

Delegation of Authority for the 2026 Council Recess Period

Date: July 21, 2026

To: City Council

From: City Manager

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report is about a position, plan, procedure criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City of Toronto.

SUMMARY

Consistent with past practice, a Delegation of Authority Report is brought forward to Council for approval before each municipal election recess to provide time-limited delegated authorities to senior City staff.

For the 2026 municipal election period, this report seeks Council approval of delegated authorities to ensure that City business and divisional operating and capital activities continue following the final meeting of the 2022–2026 Council term on July 29, 30 and 31, 2026.

The recommended authorities for delegation to staff, if approved by City Council, will commence at the completion of the July 29, 30 and 31 Council meeting and remain in effect until the first regular scheduled business meeting of City Council of the new term, in December 2026, unless otherwise indicated for a specified delegation of authority. The delegated authorities will be exercised only when necessary for the continuity of City business and divisional operating and capital activities. The City Manager will report back to City Council at Council's first regular scheduled business meeting of the new term in December 2026, on the exercise of any of the authorities delegated to staff through this report.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council delegate the following authorities, in addition to those currently delegated under Municipal Code Chapter 195, Procurement, and Municipal Code Chapter 71, Financial Control:
 - a. Commitment authority: Delegate to the City Manager or delegate, who must be a Deputy City Manager or the Chief Financial Officer and Treasurer, the authority to commit funds for any contracts with a total term of up to ten (10) years, inclusive of any option years, or the projected term of capital funding for a project as approved by Council, provided that the procurement procedures in Chapter 195, Procurement, have been followed and cash flow funding has been provided in the operating budget or capital budget or pursuant to Chapter 71, Financial Control, section 19 (Donations and Sponsorships) to the satisfaction of the Chief Financial Officer and Treasurer.
 - b. Award authority: Delegate to the Chief Procurement Officer the authority to award any contracts with a total term of up to ten (10) years, inclusive of any option years, or the projected term of capital funding for a project as approved by Council, provided that all other pre-conditions to an award by the Chief Procurement Officer set out in Chapter 195, Procurement, have been met.
2. City Council adopt the confidential instructions to staff and receive for information the procurement plan set out in Confidential Attachment 1 to the report from the City Manager.
3. City Council direct that Confidential Attachment 1 to the report remain confidential at this time as it pertains to criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto and be made public at the discretion of the Chief Procurement Officer following the award or closing of the contemplated procurement transactions.
4. In addition to the authority currently delegated by Municipal Code Chapter 195, Procurement, City Council delegate authority to the City Manager to approve any non-competitive contract with a total term of up to ten (10) years in an amount not to exceed \$5 million (net of all taxes), in accordance with the exceptions set out in Chapter 195, Procurement, section 7.1 for non-competitive contracts, and under the condition that funding is within the operating or capital budgets deemed adopted, or has been donated pursuant to Chapter 71, Financial Control, section 19 (Donations and Sponsorships), to the satisfaction of the Chief Financial Officer and Treasurer.
5. In addition to the authority currently delegated by Municipal Code Chapter 71, Financial Control, City Council delegate authority to the City Manager to approve any over-expenditures of a commitment in an amount not to exceed \$5 million

(net of all taxes) for goods and services and \$10 million (net of all taxes) for construction services, provided that the over-expenditure is within the operating or capital budgets deemed adopted, or has been donated pursuant to Chapter 71, Financial Control, section 19 (Donations and Sponsorships), to the satisfaction of the Chief Financial Officer and Treasurer.

