



# General Committee Meeting Agenda

**Meeting No. 14 | October 22, 2024 | 9:30 AM | Live streamed**

Members of the public have the option to attend either remotely via Zoom or in-person in the Council Chamber at the Civic Centre

## Members of the public can participate by:

### 1. VIEWING THE ONLINE LIVESTREAM:

Council meetings are video and audio streamed at: <https://pub-markham.escribemeetings.com/>

### 2. EMAILING A WRITTEN SUBMISSION:

Members of the public may submit written deputations by email to [clerkspublic@markham.ca](mailto:clerkspublic@markham.ca).

**Written submissions must be received by 5:00 p.m. the day prior to the meeting.**

If the deadline for written submission has passed, you may:

Email your written submission directly to [Members of Council](#); or

Make a deputation at the meeting by completing and submitting an online [Request to Speak Form](#)

If the deadline for written submission has passed **and** Council has finished debate on the item at the meeting, you may email your written submission directly to [Members of Council](#).

### 3. REQUEST TO SPEAK / DEPUTATION:

Members of the public who wish to make a deputation, please register prior to the start of the meeting by:

Completing an online [Request to Speak Form](#), or,

E-mail [clerkspublic@markham.ca](mailto:clerkspublic@markham.ca) providing full name, contact information and item they wish to speak on.

If you do not have access to email, contact the Clerk's office at **905-479-7760** on the day of the meeting.

\*If Council or Committee has finished debate at the meeting on the item, you may email your written submission directly to [Members of Council](#).

The list of [Members of Council is available online at this link](#).

Alternate formats for this document are available upon request.

Closed captioning during the video stream may be turned on by clicking the [cc] icon located at the lower right corner of the video screen.

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***Note: As per Section 7.1(h) of the Council Procedural By-Law,  
Council will take a ten minute recess after two hours have passed since the last break.***

## **Information Page**

**General Committee Members:** All Members of Council

### **General Committee**

Chair: Councillor Keith Irish  
Vice Chair: Deputy Mayor Michael Chan

### **Finance & Administrative Matters**

Chair: Councillor Keith Irish  
Vice Chair: Deputy Mayor Michael Chan

### **Community Services Matters**

Chair: Councillor Isa Lee  
Vice Chair: Councillor Juanita Nathan

### **Environment & Sustainability Matters**

Chair: Councillor Amanda Collucci  
Vice Chair: Councillor Ritch Lau

### **Land, Building & Parks Construction Matters**

Chair: Councillor Andrew Keyes  
Vice Chair: Councillor Keith Irish

General Committee meetings are audio and video streamed live at the City of Markham's website.

Alternate formats for this document are available upon request.

**Consent Items:** All matters listed under the consent agenda are considered to be routine and are recommended for approval by the department. They may be enacted on one motion, or any item may be discussed if a member so requests.

**Please Note:** The times listed on this agenda are approximate and may vary; Council may, at its discretion, alter the order of the agenda items.

**General Committee is scheduled to recess for lunch from approximately 12:00 PM to 1:00 PM**

**Note: As per the Council Procedural By-Law, Section 7.1 (h)  
General Committee will take a 10-minute recess after two hours have passed  
since the last break.**

## General Committee Agenda

Meeting Number: 14

October 22, 2024, 9:30 AM - 1:00 PM

Live streamed

Please bring this General Committee Agenda to the Council meeting on October 23, 2024.

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### Pages

#### 1. CALL TO ORDER

##### INDIGENOUS LAND ACKNOWLEDGEMENT

We begin today by acknowledging the traditional territories of Indigenous peoples and their commitment to stewardship of the land. We acknowledge the communities in circle. The North, West, South and Eastern directions, and Haudenosaunee, Huron-Wendat, Anishnabeg, Seneca, Chippewa, and the Mississaugas of the Credit peoples. We share the responsibility with the caretakers of this land to ensure the dish is never empty and to restore relationships that are based on peace, friendship, and trust. We are committed to reconciliation, partnership and enhanced understanding.

