

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 21, 2017

Item 1, Report No. 10, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on March 21, 2017.

1 AWARD OF RFP16-346 CONSULTING SERVICES FOR: I) THE UPDATE OF THE CITY OF VAUGHAN'S GROWTH MANAGEMENT STRATEGY 2031 AND RELATED PARTS OF THE CITY'S MUNICIPAL COMPREHENSIVE REVIEW/OFFICIAL PLAN REVIEW, II) THE UPDATE TO THE CITY OF VAUGHAN'S DEVELOPMENT CHARGE BACKGROUND STUDY AND BY-LAWS AND III) THE DEVELOPMENT OF A LONG RANGE FISCAL MODEL

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, Deputy City Manager, Planning and Growth Management, Director of Financial Planning and Development Finance / Deputy City Treasurer and Director of Policy Planning and Environmental Sustainability, dated March 7, 2017:

Recommendation

The Chief Financial Officer and City Treasurer, Deputy City Manager, Planning and Growth Management, Director of Financial Planning and Development Finance / Deputy City Treasurer and Director of Policy Planning and Environmental Sustainability in consultation with the Director of Procurement Services, recommend:

1. THAT RFP16-346 for consulting services for i) The update of the City of Vaughan's Growth Management Strategy 2031 and related parts of the City's Municipal Comprehensive Review (Official Plan) Review (MCR), ii) The update to the City of Vaughan's Development Charge Background Study and By-Laws and iii) the development of a Long Range Fiscal Model be awarded to Hemson Consulting Ltd. in the amount of \$304,246 plus applicable taxes;
2. THAT a contingency allowance of 15 percent in the amount of \$45,637 plus applicable taxes, be approved within which the Director of Financial Planning and Development Finance and the Director of Policy Planning and Environmental Sustainability or their designates are authorized to approve amendments to the contract;
3. THAT the amounts identified in the above recommendations, including all contingency allowances, applicable taxes and administrative recovery, be funded from capital projects "Financial Master Plan" (BU-0011-16), "Development Charges Background Studies – City-Wide Preliminary and New SACs" (DI-0075-15) and "Municipal Comprehensive (Official Plan) Review" (PL-9550-16); and
4. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

The projects to be undertaken as a result of this contract award will contribute to the financial sustainability of the City by supporting the City's Growth Management program to 2031 and ultimately to 2041. This will allow the City to set Development Charge rates that will ensure that appropriate reserves are available to fund future growth and develop a Long Range Fiscal Model that will provide staff with a tool to project the future financial needs of the City.

Economic Impact

The scope of the request for proposal included a requirement for the preparation of three (3) separate but related studies. The three (3) studies will be jointly managed by the Financial Planning and Development Finance Department and the Policy Planning and Environmental Sustainability Department.

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Funding for this project in the amount of \$366,722 which includes a contingency allowance, administrative recovery and applicable taxes will be accommodated through existing capital projects “Municipal Comprehensive (Official Plan) Review” (PL-9550-16), “Development Charges Background Studies – City-Wide Preliminary and New SACs” (DI-0075-15) and “Financial Master Plan” (BU-0011-16). The cost will be split, by study, across each of the projects as is illustrated in the series of tables below:

| Total Project Costs | |
|---|------------------|
| Hemson Consulting Ltd. RFP Bid Price (Excluding HST) | \$304,246 |
| Add: Contingency (15%) | \$45,637 |
| Sub-Total | \$349,883 |
| Add: Non-Recoverable HST (1.76%) | \$6,158 |
| Total | \$356,041 |
| Administrative Recovery (3%) | \$10,681 |
| Net Total Cost | \$366,722 |
| By Study: | |
| Update of the City's Growth Management Strategy and MCR/OPR (Study I) | \$103,921 |
| Development Charge Background Study and By-Law Update (Study II) | \$148,774 |
| Long Range Fiscal Model and Forecast (Study III) | \$114,027 |

| Project Funding Position Summary PL-9550-16 | |
|--|--------------------|
| Municipal Comprehensive (Official Plan) Review | PL-9550-16 |
| Approved Budget | \$1,792,182 |
| Less: Expenses/Commitments To Date | \$0 |
| Current Funds Remaining | \$1,792,182 |
| Less: Net Total Cost of Project (Study I) | \$103,921 |
| Remaining Budget | \$1,688,261 |

| Project Funding Position Summary DI-0075-15 | |
|---|------------------|
| Development Charges Background Studies – City-Wide Preliminary and New SACs | DI-0075-15 |
| Approved Budget | \$285,000 |
| Less: Expenses/Commitments To Date | \$84,625 |
| Current Funds Remaining | \$200,375 |
| Less: Net Total Cost of Project (Study II) | \$148,774 |
| Less: Net Total Cost of Project (Study III) | \$19,385 |
| Remaining Budget | \$32,216 |