6. City Council authorize the City Manager, despite Municipal Code Chapter 195, Procurement, to take any actions that are required to respond to tariffs and any new directives that may be issued under the *Buy Ontario Act (Public Sector Procurement)*, 2025, during the election recess.
7. In addition to the authority currently delegated under Section 3.1 of Municipal Code Chapter 67, Fair Wage, and notwithstanding the timing and posting requirements in Sections 3.1E, F and G of Chapter 67, City Council authorize the Manager, Fair Wage Office, in consultation with the City Solicitor, to update the wage rates in Schedule C of Chapter 67 to cover the years 2026 to 2028 with an effective date of September 1, 2026, and submit any necessary Bills for enactment by Council at an appropriate time.
8. In addition to authority currently delegated by Municipal Code Chapter 71, Financial Control, City Council delegate authority to the Chief Financial Officer and Treasurer to approve the following budget reallocations, provided that sufficient budgets and funds are available to reallocate:
 - a. 10-Year Capital Budget and Plan between projects or sub-projects in an amount of not more than \$10 million (Chapter 71 - Section 71-9).
 - b. Operating Budgets in an amount of not more than \$2 million, including associated changes to service levels and complement (Chapter 71 - Section 71-8).
9. City Council delegate authority to the City Manager, or his delegate to accept and spend donations which exceed the limit of \$50,000 (as per the Donations Policy) and to accept and spend sponsorships which exceed the limit of \$500,000 (as per the Sponsorship Policy), provided that the receiving Program has the capacity to meet the initial or ongoing costs and obligations associated with the donation or sponsorship.
10. City Council delegate authority to the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to approve Eco-Roof Incentive Program applications that exceed funding maximums of \$50,000 for cool roof projects and \$100,000 for green roof projects up to a maximum of \$500,000 in total, providing there is available funding within the Eco-Roof Reserve Fund to meet all grant obligations and operating requirements.
11. City Council delegate authority to the Director, Insurance & Risk Management for the placement of insurance policies subject to the availability of approved operating and/or capital budgets.

12. City Council delegate authority to the Chief Financial Officer and Treasurer to receive new time-sensitive provincial and/or federal funding, and to allocate such funds to the 2026 Operating and Capital Budgets for impacted City Programs to commence spending.
13. City Council authorize the City Manager in consultation with the Chief Financial Officer and Treasurer to take actions as required to preserve the City's ability to secure intergovernmental or other third-party funding opportunities that may arise, including entering into any necessary agreements, including the execution of Transfer Payment Agreements, in a form satisfactory to the City Solicitor with other orders of government or third parties to receive such funding.
14. City Council delegate authority to the City Manager to participate in consultations and stakeholder engagements on policy initiatives initiated by the provincial or federal government, including ongoing negotiations, where the City Manager determines, after consultation with the Chief Financial Officer and Treasurer and any impacted divisions, that such intervention or participation is needed to protect or advance the City's interests.
15. City Council direct the City Solicitor to attend hearings on appeals of Committee of Adjustment decisions or to appeal a Committee of Adjustment decision on behalf of the City of Toronto at the request of the Executive Director, Development Review or their designate, after consultation with the Ward Councillor and the City Solicitor (with the exception that during the period from August 1, 2026 to the day after Voting Day 2026, inclusive, the delegation shall be to the Executive Director, Development Review, or their designate, after consultation with the City Solicitor); the delegation shall include the authority to direct appropriate City staff to attend the hearing and for the City Solicitor to retain outside consultants as necessary; and the City Solicitor shall be authorized to take all steps necessary to bring resolution to the matter in consultation with the Executive Director, Development Review.
16. In addition to the authority currently delegated by Municipal Code Chapter 213, Real Property, City Council delegate to the City Manager authority to approve real estate transactions to an upper financial limit of \$50 million, where such transactions are deemed by the City Manager to be appropriate to advance City priorities, or another time sensitive project, providing there is available funding.
17. In addition to the authority currently delegated by Municipal Code Chapter 213, Real Property, City Council delegate to the Deputy City Manager, Corporate Services, in consultation with the Executive Director, Social Development, and/or the Division Head responsible for the proposed tenants' programs, authority to approve initial Community Space Tenancy leases with new tenants who do not already occupy space pursuant to the Community Space Tenancy Policy or the Below Market Rent Policy, provided the tenant meets the criteria of the Community Space Tenancy Policy and that any financial implications have been included in the 2026 Council Approved Budgets for the relevant divisions.
18. City Council delegate authority to the General Manager, Transportation Services, notwithstanding any City of Toronto By-law to the contrary, until the end of the

day on January 31, 2027, to regulate traffic and parking as may be required for the purposes of managing traffic movement, accommodating construction or development, or addressing public safety or the safety of any property, and further direct the City Solicitor, in consultation with the General Manager, Transportation Services, to submit any necessary Bills to amend City of Toronto Municipal Code traffic and parking Chapters, including their Schedules, directly to the first meeting of Council in 2027, with such amendments being effective retroactively to the date established by the General Manager, Transportation Services.