#### 2. DISCLOSURE OF PECUNIARY INTEREST

#### 3. APPROVAL OF PREVIOUS MINUTES

#### 4. PRESENTATIONS

#### 5. DEPUTATIONS

#### 6. COMMUNICATIONS

#### 7. PETITIONS

#### 8. CONSENT REPORTS - FINANCE & ADMINISTRATIVE MATTERS

##### 8.1 2025 INTERIM SPENDING AUTHORITY PENDING APPROVAL ADOPTION OF THE 2025 BUDGET (7.0)

9

J. Pak, ext. 2514 / A. Khan, ext. 2201

1. That the report titled “2025 Interim Spending Authority Pending Adoption of the 2025 Budget”, be received; and,

2. That Council provide the Treasurer authority to make payments necessary to support the City's ongoing operations, up to a total of 50% of the City's 2024 Primary Operating, Waterworks, Planning & Design, Building Standards, and Engineering budgets (\$234,716,497); and further,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## **8.2 2025 INTERIM TAX LEVY BYLAW (7.3)**

11

S. Manson, ext. 7514

1. That the report "2025 Interim Tax Levy By-law" be received; and,
2. That Council authorize an interim tax levy for 2025; and,
3. That the attached by-law be passed to authorize the 2025 interim tax levy; and further,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

## **8.3 2025 INTERIM SPENDING AUTHORITY PENDING ADOPTION OF THE 2025 UNIONVILLE AND MARKHAM VILLAGE IMPROVEMENT AREAS BUDGETS (7.0)**

15

S. Manson, ext. 7514

1. That the report "2025 Interim Spending Authority Pending Adoption of the 2025 Unionville and Markham Village Business Improvement Areas Budgets" be received; and,
2. That Council authorize spending for the Unionville BIA (UBIA) and the Markham Village BIA (MBIA) to support their ongoing operations, up to a total of 50% of the UBIA and MBIA 2024 Operating Budgets (\$218,250 and \$167,350, respectively); and further,
3. That staff be authorized and directed to do all things necessary to give effect to this resolution

## **8.4 2025 TEMPORARY BORROWING BY-LAW (7.3)**

17

S. Manson, ext. 7514

1. That the report titled "2025 Temporary Borrowing By-law" be received; and,
2. That a by-law be brought forward for Council approval to authorize temporary borrowing, if required, of amounts not to exceed \$234,716,497 from January 1, 2025 to September 30, 2025 and

\$117,358,249 from October 1, 2025 to December 31, 2025 to meet the expenditures of the municipality until taxes are collected and other revenues are received; and,

3. That the Treasurer report to Council in advance of borrowing, if temporary borrowing is required; and further.
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

#### 8.5 **AWARD OF RFP 142-R-24 - ELGIN MILLS ROAD - DETAILED DESIGN WOODBINE AVE TO WARDEN AVENUE - REQUEST FOR PROPOSAL TERMS OF REFERENCE (7.0)**

21

A. Kam, ext. 2014

1. That the report entitled “Award of Proposal 142-R-24 - Consulting Services for Pre-Design and Detailed Design for Elgin Mills Road Widening - Woodbine Avenue to Warden Avenue” be received; and,
2. That the contract for consulting engineering services for pre-design and detailed design for Elgin Mills Road widening from Woodbine Avenue to Warden Avenue be awarded to the highest ranked, lowest priced proponent, WSP Canada Inc. in the amount of \$1,972,952.11 inclusive of HST; and,
3. That allowances in the amount of \$825,649.71 inclusive of HST, be established for subsurface utility engineering investigations during the design, permit to take water, environmental monitoring, CCTV inspection, additional engineering survey, utility relocation, overall benefit plan for permitting for Redside Dace, technical memorandums, Yorknet fiber optic conduit design, additional public consultation, tree clearing, Stage 3 archaeological investigation, foundation investigation and soil quality sampling which may be required and approved by the Director of Engineering; and,
4. That a 10% contingency in the amount of \$279,860.18 inclusive of HST, be established to cover any additional consulting services to deliver the project and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
5. That the Engineering Department Capital Administration fee in the amount of \$277,061.58 be transferred to revenue account 640-998-8871 (Capital Administration Fee); and,
6. That the cost in the amount of \$3,355,523.58 (\$1,972,952.11+ \$825,649.71+ \$279,860.18 + \$277,061.58) be funded from capital account 083-5350-21181-005 and York Region with available budget of \$2,418,661.00; and,
7. That additional allowances in the amount of \$200,000.00 be established for engagement with Indigenous communities, permit

applications and additional consultation with the public, FUA developers and regulatory agencies; and,

