



THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
FINAL AGENDA

CSC 07-2019

Wednesday, July 10, 2019

9:30 a.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
3.1 <u>Negotiated Request for Proposals – General Overview</u> Bart Menage, Director, Procurement and Strategic Acquisitions	3 - 13
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>CLK 9-2019</u> 50 th Anniversary Committee	14 - 21
6. <u>CONSENT ITEMS FOR INFORMATION</u>	
6.1 <u>CSC-C 12-2019</u> 2019 Property Tax Capping Claw Back Percentage	22
6.2 <u>CSD 56-2019</u> Long Term Care Home Redevelopment Financing	23 - 24
7. <u>OTHER BUSINESS</u>	

8. CLOSED SESSION

8.1 Confidential CSD 48-2019

A Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-client privilege under s. 239(2) of the Municipal Act, 2001 – Kingdom Construction Limited Update on Outcome of May 8, 2019 Mediation

8.2 Confidential CSD 50-2019

A Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-Client privilege under s. 239(2) of the Municipal Act, 2001 – Update Regarding Niagara-on-the-Lake Wastewater Treatment Plant

8.3 Confidential CSC-C 13-2019

A Matter Respecting Litigation under s. 239(2) of the Municipal Act, 2001 – 2017 Niagara Regional Police Services Property Damage Claim

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

10. NEXT MEETING

The next meeting will be held on Wednesday, August 7, 2019 at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

NEGOTIATED REQUEST FOR PROPOSAL (NRFP): A GENERAL OVERVIEW

July 9th and 10th 2019

Negotiated RFP “Path”

Date	Process Path and Utilization
2017 September	Approved PAC Work Plan Item
2017 November	PAC Accelerated Implementation
2018 February	Templates and their use approved but with Council Approval
2019 February	Council Approval and adoption of Procurement By-law amendments to use Negotiated RFP
2019 July	In use for 2 Council Approved “In Flight” projects and being considered for 2 “In Development” projects
Beyond	Future use could include other complex projects which meet the criteria outlined herein including acquisitions of IT related requirements



Benefits

- Non-binding / Flexible Format;
- Fix administrative matters or deficiencies through Rectification;
- Negotiations refine and enhance proposed solutions prior to award;
- Better shared understanding of project/solutions via discussion; and
- Negotiate over-budget bids to reduce exposures resulting from cancellation

Risks & Challenges

- Bidders can withdraw their bid at any time;
- Compliance with and adherence to Trade Treaty Legislation;
- Pressures on the capacity of staff to manager and facilitate the process;
- Requires an adjustment to a more flexible process; and
- Complexity of the process and lack of certainty of the outcome could impact pricing

How does it differ from Traditional RFP?

Traditional - Binding

- Best suited to projects with clear specifications, deliverables & evaluation criteria;
- Binding: No modifications to received proposals; “Contract A”;
- Duty to Award with limited options; and
- Bidder (by submitting) is bound to provide the good or service.

Negotiated – Non Binding

- Best suited to projects with high complexity and uncertainty. (better outcomes could be achieved via negotiation and expertise from the market)
- Non-Binding: No expressed or implied obligations;
- Changes/clarifications can be considered – this flexibility extends to the contract stage
- Bidder can withdraw / not obligated to provide good or service until the process concludes.

The Processes

TRADITIONAL	NEGOTIATED	
CONTRACT "A"	CONCURRENT / BAFO	CONSECUTIVE
I – Mandatory	I – Mandatory and Rectification Period	I – Mandatory and Rectification Period
II – Rated Criteria	II – Rated Criteria	II – Rated Criteria
III – Pricing	III – Pricing	III – Pricing
IV – Ranking and Selection of Top Ranked Proponent	IV – Initial Ranking and Concurrent Negotiations	IV – Ranking and Contract Negotiations
	V – Submission of Best and Final Offers (BAFO)	
	VI – Final Ranking and Contract Negotiations	

Negotiation Principles

- Focus on the strengths/weaknesses of each proposal;
- Treat all Proponents/proposals confidentially and equally;
- Elimination of any proponent is on the basis of the published evaluation criteria
- Typically results in an increased number of higher-scoring proposals; and
- Improved contract and resulting opportunities

What can we Negotiate?

- Not open ended / adhere to our process;
- We can clarify requirements;
- We can request improvements in:
 - Pricing; and/or
 - performance terms; and
- We can consider commercially reasonable adjustments to the legal terms and conditions contained in the standard form of agreement issued with the Negotiated RFP.

