



## REPORT

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Jeff Markowiak, Director of Development Review  
Jeff Jelsma, Director of Development Engineering

**DATE:** April 10, 2024

**REPORT NO.:** PD-2024-033

**SUBJECT:** Award of Single Source Contract for the joint Planning & Development and Development Engineering fee review

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### RECOMMENDATION:

THAT Report No. PD-2024-033, dated April 10, 2024, regarding the “Award of Single Source Contract for the joint Planning & Development and Development Engineering fee review”, be received;

AND FURTHER THAT Watson and Associates Economists Ltd. be retained to carry out this review with an upset limit of \$60,000.00 plus applicable taxes;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order to Watson & Associates Economists Ltd. to an upset limit of \$60,000.00 plus applicable taxes.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- Planning & Development is seeking to complete a review of the development application fee structure. The current fee structure was approved in 2018 and needs to be updated to reflect changes to the Town’s staff complement, changes to internal processes and the implications of Bill 109 and Bill 23.
- Transportation & Public Works is seeking to complete a review of their Development Engineering fees to ensure that operational costs associated with post development approval reviews, permit review and various engineering services continues to be sustainable. The fee review is meant to be in conjunction with the impending completion of the Development Manual update.

- Given the interconnected nature of the two fee reviews and the associated application processes, staff is recommending that the fee reviews be completed jointly.
- This Report recommends that Watson & Associates be retained under a single source purchase order to complete the joint fee review, with an upset limit of \$60,000.00. Watson & Associates completed the 2018 Planning & Development fee review and was also previously retained by Transportation & Public Works to complete the Development Engineering fee review, which has been on pause since 2021.

## **BACKGROUND AND DISCUSSION:**

Both the Planning & Development and Transportation & Public Works Departments are looking to complete a review of their respective fee structures associated with the review of development applications and related permits, agreements and associated works. Given the interconnected nature of the application review processes associated with the different fees, staff are recommending that the two fee reviews be completed jointly which will result in cost and process efficiencies. Staff are recommending that Watson & Associates be retained to complete the joint fee review.

Further details regarding the fee reviews and rational for retaining Watson & Associates is provided below:

- **Planning & Development Fees**

In 2018 the Town completed a review of the Planning & Development fees, which resulted in Council approving a new development application fee structure, which continues to be used by the Town to the present day. The intent of the updated fee structure was to more accurately recover the cost to the Town to process and review development applications.

The fee structure adopted in 2018 was developed and formed on the basis of estimates of application volume and type within a 5-year time frame as well as the roles and responsibilities of the municipality for reviewing development applications at that time. The need to review the current fee structure has been identified, given:

- the 5-year time frame for application volume and type used to develop the current structure has expired;
- the application types and review processes have since changed as a result of the Province introducing Bill 109, *More Homes for Everyone Act, 2022*, which implemented statutory application review timeframes; and,
- the roles and responsibilities of the Town in the review of development applications is changing as a result of the Province introducing Bill 23, *More Homes Built Faster Act, 2022*. Bill 23 identified Halton Region as an upper-tier municipality without planning responsibilities, which will result in certain responsibilities being transferred to the local municipalities such as the review of natural heritage matters.

- **Development Engineering Fees**

In 2021 the Development Engineering Section began the review and preparation of a new Development Manual intended to guide the design and construction of on and off-site works associated with development proposals. In conjunction with the Development Manual update, it was identified that a review of the fees for the various permits and services the Development Engineering Section provides was necessary to ensure that operational costs are sustainable.

Also in 2021 Transportation & Public Works retained Watson & Associates to complete the review of the Development Engineering fees. Work began on the review; however, was put on pause later in 2021 in order for the Development Manual to be completed first.

The update to the Development Manual is still on-going but has advanced to a stage where it is appropriate to resume the Development Engineering fee review.

- **Retention of Watson & Associates**

In order to ensure that both the Planning & Development and Development Engineering fees are appropriately structured relative to full cost recovery and competitiveness in relation to comparator municipalities, Town staff are recommending the retention of Watson and Associates Economists Ltd. to complete the review of both departmental fee structures.

The requested single source purchase order amount of \$60,000.00 (plus HST) includes Watson & Associates quote of \$55,030.00 to complete the review (plus HST), plus a contingency of \$4,970.00 (plus HST). The rationale for the single source is due to:

- the Town's long-standing relationship with Watson & Associates;
- their technical capability and in-depth knowledge of the review requirements;
- Watson and Associates completed the 2018 review and preparation of the current Planning & Development fee structure; and,
- Watson & Associates was previously retained by Transportation & Public Works in 2021 to complete the Development Engineering fee review before it was paused.

The outcomes of the fee review study will be reported back to Council later this year, along with recommendations for approval, as appropriate. Any approved updates to the fee structures would be intended to come into effect immediately thereafter.

## **STRATEGIC PLAN ALIGNMENT:**

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

**RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

**PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

**INTERNAL CONSULTATION:**

Planning and Development Engineering have consulted with Corporate Services staff in the preparation of this report.

**FINANCIAL IMPLICATIONS:**

This report will be funded through an existing approved budget source.

Council approved \$70,000.00 for the Development Application Fee Review (project 7100-22-2701) in the 2024 capital budget and \$40,000.00 for the Engineering Fee & Permit Review (project 6210-22-1901) through the 2019 capital budget. The total cost of \$60,000.00 plus \$1,056.00 non-recoverable HST at 1.76% can be fully funded within the approved budget.

<b>Description</b>	<b>Amount</b>
Development Application Fee Review (7100-22-2701)	70,000
Engineering Fees & Permit Review (6210-22-1901)	40,000
<b>Total Approved Budget</b>	<b>110,000</b>
<b>Previous commitments</b>	
Engineering Fees & Permit Review (6210-22-1901)	6,078
Balance available	103,922
<b>Estimated expenses (both projects)</b>	
Watson & Associates	55,030
Contingency	4,970
Non-recoverable HST (1.76%)	1,056
Total estimated expenses	61,056
<b>Remaining Budget</b>	<b>42,866</b>

Reviewed and approved by,  
John Linhardt, Commissioner of Planning & Development  
Chris Mills, Chief Administrative Officer