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| Project Funding Position Summary BU-0011-16 | |
|---|------------------|
| Financial Master Plan | BU-0011-16 |
| Approved Budget | \$360,500 |
| Less: Expenses/Commitments To Date | \$55,683 |
| Current Funds Remaining | \$304,817 |
| Less: Net Total Cost of Project (Study III) | \$94,642 |
| Remaining Budget | \$210,175 |

The consultants will be required to allocate the cost of the project between each of the separate deliverables in order to facilitate payment from each of the capital accounts. Should additional work be required for any of the component studies, the funds shall be secured through the capital budget of the originating departments, or other sources as appropriate.

Communications Plan

There is no communications plan associated with this report. The progress on the MCR is being reported on as part of the Term of Council Service Excellence Strategy Map key activities. The work will be reported on during quarterly meetings with the Building Industry and Land Development Association.

Purpose

The purpose of this report is to award RFP16-346: Consulting Services for the update of the City of Vaughan's Growth Management Strategy 2031 and the City's Municipal Comprehensive Review (Official Plan) Review, the update to the City of Vaughan's Development Charge Background Study and By-laws and the development of a Long Range Fiscal Model to 2041.

Background - Analysis and Options

On January 24th, 2017 Council approved a Financial Sustainability Plan inclusive of an update to Vaughan's Growth Management Strategy 2031 and the City's Municipal Comprehensive Review (Official Plan) Review, the update to the City of Vaughan's Development Charge Background Study and By-laws and the development of a Long Range Fiscal Model to 2041.

Pursuant to the Development Charges Act, 1997 (DCA) the City's current Development Charge (DC) By-Law is set to expire on September 21, 2018. In order to ensure that the DC By-Law is updated prior to this date the procurement of consulting services for the update of the DC Background Study and By-Laws is required.

In addition to the update of the DC Background Study and By-Laws, two (2) other deliverables were identified within the terms of reference. In February 2015, the Province announced that it would be undertaking a comprehensive review of a number of Provincial Plans including the Growth Plan for the Greater Golden Horseshoe. Due to the timing of the release of proposed changes to the Growth Plan the City faced challenges with the availability of the growth forecasting data that is required to update the Development Charge Background Study. City staff determined that the best approach to managing the existing gaps in information would be to include growth forecasting as a part of the overall scope of the project.

As a final deliverable it was acknowledged that synergies existed between the types of data that would be required to prepare a Long Range Fiscal Model and Forecast, which was identified as a part of the Fiscal Framework project, and the Development Charge Background Study/DC Model.

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Therefore it was believed to be optimal to have the successful candidate for the DC By-Law Update prepare this Long Range Fiscal Model as well. The goal of the Fiscal Model is to create an Excel based tool that can be used in future budget processes that will allow staff to assess the current and future financial position of the City. The outputs of the model will place particular emphasis on the capital and operating impacts of development approvals and related growth assessment increases and will include an evaluation of tax rate stabilization requirements, infrastructure replacement reserve requirements and the optimal financial timing for the emplacement of infrastructure and new services.

On January 4, 2017, proposals were received for RFP16-346 for Consulting Services

A Request for Proposal for Consulting Services for the update of the City Of Vaughan's Growth Management Strategy 2031 and related parts of the City's Municipal Comprehensive Review (Official Plan) Review, the update to the City of Vaughan's Development Charge Background Study and By-laws and the development of a Long Range Fiscal Model was advertised on the City of Vaughan Bids and Tenders Website, Biddingo and Ontario Public Buyers Association (OPBA) website on November 30, 2016. One (1) Addendum was issued on December 16, 2016. In response to the RFP, Eight (8) RFP packages were downloaded up from the Bids and Tenders Website. Upon closing on January 4, 2017, two (2) proposal submissions were received.

In response to the RFP, two (2) compliant submissions were received from the following:

1. Hemson Consulting Ltd.
2. Watson & Associates Economists Ltd.

A technical evaluation meeting was held on January 23, 2017 with the evaluation committee comprised of representatives from Financial Planning and Development Finance, Policy Planning and Environmental Sustainability, Development Engineering and Infrastructure Planning, Parks Development and Procurement Services.