19. City Council delegate to the General Manager, Transportation Services, notwithstanding any City of Toronto By-law to the contrary, until the end of the day on January 31, 2027, the authority to temporarily close to vehicular and pedestrian traffic any highway or portion of a highway, as required for the purposes of managing traffic movement, to accommodate construction or development, or to address public safety or the safety of any property and exempt the General Manager, Transportation Services, in carrying out this delegated authority, from the requirement in section 937-5 of City of Toronto Municipal Code Chapter 937, Temporary Closing of Highways, that being the requirement to notify the local Ward Councillor of the pending closure and the requirement to report on the proposed closure if so requested.
20. City Council amend City of Toronto Municipal Code Chapter 950, Traffic and Parking to prohibit parking, stopping or standing, until the end of the day on January 31, 2027, on any highway where the General Manager, Transportation Services has erected temporary signage as required further to permitted street work or temporary street occupations.
21. City Council authorize the City Solicitor to submit directly to City Council at the appropriate time any necessary Bills to amend the appropriate City of Toronto Municipal Code Chapters to reinstate the traffic and parking regulations to what they were immediately prior to the By-law amendments made in Recommendations 18, 19 and 20 above.
22. In addition to the authority currently delegated by Municipal Code Chapter 71, Financial Control and the authority currently delegated to the City Solicitor, in consultation with the responsible operating Division Head, Deputy City Manager or the City Manager, to submit contractual disputes of \$500,000 or less to arbitration, City Council delegate authority to the City Solicitor and the responsible operating Division Head, Deputy City Manager or the City Manager to agree to arbitration of contractual disputes, on such terms as are acceptable to the City Solicitor and the responsible operating Division Head, Deputy City Manager, or the City Manager.
23. City Council direct that the authority to agree to arbitration includes the authority to execute agreements regarding the terms under which any arbitration shall be conducted, including appeal rights or that the arbitration award be final and binding, and the authority to discontinue or settle such arbitrations where it is concluded by the City Solicitor and the responsible operating Division Head, Deputy City Manager, or the City Manager that it is reasonable to do so.

24. In addition to the authority currently delegated by Municipal Code Chapter 71, Financial Control and the authority currently delegated to the City Solicitor to settle any legal action for any claim where the amount to be recovered, exclusive of interest or costs, is \$500,000 or less, City Council delegate authority to the City Solicitor and the responsible operating Division Head, Deputy City Manager, or the City Manager to settle any contractual disputes on such terms as are acceptable to the City Solicitor and the responsible operating Division Head, Deputy City Manager, or the City Manager.
25. City Council direct that the authority to settle claims contained in Part 24 above include authority to settle claims even where no formal legal action has been commenced and to execute any documents in furtherance thereof.
26. In addition to authority currently delegated by Municipal Code Chapter 71, Financial Control, City Council delegate authority to the Chief Financial Officer and Treasurer, in consultation with the City Manager and operating Division Head or Deputy City Manager, to approve budget reallocations to satisfy any arbitration award or settlement reached pursuant to the authority contained in Parts 23 and 24 above, providing there is available funding.
27. City Council delegate to the City Solicitor, in consultation with appropriate City, Agency, Board and Commission officials, as the case may be, the authority to settle claims under the Expropriations Act, provided that funds have been provided in an operating or capital budget.
28. City Council direct that the delegated authorities in Parts 1 to 27 above be in effect immediately following the end of the City Council meeting on July 29, 30 and 31, 2026, until the first regular scheduled business meeting of City Council's new term, in December 2026, unless otherwise indicated in Parts 1 to 27 above.
29. City Council direct the City Manager, to report back to City Council at the first regular scheduled business meeting of City Council's new term, in December 2026, on the exercise of any delegated authority in Parts 1 to 27 above, including the use of any delegated procurement-related authorities.

FINANCIAL IMPACT

The use of delegated authorities outlined in this report will rely on reallocated, available and/or new funding with no net impacts to the 2026 Operating and 2026 – 2035 Capital Budget and Plan. Any future year requirements will be submitted as part of the 2027 or future year budget processes, in consideration of Council priorities, available funding, and capacity to spend.

The actual anticipated financial implications associated with this report will be dependent on the use of the delegated authorities in response to emerging issues or time-sensitive requirements during the 2026 election recess period. Any exercise of these delegated authorities will be reported to City Council at the first regular scheduled

business meeting of City Council's new term in December 2026, including any associated financial impacts resulting from the use of the authority.

DECISION HISTORY

At its meeting on July 19, 20, 21 and 22, 2022, Council approved certain delegated authorities to ensure the City's approved operating and capital activities could continue, following the last regular scheduled meeting of the term.