What can't we Negotiate?

- Everything and anything;
- Prescriptiveness in our requirements and mandatories will limit what is open to negotiation;
- Can't negotiate critical requirements or items deemed “non-negotiable”; and
- Final agreement cannot significantly depart from that define in the original RFP.

Negotiation Process

- At the conclusion of initial Pricing evaluations:
 - Procurement with the Client will review the top ranked submissions; refine the negotiation strategy;
 - Invited Proponents are provided an Agenda; prepared;
 - Procurement would remain an active participant in the process supporting the Client as the subject matter experts throughout the negotiations; and
 - Record of the negotiations would be documented; contract awarded based on outcome of negotiations

Questions



Subject: 50th Anniversary Committee
Report to: Corporate Services Committee
Report date: Wednesday, July 10, 2019

Recommendations

1. That the terms of reference for the 50th Anniversary Committee, attached as Appendix 1 to Report CLK 9-2019, **BE APPROVED**;
2. That up to five (5) members of Regional Council **BE APPOINTED** to the Committee; and
3. That the Committee **BE DISCONTINUED** effective December 31, 2020.

Key Facts

- At its meeting held on June 20, 2019, Regional Council approved the establishment of a committee to plan and organize events to commemorate the 50th anniversary of the Regional Municipality of Niagara.
- The Regional Municipality of Niagara was officially formed on January 1, 1970
- To celebrate the 40th anniversary of the Region, a number of activities and events were held
- The Committee will provide recommendations respecting facilitating, planning and organizing events to commemorate the 50th anniversary of Niagara Region.

Financial Considerations

There is no budget established for this initiative. The Committee would be required to set a budget which would then be subject to approval as part of the 2020 budget process.

Analysis

Niagara Region was formed in 1970 and will celebrate its 50th anniversary in 2020. At its meeting held on June 20, 2019, Regional Council considered a motion to establish a Committee to celebrate this milestone.

The role of the Committee will be to facilitate, plan and organize events throughout the Region to highlight the history and accomplishments of Niagara Region and increase awareness of Regional programs and services.

This Committee would provide recommendations on possible celebration initiatives to Regional Council for consideration.

Membership on the Committee will be from up to five (5) Regional Councillors which will provide an opportunity for a cross-section of view points. In addition the Regional Clerk and Executive Officer to the Regional Chair will be non-voting members.

The Chief Administrative Officer, members of the Corporate Leadership Team and Corporate Communications, will serve as resources for the Committee.

Alternatives Reviewed

There were no alternatives reviewed as the direction to establish this Committee was provided by Regional Council.

Relationship to Council Strategic Priorities

This initiative falls in line with Council's draft strategic priority of Sustainable and Engaging Government, specifically it reinforces Niagara Region's commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.

Other Pertinent Reports

None.

Prepared and Recommended by:
Ann-Marie Norio
Regional Clerk
Corporate Services Administration

Submitted by:
Ron Tripp, P. Eng.
Acting Chief Administrative Officer

Appendices

Appendix 1

DRAFT Terms of Reference

Page 3

**NIAGARA REGION 50TH ANNIVERSARY COMMITTEE
(NRAC)**

TERMS OF REFERENCE

DRAFT

Appendix to Report CLK 7-2019

Recommended for Approval by the <Corporate Services Committee> on <date>

Ratified by Regional Council on <date>

Consolidated Version as of <date>

TABLE OF CONTENTS

1. PREAMBLE 3

2. MANDATE 3

3. GOALS/PURPOSE 3

4. REPORTING STRUCTURE 3

5. BUDGET 3

6. MEMBERSHIP 3

 6.1 Composition 3

 6.2 Term 3

 6.3 Privacy 4

7. ROLES & RESPONSIBILITIES 4

 7.1 Chair & Vice Chair 4

 7.2 Committee Members 4

8. WORKING GROUPS 4

9. RESOURCES 5

10. MEETINGS 5

11. ABSENTEEISM 6

12. AMENDMENTS TO THE TERMS OF REFERENCE 6

DRAFT

1. PREAMBLE

The 50th Anniversary Committee was established by Regional Council to commemorate the Region's 50th anniversary.

2. MANDATE

To communicate and celebrate the accomplishments and initiatives of Niagara Region and recognize the Region's 50th anniversary.

3. GOALS/PURPOSE

- Facilitate, plan and organize events to commemorate the Regional Municipality of Niagara's 50th anniversary
- Communicate the history and accomplishments of the Region over the last 50 years through various initiatives

4. REPORTING STRUCTURE

The NRAC will report directly to Regional Council.