8. That the budget shortfall in the amount of \$1,136,862.58 be funded from the Development Charges Reserve; and further,
9. That Staff be authorized and directed to do all things necessary to give effect to this resolution

#### **8.6 AWARD OF RFP 120-R-24 - CONSULTING ENGINEERING SERVICES FOR SI/CA OF VICTORIA SQUARE RECONSTRUCTION PROJECT - PHASE 1 (7.0)**

28

K. Saulnier, ext. 2316 / S. Kalali, ext. 2360 / T. Casale, ext. 3190

1. That the report entitled “Award of Proposal 120-R-24 - Contract Administration, Site Inspection & Post Construction Services for Victoria Square Boulevard (Phase 1) Road Improvement” be received; and,
2. That the contract for contract administration, site inspection and post construction services for Victoria Square Boulevard (Phase 1) Road improvement be awarded to the highest ranked / 3<sup>rd</sup> lowest priced bidder, EXP Services Inc. (EXP) in the amount of \$695,941.52 inclusive of HST; and,
3. That an allowance in the amount of \$230,995.20, inclusive of HST, be established for geotechnical investigations, material testing during construction, excess soil management, coordination with the Design Consultant during construction, coordination with utility companies and for an external financial audit of the consulting fees, which may be required; and,
4. That a 10% contingency in the amount of \$92,693.67, inclusive of HST, be established to cover any additional services to deliver the project and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
5. That the Engineering Department Capital Administration fee in the amount of \$91,766.74 be transferred to revenue account 640-998-8871 (Capital Administration Fee); and,
6. That the cost in the amount of \$1,111,397.13 (\$695,941.52 + \$230,995.20 + \$92,693.67 + \$91,766.74) be funded from capital account 23113 with available budget of \$1,349,868.00; and,
7. That the remaining budget in the amount of \$238,470.87 will be retained in the account until after the award of the construction contract and any remaining amount will be returned to original funding source at that time; and,
8. That the Mayor and Clerk be authorized to execute an agreement with the property owner of 10183 Victoria Square Boulevard for the property owner to pay for all costs for the design and construction of

the lateral service connections (sanitary and watermain) for their property within the overall project construction tender for the Victoria Square Boulevard Improvement (Phase 1) Project; and further,

9. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## 8.7 AWARD OF CONTRACT 174-S-24 AUTOMATED ZONING COMPLIANCE SOFTWARE SOLUTION (7.0)

32

S. Di Perna, ext. 3940 / N. Sirry, ext. 4885 / R. Patano, ext. 2990

1. That the report entitled “Award of Contract 174-S-24 Automated Zoning Compliance Software Solution” be received; and,
2. That the contract 174-S-24 Automated Zoning Compliance Software Solution (One time - implementation and training costs) (Recurring - software licenses, ongoing support and maintenance cost for Year-1 pro-rated six months and Year 2) be awarded to Archistar in the amount of 821,285.63 inclusive of HST; and,
3. That a contingency in the amount of \$65,702.85 inclusive of HST be established to cover any additional project costs be approved, and that authorization be granted to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy; and,
4. That the capital costs in the amount of \$886,988.48 (821,285.63 + \$65,702.85) inclusive of HST be funded from capital project account 600-101-5399-24318, with an available budget of \$889,000.00 inclusive of HST; and,
5. That the remaining budget in the amount of \$2,011.52 be returned to the original funding source; and,
6. That the contract for software and license, ongoing support and maintenance costs for 8 years be awarded to Archistar in the amount of \$2,674,659.82 inclusive of HST (\$1,298,380.26 fee for 4 years + \$1,376,279.56 fees for the 4 renewal options) to be funded from 400-400-5361 with a net new operating annual budget of \$324,595.07 and subject to the adoption of the 2025 and future operating budgets in the negotiated annual amounts of:
  - Year 3 - \$ 324,595.07
  - Year 4 - \$ 324,595.07
  - Year 5 - \$ 324,595.07
  - Year 6 - \$ 324,594.05