[Agenda Item - 2022.CC47.4](#)

COMMENTS

Procurement

Municipal Code Chapter 71, Financial Control, outlines the controls with respect to authorizing the original commitment and any over-expenditures of commitments. Municipal Code Chapter 195, Procurement, outlines the authority for the procurement of goods and services. Chapter 71, in combination with Chapter 195, provides the overall framework for proper and effective procurement processes in the City that meet divisional operational needs cost-effectively and efficiently, while ensuring effective financial controls and accountability.

Commitment and Award Authorities

In April 2025, Council approved changes to the City's procurement framework that eliminated the Bid Award Panel. As part of these changes, Council delegated authority to the City Manager to approve the commitment of funding for open competitive procurements up to \$30 million and authorized the City Manager to sub-delegate commitment authority up to this limit to City officials or staff. Council also delegated award authority to the Chief Procurement Officer to award open competitive solicitations up to \$30 million. Any contracts exceeding \$30 million would require Standing Committee or Council approval for commitment and award authorities.

With the last City Council meeting of the current term scheduled for July 29, 30, and 31, 2026, approval of contracts exceeding \$30 million could be delayed for up to six months, until the first regular meeting of City Council in the new term. In order to ensure that the work of divisions can continue to move forward, staff are recommending that commitment authority be delegated to the City Manager and award authority be delegated to the Chief Procurement Officer, for contracts exceeding \$30 million (net of all taxes), provided that all other pre-conditions to an award by the Chief Procurement Officer set out in Chapter 195, Procurement, have been met and sufficient funding has been provided through the operating or capital budget pursuant to Chapter 71, Financial Control.

Staff have identified anticipated and/or known contracts that may exceed \$30 million and/or will be required for a period of up to 10 years in Confidential Attachment 1 that are currently in the procurement process and will likely be completed during the recess period. There may be additional emerging procurement requirements during this period, however, staff will only leverage the use of this delegated authority if absolutely required to ensure that the work of divisions can continue to move forward.

Approval of Non-Competitive Contracts up to \$5 Million

Chapter 195, Procurement, section 7.3C, allows the City Manager to approve non-competitive contracts up to \$500,000. Any non-competitive contract over \$500,000 is approved by City Council. In order to address any potential and emerging needs for a non-competitive contract above \$500,000 after the July 29, 30 and 31, 2026 meeting of City Council, staff are recommending that authority be delegated to the City Manager to approve non-competitive contracts for contract terms of up to ten (10) years, up to \$5 million (net of all taxes), in accordance with the exceptions for non-competitive contracts set out in Chapter 195, Procurement, section 7.1, and under the condition that Council has provided funds in the operating or capital budget for that purpose. This will be critical to ensuring City Staff are able to respond to urgent and emerging requirements.

Approval of Over-Expenditure on Contracts up to \$5 Million for Goods and Services and \$10 Million for Construction Services

Chapter 71, Financial Control, section 11.1, establishes the authorization level required for over-expenditure on a contract which may occur when actual use or cost of goods or services procured exceeds the initial estimate. Over-expenditures on contracts over \$500,000, which may represent the cumulative value of multiple amendments, require authorization from the appropriate Standing Committee.

Staff are recommending that the City Manager be granted delegated authority to authorize over-expenditures over \$500,000, up to \$5 million (net of all taxes) for goods and services and \$10 million (net of all taxes) for construction services, under the conditions that: (1) City Council has provided funds in the operating or capital budget for that purpose; (2) City Council has approved the project and the funding; and (3) there are sufficient funds remaining for the project.

This delegation would be applied in the same manner as the current over-expenditure authorization limit of \$500,000, meaning that the cumulative amendments that may have taken place previously will be considered in assessing whether it can proceed within the delegated authority. For example, if a contract for goods has been previously amended by \$100,000 and a new request for an amendment of \$5 million is received, the cumulative value of the amendments (\$5,100,000) will exceed the delegation and will not be approved.

Tariff Response and Buy Ontario Act

At its meeting on March 26 and 27, 2025, City Council adopted the Mayor's Economic Action Plan in response to US Tariffs. The report also included amendments to Municipal Code Chapter 195, Procurement, that enabled immediate actions to support

Canadian businesses through changes to the City's procurement practices. These actions have effect when: (a) the Government of Canada or the Province of Ontario, or both, have provided direction to the City to take some or all the actions described in the Bylaw; or (b) tariffs have been implemented by the United States of America against Canadian goods imported into the United States, and the federal Government of Canada has imposed retaliatory tariffs on American goods being imported into Canada from the United States in response.