5. BUDGET

The NRAC shall have an annual operating budget to be used for valid Committee purposes as detailed in the budget approved by Regional Council for the current year.

The Committee shall submit a budget request to Regional Council for its consideration and approval.

6. MEMBERSHIP

6.1 Composition

Membership for the NRAC shall not exceed a maximum of 9 members.

Membership for the NRAC shall include up to five (5) Regional Councillors. The Regional Clerk or designate and the Executive Officer to the Regional Chair will be non-voting members of this Committee.

6.2 Term

The term of membership shall be until December 31, 2020.

6.3 Privacy

The meetings of the NRAC are public. Members should be aware that their names will be in the public realm and a list of membership may be provided when requested. Member information, other than name or municipality, will be kept confidential in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*.

7. ROLES & RESPONSIBILITIES

7.1 Chair & Vice Chair

A Chair and Vice Chair will be elected from Committee members at the first meeting to preside over meetings and Committee business.

It is the role of the Chair to preside over Committee meetings so that its business can be carried out efficiently and effectively, and to act as a liaison between the Committee and Regional Council.

It is the role of the Vice Chair to preside over Committee meetings in the absence of the Chair and to perform any other duties delegated by the Chair or as assigned by the Committee through a majority vote.

7.2 Committee Members

All NRAC members, including the Chair and Vice Chair, have the responsibility to help achieve the NRAC's Mandate and Goals/Purposes. Committee members are also responsible for:

- Reviewing meeting materials in advance of the meetings and arrive prepared to provide a broad perspective on the issues under consideration;
- Working diligently to complete assigned activities;
- Participating on working groups, as appropriate;
- Agreeing to describe, process and resolve issues in a professional and respectful manner;
- Providing input to help identify future projects or strategic priorities for future years' work;
- Communicating activities of the Committee to groups represented or those who may have an interest and offer information back to the Committee.

8. WORKING GROUPS

To fulfill its mandate and accomplish its goals, the NRAC may establish working groups to deal with specific issues or projects. The working groups will meet, as needed, to review specific issues referred to them by the NRAC and otherwise complete their assigned tasks.

Working groups are considered to be time-limited, project specific sub-committees of the NRAC in that they are convened to accomplish a specific task (or tasks) in a narrowly defined time period.

Working groups must be comprised of at least two (2) members of the NRAC and may include community members and other individuals with relevant knowledge and expertise. Local municipal participation should be sought depending on the nature of the work being undertaken.

Working groups shall be chaired where possible by a voting member of the NRAC and shall provide regular updates to the NRAC regarding recommendations on assigned projects. Minutes of the meetings of the working group shall be recorded and submitted to the NRAC for proper directing through the approval process. Working groups may meet at a time and place as decided by the members of the working group.

Administrative support shall be provided by a staff representative of the NRAC or designate.

9. RESOURCES

The Clerk's Department is the designated lead department providing resource support for the NRAC; however, the Committee also has access to the technical expertise of staff from other Regional departments as may be required. It is recognized that staff time and the level of participation will be dependent on other departmental priorities as determined by senior management and/or Regional Council. As required, additional resources may be sought. Additional resourcing may be required for projects with senior levels of government.

The Committee shall receive administrative support from the Office of the Regional Clerk for meeting and agenda management.

10. MEETINGS

An appropriate meeting schedule shall be set for the NRAC. The schedule will be circulated to the members for approval each year. Should a time sensitive matter arise, the NRAC may meet at the call of the Chair.

The NRAC meetings will be held at Regional Headquarters at a time as determined by the members. All meetings will be open to the public.

Meetings shall be governed by the Region's Procedural By-law, being a by-law to govern the calling, place and proceedings of the meetings of Council and its Committees, as may be amended from time-to-time.

A schedule setting the due dates for materials to be included on the agenda will be circulated to each member pending adoption of a meeting schedule or the scheduling of a meeting date.

A committee member who is unable to attend a meeting, shall forward his/her regrets to the Office of the Regional Clerk as soon as possible. Should the Office of the Regional Clerk not have confirmation of quorum 24 hours prior to the meeting, the meeting shall be cancelled.

11. ABSENTEEISM

Members who miss three unauthorized consecutive meetings shall be deemed to have resigned from the Committee and will be notified of this in writing by the Committee Chair.

