



STAFF REPORT ACTION REQUIRED

Contract Award - Request for Proposal No. 9155-14-7196 Bailiff Services

Date:	January 29, 2015
To:	Government Management Committee
From:	Acting Treasurer
Wards:	All
Reference Number:	P:\2015\Internal Services\rev\gm15003rev (AFS20672)

SUMMARY

The purpose of this report is to advise of the results of the Request for Proposal No. 9155-14-7196 for the provision of professional Bailiff Services for the collection of outstanding property taxes and to obtain authority to enter into agreement with the recommended proponent and to set the service fee payable by the taxpayers.

RECOMMENDATIONS

The Acting Treasurer recommends that:

1. City Council grant authority to the Director, Revenue Services, to negotiate and enter into agreements with S. Wilson & Co. Ltd (the "Recommended Bailiff"), being the highest overall scoring proponent meeting the requirements of Request For Proposal No. 9155-14-7196, to provide contracted professional Bailiff services for the collection of outstanding property taxes on behalf of the Revenue Services Division from the date of award for one year, with the option to renew for four additional one-year periods at the sole discretion of the Director, Revenue Services, on the same terms and conditions.
2. City Council grant authority to the Recommended Bailiff to apply a 4% service fee on the total amount of property taxes owing or monies recovered, payable by the taxpayer as a fee for tax collection activities undertaken by the Recommended Bailiff on behalf of the City.
3. City Council approve amendments to City of Toronto Municipal Code Chapter 441: Fees and Charges to add the fee set out in Recommendation 2.

Financial Impact

There are no direct financial implications to the City from the adoption of the recommendations in this report. Under the terms of the Request for Proposal, bailiff fees are payable directly to the bailiff by the property taxpayer, and the fees charged are based on a fixed percentage (4%) of the amounts collected by the bailiff. Therefore, there is no direct cost to the City for the bailiff's services.

The total of bailiff fees collectible under this Request for Proposal cannot exceed \$2,000,000 per year, or a maximum of \$10,000,000 over the five-year period contemplated by the RFP (including optional renewals in each of the four years beyond the original one-year term). The total fees payable to the bailiff however, will be a fixed percentage (4%) of the total amounts of outstanding property taxes collected by the bailiff once the account has been issued to the bailiff for collection.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting held on June 24, 25 and 26, 2003 in adopting Clause 7 of Report No. 5 of the Administration Committee "Collection Procedures on Property Tax Arrears for Owner-Occupied Residential Properties," City Council approved processes for the collection of overdue municipal property taxes for residential properties, including the use of bailiff services to collect outstanding property taxes. This report is available at: <http://www.toronto.ca/legdocs/2003/agendas/council/cc030624/adm5rpt/cl007.pdf>

Earlier, in 2001, Council had approved processes for the collection of tax arrears for non-residential properties, including the use of bailiffs for collection, through its adoption of Clause 2 of Report No 19 of the Administration Committee "Public Disclosure of Tax Arrears Information and Strategy for Aggressive Collection Procedures," available at: <http://www.toronto.ca/legdocs/2000/agendas/council/cc/cc001003/adm19rpt/cl002.pdf>

ISSUE BACKGROUND

The use of bailiffs for the collection of outstanding property taxes has been a long standing practice at the City of Toronto, and has been used since prior to amalgamation in the former metro municipalities. The use of bailiffs forms part of the City's progressive efforts to collect outstanding property taxes. Accounts are only issued to the bailiff for collection once the efforts of the Revenue Services' internal collections unit have proven unsuccessful at recovering arrears, and only after the arrears remain outstanding from a prior taxation year.

Approximately 7,000 to 8,000 accounts are issued to the City's appointed bailiff(s) per year. On average, the bailiff's collection success rate is approximately 90% (percentage of outstanding property tax amounts recovered in relation to the total amounts of outstanding taxes issued to the bailiff for collection).

COMMENTS

The City of Toronto's previous contract for bailiff services expired on November 17, 2014. Revenue Services staff, working in conjunction with Purchasing & Materials Management Division and Legal Services, developed a Request for Proposal (RFP) to provide professional bailiff services for the collection of outstanding property taxes.

RFP No. 9155-14-7196 for Bailiff Services was issued by Purchasing & Materials Management Division on September 19, 2014 and was available for download in .pdf format on the City's Internet website. The RFP included the selection criteria to be used for evaluation.

The deadline for submissions was October 6, 2014. A total of three submissions were received from the following firms:

1. Wilson & Co. Bailiffs Ltd
2. A.O. Shingler & Co. Ltd
3. Sterling Bailiffs Inc.

All three proposals complied with the mandatory submission requirements and were deemed eligible for evaluation.

A formal selection committee comprised of five members from Revenue Services participated in the evaluation process. The evaluation was conducted in two stages: a review/scoring of technical submissions in accordance with the pre-established criteria set out in the RFP; and a scoring of the cost/pricing calculation, also as set out in the RFP document. Total scores were based on a maximum of 75 points for the technical submission and 25 points for the cost/pricing component. Each technical submission had to score a minimum of 45.0 points (60%) to have the Cost of Services component evaluated.

The technical submissions from all three proponents exceeded the minimum technical threshold score and had their cost of services envelope opened. The technical scores along with the cost of services scores were summed, resulting in overall total scores for the three proponents ranging from 90.0 to 96.5.

On completion of the evaluation process, the proposal from S. Wilson & Co. Bailiffs Ltd. ranked first with the highest overall point score. The selection committee concluded that the proposal submitted by S. Wilson & Co. Bailiffs Ltd. met the requirements of the RFP, and the firm was judged as having the requisite experience and capabilities necessary for the collection of the City's outstanding property taxes.

This report recommends that City Council grant authority to the Director, Revenue Services, to negotiate and enter into agreements with S. Wilson & Co. Ltd. to provide contracted professional bailiff services for the collection of outstanding property taxes from the date of award for a period of one year, with the option to renew for four

additional one-year periods at the sole discretion of the City, as stipulated in the RFP document.

Proponent's scores and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by members of Council.

The Fair Wage Office has reported that the recommended firm has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Authority for Bailiff Fees

In order to ensure that the fees charged by the City's bailiff are duly authorized and permissible under law, this report recommends that Council grant authority to the recommended bailiff to apply a 4% service fee on the total amount of property taxes owing or monies recovered, payable by the taxpayer as a fee for tax collection activities undertaken by the recommended bailiff on behalf of the City, and further, that Council approve amendments to City of Toronto Municipal Code Chapter 441: Fees and Charges to add the bailiff's fees set out above.

As bailiff fees are payable directly by the taxpayer/property owner to the bailiff, Council's explicit authority is sought to allow these fees to be charged by the bailiff.

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SIGNATURE

Mike St. Amant
Acting Treasurer