- Year 7 - \$ 344,069.89 \*
  - Year 8 - \$ 344,069.89 \*
  - Year 9 - \$ 344,069.89 \*
  - Year 10 - \$ 344,069.89 \*
  - Total - \$2,674,659.82
  - \* Optional Year Renewal
7. That the annual operating costs starting in year 3 be transferred to Building Standards and Planning & Urban Design departments (to be shared 50/50) through indirect transfer and ultimately be funded by Building Fees and Development Fees; and,
  8. That the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve the additional renewal years (Years 7 to 10) on behalf of the City (in its sole discretion), and execute any required documentation in a form satisfactory to the City Solicitor; and,
  9. That the tendering process be waived in accordance Purchasing By-Law 2017-8, Part II, Section 11 Non Competitive Procurement, item 1 (g) which states “where it is in the City’s best interest not to solicit a competitive Bid;” and item (b) which states “where there is only one source of supply for the goods to be purchased”; and,
  10. That Archistar be designated as the preferred vendor for the City’s Automated Zoning Compliance service needs at the sole discretion of the City for the term of this contract; and,
  11. That the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve any new purchases related to this contract needed due to growth and/or future Automated Zoning Compliance upgrades due to change in technology or system integration with other applications related to the project during the term of this contract, subject to the Expenditure Control Policy and budget approval; and,
  12. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## **8.8 024-R-24 CITYWIDE SECURITY GUARD SERVICES (7.0)**

40

E. Lizotte, ext. 2710

1. That the report entitled “Award of Contract #024-R-24 Citywide Security Guard Services” be received; and,



2. That the contract be awarded to the highest ranked / lowest priced bidder, Paladin Security Group Ltd, for a term of two years in the total amount of \$869,901.17 inclusive of HST as per the following;
  - November 1, 2024 - October 31, 2025 - \$434,950.85
  - November 1, 2025 - October 31, 2026 - \$434,950.85
  - Total: \$869,901.17; and,
3. That the contract includes an option for the City (in its sole discretion) to extend the contract for up to four additional one-year terms. Pricing will be firm for the initial term of the contract (2024-2026), and options to extend in years 3-4 (2026-2028) and years 5-6 (2028-2030) will be subject to Consumer Price Index (CPI) increase to a maximum of 4%; and,
4. That the Director of Sustainability & Asset Management and Senior Manager of Procurement & Accounts Payable be authorized to extend the contract for an additional four, one-year periods subject to adoption of the annual operating budget, vendor performance, and an increase based on the CPI to a maximum of 4% in years three and five; and,
5. That the award in the amount of \$434,950.85 (inclusive of HST) be funded from account 750-751-5312 (Security Guard Services); and,
6. That staff be authorized to award a one-year pilot program in the amount of \$170,503.77 inclusive of HST for the mobile security guard services; and,
7. That the Commissioner, Corporate Services and Treasurer be authorized to extend the pilot program for mobile security guard services from November 1, 2025 – October 31, 2026 pending the success of the program and extension years from November 1, 2026 – October 31, 2030, in the additional annual amount of \$170,503.77 inclusive of HST per year; and,
8. That the award amounts in 2025 to 2030 be subject to Council adoption of the respective annual operating budgets; and,
9. That the shortfall for the period November 1, 2024 – December 31, 2024 be reported as part of the 2024 year-end results of operations and that the operating budget starting in 2025 be adjusted accordingly for the contract escalation and extension of the pilot for mobile security guard services, if approved, subject to adoption of the 2025-2030 operating budgets; and further,
10. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## 8.9 2024 ASSET MANAGEMENT PLAN (7.0)

45

D. Boskovski, ext. 6190

1. That the report and presentation titled “2024 Asset Management Plan” be received; and,
2. That Council endorse the findings from the update of the City’s Asset Management Plan, for all city owned and/or managed assets assessed at current levels of service; and,
3. That Council direct staff to submit the 2024 Asset Management Plan (the document) to the Ministry of Infrastructure, informed by the findings noted under Recommendation two and as outlined in this report; and make the document publicly available on the City’s website upon its completion; and further,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## 9. MOTIONS