At its meeting on May 20 and 21, 2026, City Council adopted additional amendments to Municipal Code Chapter 195, Procurement, to enable implementation of requirements under the *Buy Ontario Act (Public Sector Procurement), 2025*. The amendments have effect at any time when O. Reg 54/26, Prescribed Public Sector Entities, prescribes the City, its local boards and municipal services corporations as public sector entities for purposes of the *Buy Ontario Act (Public Sector Procurement), 2025*, and directs the actions described in the Bylaw. The Municipal Buy Ontario Procurement Directive currently prescribes actions related to Fleet Vehicles and Capital Infrastructure and the Act authorizes the Province to issue further directives requiring public sector entities to comply with specified procurement policies in the future.

This report recommends City Council authorize the City Manager to take any actions that are required to respond to tariffs and any new directives that may be issued by the Province under the *Buy Ontario Act (Public Sector Procurement), 2025*, during the election recess, despite Municipal Code Chapter 195, Procurement.

Fair Wage Office

Fair Wage rates are calculated based on labour trade agreements, consistent with the construction industry prevailing market rates, upon delivery of these agreements to the City. Lengthy delivery times of the necessary labour trade agreements has resulted in a requirement to update the Fair Wage rates for 2026 to 2028 outside of the timing and posting requirements set out in Municipal Code Chapter 67, Fair Wage. The current Schedule C covers 2022 to 2025. To avoid further delays in updating the Fair Wage rates, this report recommends authorizing the Manager, Fair Wage Office to update the wage rates in Schedule C of Chapter 67, in consultation with the City Solicitor, with an effective date of September 1, 2026 and these updates will be submitted for enactment by Council at the appropriate time to ensure that they are in force by this date.

Reporting on Use of Procurement Authorities

The Chief Procurement Officer will report to the appropriate Standing Committee for information as soon as practical in the new term on the use of any delegated procurement-related authorities that are exercised during the election recess, including: open competitive awards over \$30 million and over 5 years, inclusive of option years, in duration; non-competitive contracts awarded between \$500,000 and \$5 million; over-expenditures on commitments between \$500,000 and \$5 million; and modifications or additions to Municipal Code Chapter 195, Procurement. All values are net of all taxes.

Budget Adjustments

The Financial Control By-Law (Chapter 71) outlines the current authorities and controls with respect to spending of funds. During the period between the last scheduled meeting of Council and the first meeting of a new Council after an election, the Chief Financial Officer and Treasurer currently has authority to approve any reallocation of budget between capital projects in an amount up to \$1 million.

Given escalating prices and inflationary impacts being experienced, it is recommended that the Chief Financial Officer and Treasurer be authorized to approve any reallocation of budget between capital projects or sub-projects in an amount of up to \$10 million, so that staff can continue to address any emerging or unforeseen challenges and deliver critical capital work during the election recess.

In addition, it is recommended that the Chief Financial Officer and Treasurer be granted delegated authority to approve any operating budget reallocations up to a value of \$2 million, to be able to appropriately respond to unforeseen events or operational requirements. Together, these delegated authorities for the reallocation or transfer of funds, providing there are sufficient budgets and funds available, allow for necessary agility to ensure that capital projects and operations continue uninterrupted during the remainder of the term.

Receipt and Expenditure of Donations and Sponsorships

During the election recess period the City Manager is authorized to accept and spend donated funds up to \$500,000 in respect of a program or capital project, in accordance with Chapter 71. The City's Sponsorship Policy also provides authority to Division Heads or designates to approve and enter into Sponsorship Agreements up to \$500,000 per year. This report recommends temporarily increasing these authorities beyond \$500,000 to ensure the City maximizes the acceptance and use of third-party funding received through donations and sponsorships, provided the receiving program has the capacity to meet the initial and ongoing costs and obligations associated with the donations.

Eco-Roof Incentive Program Applications

Since 2009, the Eco-Roof Incentive Program has helped to offset the cost of eco-roof installations on Toronto's homes and buildings through financial incentives. The program is completely self-sustaining, drawing funding from cash-in-lieu payments made by developers through the Green Roof Bylaw. Program staff are able to approve funding requests of up to \$50,000 for eligible cool roof projects and up to \$100,000 for eligible green roof projects. Council approval is required for applications that exceed the funding maximums. This report seeks delegated authority to approve applications that exceed the funding maximums, during the Council recess period. This will avoid significant delays in application processing and will provide timely financial support to Toronto property owners seeking to undertake urgent roof repairs or upgrade to an eco-roof.

