

Consolidated Clause in Administration Committee Report 3, which was considered by City Council on April 12, 13 and 14, 2005.

20

Roster of Real Estate Brokers to Market Industrial, Commercial, Institutional and Substantial Residential Properties for the City of Toronto - Request for Proposal 9130-04-7341 (All Wards)

City Council on April 12, 13 and 14, 2005, adopted this Clause without amendment.

The Administration Committee recommends that City Council adopt the staff recommendations in the Recommendations Section of the report (February 28, 2005) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer.

Purpose:

The purpose of this report is to advise on the results of the Request for Proposal for Real Estate Brokers ("RFP") and to secure City Council approval for the list of prequalified real estate brokerage firms to assist the City with real estate services to market various surplus properties.

Financial Implications and Impact Statement:

There are no financial implications attributable to this report at this time.

Recommendations:

It is recommended that:

- (1) four real estate brokerage firms, Ashlar Urban Realty Inc., CB Richard Ellis Limited, Colliers Macaulay Nicolls (Ontario) Inc./Colliers International and Royal LePage Commercial Inc. be listed on a roster for the marketing of the City's surplus industrial, commercial, institutional and substantial residential properties for a period of four (4) years, on an as-required basis and according to their expertise, as detailed in the body of this report;
- (2) authority be granted to the Director of Real Estate Services or his successor or designate to execute listing agreements on behalf of the City with the real estate brokerage firms on the Council-approved roster, as detailed in the body of this report;
- (3) the original authority to establish a roster of real estate brokers to market commercial and special purpose properties be amended to include industrial, institutional and substantial residential properties;

- (4) the Commissioner of Corporate Services or her successor or designate, be authorized to remove any of the prequalified brokers from the roster if, in her sole discretion, she deems it appropriate to do so; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

By its adoption of Clause 1 of Report 11 of the Corporate Services Committee, at its meeting on July 29, 30 and 31, 1998 (the "Original Authority"), City Council approved a prequalification process to establish a roster of real estate brokerage firms to market commercial and special purpose properties for the City. The Original Authority also authorized the Commissioner of Corporate Services to negotiate a commission fee for services from real estate brokers. At that same meeting, Council authorized the continued use of local brokers active in residential listings for the marketing of residential properties.

At its meeting on April 13, 14 and 15, 1999, City Council adopted Clause 10 of Report 4 of the Corporate Services Committee, authorizing the listing of six real estate brokers on a roster for the marketing of significant properties. The term of the roster was to be no longer than five (5) years. Institutional, industrial and substantial residential properties were not listed in the Original Authority, and it is appropriate to amend the Original Authority to provide for the establishment of a roster of real estate brokers to market industrial, commercial, institutional and significant residential properties.

On January 12, 2005, the City issued RFP 9130-04-7341, inviting established real estate brokerage firms to submit proposals to provide the City with real estate consulting and brokerage services to market surplus properties from the City's portfolio, including industrial, commercial, institutional and significant residential properties.

Comments:

The purpose of the RFP was to allow the City to have access to the services of real estate brokers efficiently on an as required basis. The establishment by Council of a pre-qualified roster of real estate brokers and the delegation by Council to the Director of Real Estate Services of the authority to enter into listing agreements with the pre-qualified brokers will permit the marketing and sale of surplus City properties on a timely basis.

The RFP provided that the successful proponents will:

- (a) act as the principal contact for the City;
- (b) represent the City's interest in the sale of surplus properties;
- (c) ensure that the sale is administered by professional, accountable real estate brokers;
- (d) have expertise in administering the sale of industrial, commercial, institutional and/or substantial residential properties;
- (e) provide advice to the Director of Real Estate Services on various real estate related matters;

- (f) provide a marketing strategy which would see that the City's unique portfolio of surplus properties receives the greatest exposure and selling price; and
- (g) have a strong presence across the City of Toronto.

Proponents were required to submit the mandatory submission forms provided with the RFP, together with evidence of registration in good standing under the Real Estate and Business Brokers Act, a copy of a certificate of incorporation and the all-inclusive commission rate covering all fees and expenses for any property to be potentially sold. These submission requirements were stated in the RFP to be mandatory; failure to comply with the mandatory submission requirements results in the non-compliant proposal being excluded from further consideration.