## 10. NOTICES OF MOTION

## 11. NEW/OTHER BUSINESS

*As per Section 2 of the Council Procedural By-Law, "New/Other Business would generally apply to an item that is to be added to the **Agenda** due to an urgent statutory time requirement, or an emergency, or time sensitivity".*

## 12. ANNOUNCEMENTS

## 13. CONFIDENTIAL ITEMS

That, in accordance with Section 239 (2) of the Municipal Act, General Committee resolve into a confidential session to discuss the following matters:

## 14. ADJOURNMENT



Report to: General Committee

Report Date: October 22, 2024

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**SUBJECT:** 2025 Interim Spending Authority Pending Adoption of the 2025 Budget

**PREPARED BY:** Jay Pak, Senior Manager Financial Planning & Reporting  
Ameen Khan, Manager Operating Budgets

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**RECOMMENDATION:**

1. That the report titled “2025 Interim Spending Authority Pending Adoption of the 2025 Budget”, be received; and
2. THAT Council provide the Treasurer authority to make payments necessary to support the City’s ongoing operations, up to a total of 50% of the City’s 2024 Primary Operating, Waterworks, Planning & Design, Building Standards, and Engineering budgets (\$234,716,497); and
3. THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval for the Treasurer to make payments necessary to support the ongoing business of the City, prior to the adoption of the 2025 budget.

**BACKGROUND:**

This is an annual administrative report, usually tabled for Committee’s consideration around October in anticipation of the following budget year, which seeks Council approval for interim spending authority. This interim spending authority will enable staff to make payments required for the City’s operations and services to continue, without interruption and at existing approved service levels, pending adoption of the City’s budget for the new year.

Consistent with previous approvals, 2025 Interim Spending Authority of up to 50% of the City’s 2024 approved budgets for operating expenditures is being requested.

All expenditures for goods and services will conform to existing by-laws and policies.

**OPTIONS/ DISCUSSION:**

Not applicable.

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**FINANCIAL CONSIDERATIONS:**

The City's 2024 approved budgets for operating expenditures are:

	<b>2024 Approved Budget</b>
	<u>\$</u>
Primary Operating Budget	\$278,479,956
Waterworks	\$150,998,038
Planning and Design	\$15,872,000
Engineering	\$11,713,000
Building Standards	\$12,370,000
	<u><b>\$469,432,994</b></u>
50% of the Above	<b>\$234,716,497</b>

The requested 2025 Interim Spending Authority is therefore \$234,716,497.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED BY:**

Joseph Silva  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Not applicable



Report to: General Committee

Meeting Date: October 22, 2024

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**SUBJECT:** 2025 Interim Tax Levy By-law

**PREPARED BY:** Shane Manson, Senior Manager, Revenue & Property Tax

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**RECOMMENDATION:**

- 1) That the report “2025 Interim Tax Levy By-law” be received; and,
- 2) That Council authorize an interim tax levy for 2025; and,
- 3) That the attached by-law be passed to authorize the 2025 interim tax levy; and further,
- 4) That staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

This purpose of this report is to seek authority from Council for the City of Markham to levy an interim property tax levy for the 2025 taxation year. The purpose of an interim property tax levy is to provide the necessary cash flow to meet the City’s own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes.

**BACKGROUND:**

Section 317 of the *Municipal Act, 2001 (The Act)* allows the Council of a local municipality to levy, on all taxable properties, an interim tax levy prior to the adoption of the final budget for each tax year. This authority to levy remains with Council and is unchanged by revisions to *The Act* introducing Special Powers and Duties of the Head of Council (Part VI.1.).

The maximum allowable interim levy is fifty (50) per cent of the prior year’s annualized taxes. Annualized taxes reflect taxes levied against the property at final billing, including all tax adjustments due to supplementary assessment and resulting from assessment appeals. For properties that are new to the assessment roll for the current year, and were not assessed in prior year, fifty per cent of the previous year’s tax rate for the properties’ applicable tax class will be applied to the property’s assessed value to generate an interim levy.