Placement of Insurance Policies

The Director, Insurance & Risk Management requires authority to be able to address the City's insurance requirements, including but not limited to large-scale capital projects, enhancement of the City's property and casualty insurance program, or divisional procurements, including the placement of a special events policy for New Year's Eve. In addition, there may be pending awards during Council recess for major construction projects that require an owner-controlled insurance program to enable the project to commence. Owner-controlled insurance programs are a common approach at the City for large-scale capital projects. The amount of insurance and the premium will be determined when the value of the winning bid for the capital project is known.

Intergovernmental Funding Opportunities

During election recess periods, it is standard for delegated authority to be granted to accept and receive any new time-sensitive provincial or federal funding and to adjust associated budgets, service levels and/or complement in order to commence spending, ensure compliance with any funding program requirements and to maximize the use of third-party funding.

The City relies on intergovernmental funding to support operations and to make key investments in infrastructure. In order to ensure the City is able to leverage any new intergovernmental or third-party funding opportunities to support identified Council priorities and plans, this report requests authority to take actions necessary to secure funding in the interest of the City. Actions may include entering into discussion with provincial and/or federal partners, entering into agreements if required to secure intergovernmental funds, or participating in stakeholder engagements/consultations.

Attendance at Hearings on Appeals of Committee of Adjustment

The City Solicitor and the Executive Director, Development Review, are requesting delegated authority for the remainder of the 2022-2026 Council term for the Executive Director, Development Review, or his designate, to instruct the City Solicitor, and appropriate City staff, to attend hearings on appeals of Committee of Adjustment decisions, provided the Executive Director, Development Review, has first consulted with the Ward Councillor and the City Solicitor. This would include the authority to direct the City Solicitor to file an appeal of a decision and retain outside experts as necessary. It also authorizes the City Solicitor to resolve matters in consultation with the Executive Director, Development Review.

Real Estate and Property Acquisitions/Leases

Council authority is requested to increase the limit for delegated authority for real estate transactions to \$50 million during the Council recess, provided there is available funding. City staff's current maximum authority for real estate transaction is \$10 million. At this time, City staff are not aware of any specific real estate transactions exceeding \$10 million that are anticipated to require approval during the Council recess. However, increasing the delegated authority threshold is being requested to ensure the City is appropriately positioned to advance critical and time sensitive real estate transactions

should the need arise when Council is not in session. This authority will support the timely advancement of Council approved priorities, including housing delivery, transit expansion, and major capital infrastructure projects, and reflects the scale, complexity, and current market conditions associated with municipal real estate transactions.

Delegated authority is also requested so that the City may enter into initial Community Space Tenancies leases with new tenants who do not already occupy space. Such action will ensure community groups can deliver critical services to Toronto residents and minimize delays. The delegated authority would apply only to prospective tenants that meet the prescribed criteria of the Community Space Tenancy Policy.

Temporary Highway Closures and Temporary Parking, Stopping and Standing Restrictions for Construction Staging Permits

The authority to temporarily close highways to vehicular and pedestrian traffic is currently governed by Municipal Code Chapter 937, Temporary Closing of Highways, which generally requires Council or Community Council authority, depending on the nature and duration of the closure. During periods when Council is not in session, this requirement can delay the implementation of closures necessary to support traffic management, construction and development activity, and public safety.

To ensure that Transportation Services can continue to effectively manage the transportation network, including major expressways such as the Frederick G. Gardiner Expressway, Don Valley Parkway, Allen Road, Black Creek Drive, and Highway 27, and respond to time-sensitive and emerging operational requirements, temporary delegated authority is being sought for the General Manager, Transportation Services, notwithstanding any other City by-law, until January 31, 2027, to regulate traffic and parking and to temporarily close to vehicular and pedestrian traffic any highway or portion of a highway, as may be required for the purposes of managing traffic movement, accommodating construction or development activity, or addressing safety concerns.

Temporary parking, stopping and standing restrictions required to support these closures and associated construction staging are typically implemented through by-law amendments following site-specific reports to Community Council. To enable the timely implementation of these measures, amendments to Municipal Code Chapter 950, Traffic and Parking are recommended, to prohibit parking, stopping and standing where temporary signage has been installed in connection with permitted street work or temporary street occupation. These amendments will remain in effect until January 31, 2027, after which standard approval processes will resume.

