

## **Non-Competitive Contract with KPMG LLP for Committee of Adjustment Service Delivery Review**

**Date:** September 18, 2023

**To:** General Governance Committee

**From:** Chief Planner and Executive Director, City Planning and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to seek City Council authority to enter into a non-competitive contract with KPMG LLP (KPMG) for professional services for a service delivery review (Service Delivery Review) of the Committee of Adjustment. The expected term of the contract is expected to be for a period of 20 weeks commencing from the date of award and would end on April 1, 2024, with a value \$140,000 net of all taxes and charges (\$142,464 net of Harmonized Sales Tax recoveries).

In May 2021, through item PH22.7, City Council directed the Chief Planner and Executive Director, City Planning to report to Planning and Housing Committee on a consultant review of the Committee of Adjustment (Public Hearing Review). City Planning retained KPMG to complete the Public Hearing Review through a non-competitive fixed price contract with a value of \$115,000 (\$117,024 net of harmonized sales taxes). Purchase Order 6053047 was awarded to KPMG LLP in 2022 resulting from non-competitive number WS3246525067. The review was conducted in 2022 and concluded in January 2023.

The new contract is requested to deliver a key recommendation of the Public Hearing Review: that the City conduct a comprehensive review of the Committee of Adjustment (CoA) service delivery model, which was outside the scope of the Public Hearing Review.

The Chief Planner and Executive Director, City Planning, entered into a contract with KPMG in 2022 to support its division-wide Program Review, which is part of the ongoing larger initiative to improve the City's planning and development services. The value of this contract is \$425,000 (\$432,480 net of Harmonized Sales Tax recoveries) and was awarded through Purchase Order 6054155 resulting from non-competitive number WS3749083970. The CoA Service Delivery Review was not included as part of this contract.

The current non-competitive procurement for the CoA Service Delivery Review will bring the cumulative value of contracts between City Planning and KPMG to \$680,000 exclusive of all taxes and charges.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five-year commitment for each supplier, under Article 7, Section 195- 7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

**RECOMMENDATIONS**

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The Chief Planner and Executive Director, City Planning and the Chief Procurement Officer recommend that:

- 1. City Council grant authority to the Chief Planner and Executive Director, City Planning to negotiate and enter into a non-competitive agreement with KPMG in the amount of \$140,000 net of all taxes and charges (\$142,464 net of Harmonized Sales Tax) to complete a service delivery review of the Committee of Adjustment on terms and conditions satisfactory to the Chief Planner and Executive Director, City Planning and in a form satisfactory to the City Solicitor.

**FINANCIAL IMPACT**

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The contract has a total value of \$140,000 net of all taxes and charges (\$142,464 net of Harmonized Sales Tax) and is fixed for the term of the contract.

The funds required in 2023 for this contract are available in the City Council approved 2023 Operating Budget for City Planning. The funding required for this contract in 2024 will be included in the 2024 Operating Budget submission of the program for Council consideration.

Table 1: Financial Impact Summary

Cost Centre	Functional Area Code	Description	2023	2024	Total (net of H.S.T. Recoveries)
UR200	2910000000	Committee of Adjustment Service Delivery Review	\$66,144	\$76,320	\$142,464

The Interim Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

**DECISION HISTORY**

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At its May 2021 meeting, through item PH22.7, City Council directed the Chief Planner and Executive Director, City Planning, in consultation with the City Solicitor, the Chief Building Official and Executive Director, Toronto Building, and the Ombudsman, to report to Planning and Housing Committee on a consultant review of the Committee of Adjustment.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH22.7>

As a result of the above direction, City Planning retained KPMG, who conducted this review over the course of 2022. KPMG delivered its Final Report titled "Committee of Adjustment Review" in January 2023. City Planning staff summarized this report and recommendations through Item 2023.PH2.5 which was considered by the Planning and Housing Committee in February 2023.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH2.5>

## COMMENTS

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The City Planning Division requires a third-party consultant to complete a comprehensive review of the CoA service delivery model ("Service Delivery Review") to address a variety of performance challenges, as well as to better meet stakeholder expectations. The review is also necessary to ensure that the CoA's service delivery model adapts to, and is coordinated with, changes to the development review processes as contemplated by the City Planning Program Review, the creation of the new Development and Growth Service Area and recent legislative changes to the development review and approvals process including the elimination of third-party appeals of Committee of Adjustment decisions.

City Planning would like to procure the Service Delivery Review from KPMG through a fixed fee contract. The value of the contract is \$140,000 net of all taxes and charges and the review would last approximately 20 weeks once started.

KPMG recently completed a review of the CoA's public hearing process (Public Hearing Review). The Public Hearing Review was carried out by KPMG under a fixed price contract with a value of \$115,000 net of all taxes and charges (\$117,024 net of harmonized sales taxes) and was completed in January 2023.

Among other things, the Public Hearing Review recommended that the City conduct a comprehensive review of the CoA's service delivery model to address broader challenges impacting the performance of the CoA. These challenges included performance against service standards, consistency of practices and procedures and unbalanced workloads across geographies. While these challenges were consistently identified by internal and external stakeholders, they were outside the scope of the Public Hearing Review and require a broader examination of the CoA's end-to-end processes, services and structure to address.

Procuring this review from a supplier other than KPMG would not be efficient from a financial or operational perspective. The same team of consultants who conducted the CoA Public Hearing Review would also conduct the Service Delivery Review, creating NCC with KPMG LLP for CoA Service Delivery Review

considerable value add and cost savings because the team is already familiar with the processes, staff and has other important background information. Additionally, another consultant team from KPMG, with some overlapping membership for the proposed CoA Service Delivery Review, is also conducting the City Planning Program Review and is providing consulting services supporting the creation and implementation of the new Development and Growth Service Area. By hiring KPMG to conduct the CoA Service Delivery Review, it would enable essential alignment with the City's broader planning and development transformation programs. City Planning has negotiated a fixed fee contract to ensure a fair price and cost containment for this project. City Planning does not anticipate further consultant work to be generated as a result of the Service Delivery Review; it has been designed to be implementation ready.

As mentioned above, City Planning is currently undertaking a comprehensive division-wide transformation initiative, which is part of a larger program to improve the City's planning and development services. The Chief Planner entered into a contract with a value of \$425,000 (\$432,480 net of Harmonized Sales Tax recoveries) net of Harmonized Sales Tax recoveries) with KPMG to support this initiative in 2022 and the work under this contract is currently underway. The work contemplated in the CoA Service Delivery Review was not included as part of this contract.

City Council approval is required for this procurement in accordance with Municipal Code Chapter 195-Purchasing because the cumulative value of Non-Competitive contacts with KPMG by the City Planning Division is \$680,000 net of all taxes and charges, which exceeds the \$500,000 threshold.

## **CONTACT**

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## **SIGNATURE**

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