

City of Mississauga  
**Corporate Report**



<p>Date: November 15, 2020</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Meeting date: December 2, 2020</p>

## Subject

**Single Source Procurement with Hemson Consulting Ltd. for the DC Background Study, CBC Strategy and Parkland Conveyance By-law**

## Recommendation

1. That the Purchasing Agent or designate be authorized to execute a contract and related ancillary documents with Hemson Consulting Ltd. in accordance with the City's Purchasing By-law 374-06, as amended, for a term of up to two years at an estimated cost of \$300,000 exclusive of taxes, as detailed in the report titled "Single Source Procurement with Hemson Consulting Ltd. for the DC Background Study, CBC Strategy and Parkland Conveyance By-law" dated November 15, 2020 from the Commissioner of Corporate Services and Chief Financial Officer.
2. That the Purchasing Agent or designate be authorized to issue amendments to increase the value of the single source contract subject to budget approval.

## Report Highlights

- City of Mississauga needs to undertake a new Development Charges Background Study and By-law, a Community Benefits Charge Strategy and By-law, and a new Parkland Conveyance Policy and By-law, due to legislative changes as a result of Bill 108 and Bill 197.
- Work on these deliverables could not begin until regulations were released on September 18, 2020, and new By-laws must be enacted by September 18, 2022. In order to ensure this work can be completed in a timely manner, staff recommend that Hemson Consulting Ltd. (Hemson) be retained on a single source contract for up to two years to undertake the work required to update the DC Background Study, develop a Community Benefit Charge Strategy and review and update the Parkland Conveyance Policy and By-law.

- Hemson has worked with the City of Mississauga on Development Charges-related projects for more than a decade and is well versed in Mississauga-specific policies. Hemson has also served as an expert witness at the OMB/LPAT for appeals against the Development Charges Background Studies.
- Hemson has worked on the City's growth forecasts for years and is currently retained by the Region in the allocation work amongst the area municipalities. Hemson has also worked on the Provincial forecasts as reported in the Growth Plan. Hemson has the expertise, knowledge and understanding of Mississauga's growth and policy direction as it relates to growth management.

## Background

The Province released *More Homes, More Choice: Ontario's Housing Supply Action Plan* in 2019. Omnibus Bill 108, *More Homes More Choices Act, 2019*. Bill 108 introduced the Community Benefits Charge (CBC), which is a new financing tool available to municipalities based on land value.

Some of the proposed changes from Bill 108 were subsequently revised in Bill 197, the *COVID-19 Economic Recovery Act 2020*. Bill 197 affected the *Development Charges Act* (DCA) and the *Planning Act* (PA). On September 18, 2020 the remaining amendments that were made to the DCA and the PA by Bill 108 and Bill 197 were proclaimed and associated regulations were released. Municipalities now have until September 18, 2022 to transition to the new framework for Development Charges, Community Benefits Charges and Parkland Dedication.

In Ontario, there are only two major consulting companies that can provide the required services to complete works related to growth forecasts and inputs into the Development Charges (DC) Background Study. The City of Mississauga has previously tendered this work and Hemson Consulting Ltd. (Hemson) was the successful bidder. The City has been satisfied with their work.

Hemson is a consulting firm specializing in the areas of planning policy, municipal finance, demographic and economic forecasting, growth management strategy, land needs assessment, real estate advisory and transportation impact analysis. Since 1983, they have provided long-range strategic solutions for decision-makers in all levels of government and the private sector to help manage growth and build better communities. Their consulting team includes land economists, finance and management professionals, urban and regional planners and real estate specialists.

Hemson 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 current appeal against the 2019 Development Charges Background Study and By-law.

## Comments

The Province has provided municipalities with a two-year transition timeframe to update their DC By-laws, Parkland Conveyance By-laws and develop a new CBC By-law. Staff plan to seek Council approval of the by-laws in Q1 of 2022 and will bring forward a report on the details and timelines of the work in early 2021.

To meet all legislated requirements, the City needs to complete a new DC Background Study and By-law. The new by-law will incorporate all services, and calculate the soft services for 100% recovery of costs. This will allow the City to collect costs closer to what they actually are and alleviate pressure on the tax base. The study will also examine any new services eligible for cost recovery related to growth.

The CBC is a new charge municipalities can leverage to recover growth-related costs that are not covered by DCs. The charge can only be applied to high-density developments and is based on land value, capped at four per cent by the legislation. The CBC regulations provide greater clarity on what needs to be included in a CBC Strategy. A by-law needs to be in place within two years.

The City's Parkland Conveyance By-law needs to be updated in order to continue to collect an alternate rate. The By-law will now be subject to appeal.

The Background Studies and three by-laws mentioned above will be developed in tandem and it is recommended that this work be sole sourced to Hemson Consulting Ltd. for the following reasons:

1. Hemson has been the successful proponent of a Request for Proposal process in the past for similar projects (including the 2019 Development Charges Background Study and By-law, as well as the City's Growth Forecasts) and staff have been fully satisfied with their work.
2. Using a consultant that is already familiar with the City's development, policies, and matters currently under appeal will ensure the background studies and by-laws can be completed by early 2022.

The sole source procurement would occur in December 2020 with work to commence in early 2021.

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### **Purchasing By-law Authorization**

The recommendation in this report for a single source purchase is made in accordance with Schedule "A", section 1(b) (xvi) of the Purchasing By-Law 374-06, as amended, wherein it states; The Goods and/or Services are available from more than one source, but there are good and sufficient reasons for selecting one supplier in particular as follows:

(xvi) Funding and project completion timelines imposed by senior government programs do not allow adequate time for a competitive bidding process

The By-law requires Council approval for single source contract awards having a value of \$100,000 or more. Materiel Management, Finance, Park Planning and Legal Services staff will collaborate to establish the detailed requirements, negotiate the final arrangements and prepare any required documents including the contract.

Hemson Consulting is being requested on a Single Source basis. A Statement of Work is attached as Appendix 1.

### **Financial Impact**

The total estimated project cost is \$300,000. Funding has been requested in the 2021-2030 capital budget for the DC/CBC Background Study and By-law projects and for the Parkland Acquisition project, and these requested funds will be used for this sole source contract. The cost of the work is funded by Development Charges and Cash-in-lieu of Parkland Reserve Funds.

### **Conclusion**

It is proposed that authority be granted to single source the consulting services for a new DC Background Study, the CBC Strategy, and a new Parkland Conveyance By-law and Policy to Hemson Consulting Ltd. in view of their familiarity with Mississauga's DC process, policies and growth management practices. Hemson also has extensive growth forecast expertise. Hemson's experience with City policy issues will be an asset when undertaking this work, ensuring the City can meet the legislated deadlines outlined in this report, and better positioning the City should there be any appeals to the by-laws.

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## Attachments

Appendix 1: Statement of Work



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For Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Shahada Khan, Acting Manager, Development Financing & Reserve Management