As outlined in the RFP, the following scoring and ranking system was used to evaluate the proposals:

- Qualifications and Experience of the Team – 35 points;
- Quality of the Proposal – 25 points;
- Project Management – 15 points; and
- Financial Proposal – 25 points

Submissions from all compliant proponents were evaluated and scored based on the above criteria. Based on the Evaluation Committee's review, Hemson Consulting Ltd. scored highest overall and successfully fulfilled the requirements set forth in the RFP.

This project is considered to be highly complex with the need for Hemson Consulting Ltd. to take into consideration best data available at the time of growth scenario development. Additionally, a 2031-2041 interim growth scenario in advance of the yet to be confirmed Provincial/Regional direction on the Growth Plan may be required. The final changes to the Growth Plan are not expected to be known until spring, 2017. A decision on whether this interim growth scenario model will be required has not yet been made. If a decision to proceed is made, there will be the need to confirm the parameters that will be considered in developing the work plan. A contingency for this work was therefore identified as a part of the proposal.

Based on the evaluation of Proposals, it is appropriate to award RFP16-346 to Hemson Consulting Ltd.

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After a thorough review and evaluation of the submitted proposals staff has determined that Hemson Consulting Ltd. is the successful proponent. Therefore staff recommends that the award of contract for RFP16-346, Consulting Services for the update of the City Of Vaughan's Growth Management Strategy 2031 and the City's Municipal Comprehensive Review (Official Plan) Review, the update to the City of Vaughan's Development Charge Background Study and By-laws and the development of a Long Range Fiscal Model be awarded to Hemson Consulting Ltd.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

In consideration of the Term of Council Service Excellence Strategy Map (2014-2018), this project is related to Financial Sustainability which is a Service Excellence Strategic Initiative related to operational performance. Additionally, the update to the Official Plan and supporting studies is identified as a Term of Council Priority.

Regional Implications

The Region is currently working on an update to their Development Charge By-law which is anticipated to be completed by June 2017. Throughout the process City staff has participated in regular meetings with Regional staff to receive updates and provide feedback on proposed by-law policy revisions. In addition to these meetings, City staff intends to engage Regional staff regularly during the City-Wide By-law update to ensure coordination and cohesiveness between the approach of the Region and the City.

Conclusion

It is recommended that RFP16-346 for consulting services for i) The update of the City of Vaughan's Growth Management Strategy 2031 and related parts of the City's Municipal Comprehensive Review (Official Plan) Review, ii) The update to the City of Vaughan's Development Charge Background Study and By-Laws and iii) the development of a Long Range Fiscal Model be awarded to Hemson Consulting Ltd. in the amount of \$304,246, plus applicable taxes. Sufficient funding is available in capital projects "Financial Master Plan" (BU-0011-16), "Development Charges Background Studies – City-Wide Preliminary and New SACs" (DI-0075-15) and "Municipal Comprehensive (Official Plan) Review" (PL-9550-16);.

Attachments

Not Applicable

Report prepared by:

Brianne Clace, Project Manager, Financial Sustainability, ext. 8284

AWARD OF RFP16-346 CONSULTING SERVICES FOR: I) THE UPDATE OF THE CITY OF VAUGHAN'S GROWTH MANAGEMENT STRATEGY 2031 AND RELATED PARTS OF THE CITY'S MUNICIPAL COMPREHENSIVE REVIEW/OFFICIAL PLAN REVIEW, II) THE UPDATE TO THE CITY OF VAUGHAN'S DEVELOPMENT CHARGE BACKGROUND STUDY AND BY-LAWS AND III) THE DEVELOPMENT OF A LONG RANGE FISCAL MODEL

Recommendation

The Chief Financial Officer and City Treasurer, Deputy City Manager, Planning and Growth Management, Director of Financial Planning and Development Finance / Deputy City Treasurer and Director of Policy Planning and Environmental Sustainability in consultation with the Director of Procurement Services, recommend:

1. THAT RFP16-346 for consulting services for i) The update of the City of Vaughan's Growth Management Strategy 2031 and related parts of the City's Municipal Comprehensive Review (Official Plan) Review (MCR), ii) The update to the City of Vaughan's Development Charge Background Study and By-Laws and iii) the development of a Long Range Fiscal Model be awarded to Hemson Consulting Ltd. in the amount of \$304,246 plus applicable taxes;
2. THAT a contingency allowance of 15 percent in the amount of \$45,637 plus applicable taxes, be approved within which the Director of Financial Planning and Development Finance and the Director of Policy Planning and Environmental Sustainability or their designates are authorized to approve amendments to the contract;
3. THAT the amounts identified in the above recommendations, including all contingency allowances, applicable taxes and administrative recovery, be funded from capital projects "Financial Master Plan" (BU-0011-16), "Development Charges Background Studies – City-Wide Preliminary and New SACs" (DI-0075-15) and "Municipal Comprehensive (Official Plan) Review" (PL-9550-16); and
4. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