Without these amendments, the City may be limited in its ability to enforce temporary traffic and parking, stopping and standing measures required to facilitate traffic safety plans associated with staging permits, limiting the ability to respond to time-sensitive traffic and operational requirements. Together, these measures will support the coordinated implementation of construction staging and traffic management requirements, enhance safety for all road users, and minimize impacts to the broader transportation network during the Council recess period.

The delegated authority would be exercised in accordance with established divisional processes, including the review of traffic management plans, coordination with internal

and external partners, and consideration of local impacts, to ensure that all temporary traffic controls and highway closures are implemented safely, efficiently, and with appropriate oversight.

Arbitration of Contractual Claims and Settlements of Contractual and Expropriations Act Claims

The report proposes specific delegated authorities so that:

- (a) the City may agree to arbitrate contractual disputes, if the City Solicitor and the appropriate Division Head, Deputy City Manager, or City Manager agree that arbitration is an appropriate process in each case;
- (b) the City may settle contractual disputes, if the City Solicitor and the appropriate Division Head, Deputy City Manager, or City Manager and the Chief Financial Officer agree that it is in the City's best interest to settle on the proposed terms; and
- (c) the City may settle Expropriations Act claims, if the City Solicitor in consultation with appropriate City, Agency, Board and Commission officials, determines the settlement is appropriate and provided that funds have been provided in an operating or capital budget.

The length of time to obtain a hearing in the civil courts in Ontario has increased substantially since 2020, due to COVID and other factors. Therefore, while legal proceedings are typically lengthy processes, the increased court delays is a significant reason for the recommendation that the City consider arbitration in more cases. Arbitration can be faster than court hearings and the process can be tailored according to the quantum, complexity or scope of the issues in dispute. It is necessary, however, for the disputing parties to agree to arbitration; City construction contracts do not typically mandate arbitration for significant disputes. Particularly in the context of long expensive, complex, multi-year infrastructure projects, arbitration provides a means for the City and the contractor to select a decision maker with appropriate technical or legal expertise, tailor the process as appropriate given the value and complexity of the disputed issues, and obtain a binding and timely resolution so that the financial impacts of particular issues can be more promptly known and, if appropriate and applicable, adjusted for.

Arbitration may not be appropriate in every case. For example, there may be projects nearing completion which the City has less incentive to arbitrate or disputes where the legal issues are sufficiently significant or precedential that a judicial decision is preferred.

Therefore, it is anticipated that any decision to arbitrate will be made by the City Solicitor and the appropriate Division Head, Deputy City Manager, or City Manager, and take into account the anticipated cost of the arbitration, how quickly it may proceed, the procedural issues that can be agreed upon or that must be decided by the arbitrator, and the impact of a final decision, among other things.

Authority to settle certain outstanding disputes is also necessary. Authority is also sought to permit the City to settle contractual disputes on appropriate terms, even where the dispute involves sums in excess of \$500,000.

Advising contractors that disputes cannot be settled until 2027 when the amount at issue exceeds \$500,000 and notwithstanding the potential merit of a claim is likely to create ill-will with contractors and may cause them business difficulties. It may also increase the number of civil claims brought against the City, which will increase the resources required to respond to these claims and push the liabilities to a future date. If this occurs, the City will face increased costs, not only in internal legal and staff costs for time devoted to responding to the claims, but interest on amounts ultimately owed to contractors and potential legal fees if the City is unsuccessful in its defence of these claims. These factors also support the requested authority to settle claims under the Expropriations Act, where appropriate and where existing funding is available.

Time Period and Reporting Back on Exercised Delegated Authorities

It is recommended that the authorities delegated in Recommendations 1 to 27 in this report begin upon the completion of the July 29, 30 and 31 City Council meeting and remain in effect until the first regular scheduled business meeting of City Council's new term, in December 2026, unless otherwise indicated for a specified delegation of authority.

The delegated authorities will be exercised only when necessary for the continuity of City business and divisional operating and capital activities. The City Manager will report back to City Council at the first regular scheduled business meeting of City Council's new term, in December 2026, on the exercise of any of the Council delegated authorities, for this time period.

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SIGNATURE

Paul Johnson
City Manager

ATTACHMENTS

Confidential Attachment 1 – Procurement Plan