executive Summary

- In June 2020, CoStar Realty Information, Inc. was selected through a sole source procurement process for a total 5-year purchase amount of \$120,000. This agreement is set to expire on May 31, 2025, and the current vendor contract at time of this report is within purchase order amount.
- CoStar Realty Information, Inc. is headquartered in Toronto and provides services to municipalities throughout Canada. CoStar Realty Information, Inc. also includes international data such as the United States.
- Currently, CoStar Realty Information, Inc. is used for data driven insights regarding market land data and policy development, and due diligence processes for realty

transactions. Division's such as City Planning Strategies, Economic Development, and Realty Services utilize the services and data to drive value.

Background

CoStar Realty Information, Inc. (herein "CoStar") is a recognized leader in commercial real estate information, offering an extensive database of property listings, market analytics, and demographic data with a global headquarters in Arlington, Virginia and strong presence throughout Canada, having a Canadian headquarters in Toronto.

In 2020, the City of Mississauga entered a single source five-year agreement with CoStar and has used the service offerings to inform economic development initiatives, planning studies, and real estate due diligence. What continues to uniquely qualify CoStar can be summarized as follows:

- **Local Presence:** CoStar Group employs dedicated researchers in Canada, ensuring the accuracy and timeliness of their data, and maintains its Canadian headquarters in Toronto, demonstrating their commitment to the Canadian market and ensuring responsive local support.
- **Comprehensive Canadian Coverage:** CoStar is a preferred data source among commercial real estate brokerage firm in Canada and tracks data on over 300,000 properties across major Canadian cities, including Toronto, Vancouver, Calgary, Ottawa, Montreal, and Edmonton. CoStar. This widespread adoption and extensive coverage underscore the comprehensiveness, quality and reliability of their services.
- **Analytical Capabilities:** CoStar provides up-to-date commentaries on markets and submarkets, offering valuable insights for our research and planning efforts. This includes tools for investment analysis, property management, and market forecasting, which are essential for our municipality's strategic planning and development initiatives.

Present Status

The City has maintained a long-standing relationship with CoStar, benefiting from their comprehensive (data) services. The current contract with CoStar expires and a renewal contract is required to maintain business continuity. CoStar's services and data are utilized by the following divisions: Economic Development, City Planning Strategies, and Realty Services and inform real estate decision making matters.

Comments

Renewing the subscription to Co-Star is a strategic decision that will support the City in its economic development, planning, and real estate management efforts. The platform's comprehensive data and analytics capabilities are valuable resources that contribute to the city's informed decision-making and outcomes. This includes the timely identification of opportunities for growth, market dynamics, and viability of potential projects. Co-Star's data

assists land use planning through analyzing market trends and shifts, which are crucial for updating economic and urban planning policy-making strategies. Being unsuccessful in having a replacement or contract in place on-time would result in potential interruptions to operations at a time when expediency and real estate strategies are in focus. In most cases this would result in reverting to consultant driven, inefficient and in some situations, not time sensitive.

Purchasing By-law Authorization

Any subsequent contract as a result of procuring from CoStar Group will be executed under Procurement Bylaw 0013-2022, Schedule "A" (1) using the Single Source procurement justification:

(h) For additional Goods and/or Services from the 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.

Planning & Building, Information Technology, Legal Services and Procurement Services staff have collaborated to establish requirements and negotiate the final arrangements and prepare the requisite forms including contract agreements.

Financial Impact

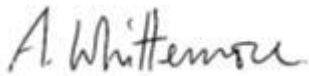
Staff will initiate discussions with CoStar for a single source procurement proposal that will establish the subscription licensing model and maintenance agreement to renew the contract based on existing terms and conditions for a period of five (5) years with, with the option to extend the term for an additional five (5) years. Once negotiations are concluded, costs will be firmed up and the approval of necessary additional funding will be supported by operational budgets and/or follow the Business Planning and Budget process for approval, as necessary. The annual cost for the Co-Star subscription services are forecasted at \$60,000. The existing contract is funded in the 2025 approved P&B operating budget (GL 715725). The new contract will be funded by IT operating budget (GL 715516) in subsequent years will be subject to budget approvals.

The investment in Co-Star is justified by the significant value it provides in terms of data accuracy, efficiency, and strategic insights. Additional benefits in the form of capacity and time saved have been demonstrated consistently with the current arrangement with CoStar Group and it is expected that these types of efficiencies will continue to be realized.

Conclusion

Given CoStar's unique position in the Canadian market, their comprehensive data coverage, local presence, and our established relationship, it is in the best interest of our municipality to continue sourcing data services from CoStar. The single source procurement of these services ensures we maintain access to the most reliable, comprehensive, and tailored real estate data solution available in Canada, supporting our municipality's realty services, strategic planning and development initiatives.

This report proposes to authorize the Chief Procurement Officer or designate to initiate contract negotiations and execute the contract with CoStar, on a single source basis, subject to City Solicitor's and annual budget approval.



Andrew Whitemore, M.U.R.P., Commissioner of Planning & Building

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