

Date: 2024-01-29

Subject: **Request to Begin Procurement – Professional Real Estate Appraisers and Surveyors for a One Year Period**

Contact: Lana Huynh, Advisor – Special Projects, Realty Services

Report Number: CAO's Office-2024-116

Recommendations:

1. That the report from Lana Huynh, Advisor – Special Projects, Realty Services to the Committee of Council Meeting of February 21, 2024, re: **Request to Begin Procurement – Professional Real Estate Appraisers and Surveyors for a One Year Period**, be received;
2. That the Purchasing Agent be authorized to commence the procurement for Professional Real Estate Appraisal Services.
3. That the Purchasing Agent be authorized to commence the procurement for Professional Property Survey Services.

Overview:

- **This report seeks Council approval to commence the procurement for Professional Real Estate Appraisers and Surveyors for a one year period with three additional one year renewal periods.**
- **The requirement to establish contracts for Real Estate Appraisers and Surveyors will support City Staff in facilitating various property transactions.**
- **This procurement will be funded from various operating cost centres and capital projects throughout the City. The Goods and Services Inventory account 720000.001 will be used for the purpose of the procurement, and as services are rendered, expenses will be charged to the respective cost centres and projects. Staff will monitor and ensure that sufficient funding is in place until the end of the contract, pending Council approval.**

Background:

At the Audit Committee meeting of May 17, 2022 a report by the City's Internal Audit team titled [Realty Services – Gap Analysis](#) included an action item for the Realty team to consult the Procurement team and prepare a Request for Procurement (RFP) for property appraisers and surveyors.

This was based on Internal Audit's finding that the City engages with third-party vendors to obtain property survey and appraisal services for acquisitions, dispositions, or lease transactions. As per best practices, agreements should be executed with the third-party vendors (appraisers and surveyors) that would cover confidentiality, mandatory declaration of any possible conflict of interest and other terms and conditions. The review indicated that there was no formal agreement with the majority of external appraisers and surveyors used for real estate transactions.

The Internal Audit team noted potential exposure, in the absence of a signed agreement, that the confidentiality of sensitive information cannot be legally enforced or protected. As well, conflict of interest scenarios may not be disclosed by the appraiser and surveyor.

Current Situation:

Currently, Staff maintains a list of appraisers and surveyors, and primarily Request for Qualifications (RFQs) are circulated and quotes are received when appraisal and/or survey work is requested.

There is an on-going requirement for Real Estate Appraisers and Surveyors to support City Staff in facilitating various property transactions.

To support this need, contracts will be established with up to seven vendors to be qualified external resources for the City. The vendors will be assigned projects on a rotational basis, taking into consideration the complexity of the assignment, expertise, monetary value, workload and the vendor's availability.

Successful vendors will be selected as Real Estate Appraisers and included in a roster of pre-qualified consultants that are eligible to provide credible real estate appraisal and valuation advice, and prepare reports in compliance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), of the Appraisal Institute of Canada, to guide the decision-making process with respect to property acquisitions, dispositions, leasing and strategic analysis.

Successful vendors and/or surveying firms will be selected as Property Surveyors and included in a roster of pre-qualified consultants that are eligible to provide property survey drawings and reports to determine the boundaries and dimensions of properties, for the disposition, acquisition, and leasing of property.

Corporate Implications:

Financial Implications:

This procurement will be funded from various operating cost centres and capital projects throughout the City. The Goods and Services Inventory account 720000.001 will be used for the purpose of the procurement, and as services are rendered, expenses will be charged to the respective cost centres and projects. Staff will monitor and ensure that sufficient funding is in place until the end of the contract, pending Council approval.

Other Implications:

Legal Implications:

Legal Services will assist in the review of and compliance with the City's purchasing process, the City's Purchasing By-Law (19-2018) and any necessary and applicable contract negotiations.

Procurement Implications:

A public Procurement Process will be conducted, and the Bid submissions shall be evaluated in accordance with the published evaluation process within the bid document. Purchase approval shall be obtained in accordance with the Purchasing By-law.

All communication with Bidders involved in the procurement must occur formally, through the contact person identified in the Bid Document.

Strategic Focus Area:

This report supports Government and Leadership, and the goal of "practicing proactive, effective and elevating performance and service standards, and responsible management of municipal assets and services".

Conclusion:

It is recommended that the Purchasing Agent and Staff be authorized to commence procurement, as described in this report.

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