The projects to be undertaken as a result of this contract award will contribute to the financial sustainability of the City by supporting the City's Growth Management program to 2031 and ultimately to 2041. This will allow the City to set Development Charge rates that will ensure that appropriate reserves are available to fund future growth and develop a Long Range Fiscal Model that will provide staff with a tool to project the future financial needs of the City.

Economic Impact

The scope of the request for proposal included a requirement for the preparation of three (3) separate but related studies. The three (3) studies will be jointly managed by the Financial Planning and Development Finance Department and the Policy Planning and Environmental Sustainability Department.

Funding for this project in the amount of \$366,722 which includes a contingency allowance, administrative recovery and applicable taxes will be accommodated through existing capital projects "Municipal Comprehensive (Official Plan) Review" (PL-9550-16), "Development Charges Background Studies – City-Wide Preliminary and New SACs" (DI-0075-15) and "Financial Master

Plan” (BU-0011-16). The cost will be split, by study, across each of the projects as is illustrated in the series of tables below:

| Total Project Costs | |
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As a final deliverable it was acknowledged that synergies existed between the types of data that would be required to prepare a Long Range Fiscal Model and Forecast, which was identified as a part of the Fiscal Framework project, and the Development Charge Background Study/DC Model. Therefore it was believed to be optimal to have the successful candidate for the DC By-Law Update prepare this Long Range Fiscal Model as well. The goal of the Fiscal Model is to create

an Excel based tool that can be used in future budget processes that will allow staff to assess the current and future financial position of the City. The outputs of the model will place particular emphasis on the capital and operating impacts of development approvals and related growth assessment increases and will include an evaluation of tax rate stabilization requirements, infrastructure replacement reserve requirements and the optimal financial timing for the emplacement of infrastructure and new services.

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This project is considered to be highly complex with the need for Hemson Consulting Ltd. to take into consideration best data available at the time of growth scenario development. Additionally, a 2031-2041 interim growth scenario in advance of the yet to be confirmed Provincial/Regional direction on the Growth Plan may be required. The final changes to the Growth Plan are not expected to be known until spring, 2017. A decision on whether this interim growth scenario model will be required has not yet been made. If a decision to proceed is made, there will be the need to confirm the parameters that will be considered in developing the work plan. A contingency for this work was therefore identified as a part of the proposal.

Based on the evaluation of Proposals, it is appropriate to award RFP16-346 to Hemson Consulting Ltd.

After a thorough review and evaluation of the submitted proposals staff has determined that Hemson Consulting Ltd. is the successful proponent. Therefore staff recommends that the award of contract for RFP16-346, Consulting Services for the update of the City Of Vaughan's Growth Management Strategy 2031 and the City's Municipal Comprehensive Review (Official Plan)

Review, the update to the City of Vaughan's Development Charge Background Study and By-laws and the development of a Long Range Fiscal Model be awarded to Hemson Consulting Ltd.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

In consideration of the Term of Council Service Excellence Strategy Map (2014-2018), this project is related to Financial Sustainability which is a Service Excellence Strategic Initiative related to operational performance. Additionally, the update to the Official Plan and supporting studies is identified as a Term of Council Priority.

Regional Implications

The Region is currently working on an update to their Development Charge By-law which is anticipated to be completed by June 2017. Throughout the process City staff has participated in regular meetings with Regional staff to receive updates and provide feedback on proposed by-law policy revisions. In addition to these meetings, City staff intends to engage Regional staff regularly during the City-Wide By-law update to ensure coordination and cohesiveness between the approach of the Region and the City.

Conclusion

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Attachments

Not Applicable

Report prepared by:

Brianne Clace, Project Manager, Financial Sustainability, ext. 8284

Respectfully submitted,

Laura Mirabella-Siddall
Chief Financial Officer and City Treasurer

John MacKenzie
Deputy City Manager, Planning and Growth Management

Lloyd Noronha
Director of Financial Planning and Development Finance
And Deputy City Treasurer

Roy McQuillin
Director of Policy Planning and Environmental Sustainability