12. AMENDMENTS TO THE TERMS OF REFERENCE

Proposals to amend the Terms of Reference shall require the approval of a majority of the members present. Proposed amendments to the Terms of Reference shall be submitted to Regional Council for approval and shall take effect only upon the approval of Council.

DRAFT

MEMORANDUM

CSC-C 12-2019

Subject: 2019 Property Tax Capping Claw Back Percentage

Date: July 10, 2019

To: Corporate Services Committee

From: Rob Fleming, Senior Tax & Revenue Analyst

The purpose of this memorandum is to provide members of Council with an update on the 2019 Property Tax Capping program.

Capping refers to a municipality's option to limit, or cap, the tax increases on commercial, industrial and multi-residential properties. The limit on tax decreases, in order to fund capping, is known as a claw back.

A mandated capping program to limit tax increases has been in place since 1998. It was initially introduced as a three-year (10-5-5) program to mitigate reform related property tax increases for the commercial, industrial and multi-residential property classes. On the completion of this program, Bill 140 was introduced to continue the transition each year based on the previous year's annual taxes. Further capping options were introduced for 2005 and 2009 taxation years to provide local flexibility in determining tax capping protection, accelerated progress towards CVA taxation, and reduced claw back percentages.

Regional Council has adopted all available capping options permitted by the province since 2005, to the maximum. This has resulted in a significant reduction in the impact of the provincial capping program.

As a result of Council's previously adopted tax capping policies, the Region has reached a point where there are no longer any properties eligible for the capping program. This means that all properties will be taxed on their current value assessment and the previously annual claw back percentage bylaw will not be required for the 2019 taxation year.

Council has previously elected to exit the capping programs for both multi-residential and industrial property classes through previous tax policy reports and associated bylaws and will be in a position to fully exit the commercial capping program in 2020.

Respectfully submitted and signed by

Rob Fleming, MBA
Senior Tax & Revenue Analyst

MEMORANDUM

CSD 56-2019

Subject: Long Term Care Home Redevelopment Financing

Date: July 10, 2019

To: Corporate Services Committee

From: Helen Chamberlain, Director, Financial Management & Planning / Deputy Treasurer

The report COM 32–2019, Long Term Care (LTC) Home Redevelopment project was presented to council at Committee of the Whole on July 4, 2019. Councillor Redekop requested further details with respect to the net debt charges as included in the report of \$5.9 million or 1.6% of the Region's levy.

Development charges (DC) are estimated to fund approximately \$25 million of the project as per the development charge background study conducted in 2017. Currently staff are forecasting to have a year-end reserve balance of \$4.2M of Long Term Care development charges with an additional \$3.3 million projected for 2020. While the background study anticipated the negative cash flow for this project to be recovered from future development charges, the new Bill 108 however creates additional risk with respect the above funding. As per Bill 108, LTC will no longer be permitted in the DC charge but will be permitted as a Community Benefit Charge (CBC) however the calculations and limits to the CBC are not yet established in regulations therefore magnitude of the risk cannot be quantified at this time. The worst case scenario, should developer payments only provide for \$7.5 million of the \$25 million projected, additional debenture of \$17.5 million may be required with an annual servicing cost of \$1 million.

Included within the project's financing is \$5,600,000 for the cost recovery of construction of a hospice facility.

As there are no capital reserves for this project the balance of financing is from debenture in the form of 25 year debt to align with the Province's per diem funding. Recent interest rates on issued debentured averaged 3.20% for the July 2018 25-year debt issuance. The rate estimated for LTC project 25-year debt is 3.80% to be fiscally conservative due to fluctuating nature of interest rates.

The Ministry of Health and Long Term Care (MOHLTC) will provide a per diem per bed per day of \$18.03 and \$18.78 which will be used to offset the debt servicing costs.

	Total Gross Budget	Debt Financing Cash flow over 25 years
Gross Expenditure	\$175,000,000	
Funding Sources:		
Cost Sharing	5,600,000	
DC's	24,556,008	
Debenture Financing	144,843,992	\$144,843,992
Annual Debt Charge – Principle & Interest	9,063,287	81,738,182*
MOHLTC Per Diem	(2,660,826)	(66,520,653)
Debt Charge/Net Cost	6,402,461	160,061,521
Budgeted in 2016 For previously approved debt of \$15 million	(513,107)	
Incremental Impact on Levy	5,889,354	
% of Levy	1.62%	

*cumulative interest only

Respectfully submitted and signed by

 Helen Chamberlain, CPA, CA
 Director, Financial Management & Planning / Deputy Treasurer