Seventeen (17) firms on the City's bidder's list were invited to submit proposals and the RFP was advertised in the Globe and Mail and Novae Res Urbis and on the City's Internet website. This resulted in a total of ten (10) submissions being received on February 20, 2005 from the following firms:

- (1) Ashlar Urban Realty Inc.
- (2) Avison Young Commercial Real Estate (Ontario) Inc.
- (3) CB Richard Ellis Limited
- (4) Colliers Macaulay Nicolls (Ontario) Inc./Colliers International
- (5) J.J. Barnicke Limited
- (6) Harvey Kalles Real Estate Limited
- (7) Homelife Realty Plus Ltd.
- (8) Royal LePage Commercial Inc.
- (9) Smith Company Commercial Real Estate Services Inc.
- (10) TD Cornerstone Commercial Realty Inc.

Using the evaluation criteria specified in the RFP document, an Evaluation Team that consisted of five (5) staff, two staff members from Facilities and Real Estate Services, one staff member of Real Estate Law and staff representatives from the Toronto Parking Authority and the Toronto Transit Commission, reviewed and evaluated each of the proposals using the process set out in the RFP. The proposals were evaluated against the following criteria, set out in Appendix "A" to the RFP:

- (a) demonstrated ability of the real estate brokerage firm to carry out all aspects of providing the necessary consulting services and services for marketing and sale of the City's unique portfolio;
- (b) expertise in administering sales for public bodies, including the number of public listings last year;
- (c) expertise to successfully market and sell City properties, including the number of public listings last year;
- (d) success record of brokerage firm over the last year in the marketing and sale of industrial, commercial, institutional and substantial residential properties, including ratios of listings to sales and listing prices to sale price and types of sales;
- (e) success record of the principal agents over the past year;
- (f) professionalism and viability of the marketing strategy;

- (g) expertise/resources to market and sell City properties, including office administration procedures, technology, client base, preparation of information packages for potential purchasers and office location; and
- (h) commission fees

Only five (5) proposals met the mandatory requirements of the RFP. They were:

- (1) Ashlar Urban Realty Inc.
- (2) CB Richard Ellis Limited
- (3) Colliers Macaulay Nicolls (Ontario) Inc./Colliers International
- (4) Smith Company Commercial Real Estate Services Inc.
- (5) Royal LePage Commercial Inc.

Upon completion of the evaluation of the proposals, the scores ranged from 16.2 to 145.8 points out of a possible 170 points. The proposals, listed alphabetically, submitted by:

- (1) Ashlar Urban Realty Inc.
- (2) CB Richard Ellis Limited
- (3) Colliers Macaulay Nicolls (Ontario) Inc./Colliers International
- (4) Royal LePage Commercial Inc.

are the highest overall scoring proponents meeting the mandatory requirements set out in the RFP, and staff recommend that Council authorize the listing of these four brokerage firms on the roster of pre-qualified brokers.

Each real estate brokerage firm on the roster will be required to enter into a listing agreement at the time a property is listed for sale, which will contain relevant terms and conditions acceptable to the Commissioner of Corporate Services and in a form satisfactory to the City Solicitor.

The roster should be used for a term of four (4) years, subject to the authority being recommended to the Commissioner of Corporate Services to remove any one or more of the real estate brokerage firms from the roster where, in her sole discretion, she deems it appropriate to do so.

The Fair Wage office has reported that the recommended firms have indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

Conclusions:

This report requests authority from City Council to establish a roster of four (4) real estate brokers, Ashlar Urban Realty Inc., CB Richard Ellis Limited, Colliers Macaulay Nicolls (Ontario) Inc./Colliers International, and Royal LePage Commercial Inc., being the highest scoring proponents meeting requirements, for the marketing of the City's surplus industrial, commercial, institutional and significant residential properties by the City for a period of four (4) years, for the Director of Real Estate Services to enter into listing agreements with the brokers on the roster, for the Commissioner of Corporate Services to remove brokers from the roster, if in her discretion, it is appropriate to do so, and to amend the Original Authority providing for the

establishment of a roster of real estate brokers so that it provides for the establishment of a roster of brokers for the sale of industrial, commercial, institutional and substantial residential properties.

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