*The Act* requires that an interim tax levy by-law be passed in the year to which it applies or in the fall of the previous year, provided that the by-law does not come into effect until a specified day in the applicable year.

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**OPTIONS/ DISCUSSION:**

The interim tax levy by-law provides for the levy of interim taxes for the 2025 taxation year as authorized under the authority of Section 317 of the *The Act*. Consistent with the City's practice in previous years, the 2025 interim tax levy will be payable in equal installments, based on the billing plan applicable to each property. These instalments dates have been included in the attached by-law.

The 2025 final tax rates will be established following the approval of the budgets of the City of Markham, York Region and of the Province. The interim levy will be deducted from the final levy.

**FINANCIAL CONSIDERATIONS**

The interim levy by-law is required to provide for the revenue requirements of the City of Markham prior to the final tax by-law that will incorporate the budgets of the Region of York and of the Province.

The interim levy will generate approximately \$421 million, plus the revenue generated from all new properties added to the assessment roll. Properties that are new to the assessment roll will have fifty per cent of the previous year's tax rate applied to the property's assessed value, based on the properties applicable tax class, to generate an interim levy.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED BY:**

Joseph Silva  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Appendix A: By-Law to Provide for an Interim Tax Levy in 2025

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**THE CORPORATION OF THE CITY OF MARKHAM  
BY-LAW NO. 2024-XXX**

**BEING A BY-LAW TO PROVIDE FOR AN INTERIM TAX LEVY IN 2025**

**WHEREAS** Section 317(1) of the *Municipal Act, 2001*, S.O. 2001, C.25, provides that the Council of a local municipality may, before the adoption of the annual estimates for 2025, pass a by-law to levy on the whole of the assessment for taxable property for local municipal purposes;

**AND WHEREAS** the Council of The Corporation of the City of Markham wishes to impose an interim tax levy, as authorized by *Municipal Act, 2001*, S. O. 2001, c. 25, as amended;

**AND WHEREAS** section 342 of the *Municipal Act, 2001* authorizes a Council to pass by-laws for the payment of taxes by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or instalments are due;

**AND WHEREAS** section 345 of the *Municipal Act, 2001* authorizes a local municipality to pass by-laws to impose late payment charges for the non-payment of taxes or any instalment by the due date.

**NOW THEREFORE** the Council of the Corporation of the City of Markham enacts as follows:

1. **THAT** the Council of The Corporation of The City of Markham hereby imposes an interim levy in 2025 in an amount of fifty (50) per cent of the prior year's annualized taxes;
2. **THAT** the taxes may be levied by this by-law on a property that is taxable for local municipal purposes for the current tax year, even if the property was not taxable for local municipal purposes for the prior tax year, including assessment of property that is added to the assessment roll after the by-law is passed at a rate not to exceed fifty (50) per cent of the previous year tax rate for the property class in which the property is assessed;
3. **THAT** the interim taxes levied by this by-law shall be due and payable in equal instalments as per the following schedules:
  - I. **MONTHLY RESIDENTIAL PRE-AUTHORIZED PAYMENT BILLS**
    - a. Due in five (5) equal instalments on the 1<sup>st</sup> day in each of the months of February, March, April, May and June of 2025.
  - II. **INSTALMENT PRE-AUTHORIZED PAYMENT BILLS**
    - a. Due in three (3) equal instalments on the 5<sup>th</sup> day of February 2025, 5<sup>th</sup> day of March 2025, and the 7<sup>th</sup> day of April 2025; or

- b. Due in two (2) equal instalments on the 5<sup>th</sup> day of February 2025, and 5<sup>th</sup> day of March 2025.

**III. NON-PRE-AUTHORIZED RESIDENTIAL, FARMLAND, AND PIPELINE BILLS**

- a. Due in two (2) equal instalments on the 5<sup>th</sup> day of February 2025, and 5<sup>th</sup> day of March 2025.

**IV. NON-PRE-AUTHORIZED MULTI-RESIDENTIAL BILLS, AND ALL COMMERCIAL AND ALL INDUSTRIAL BILLS**

- a. Due in two (2) equal instalments on the 5<sup>th</sup> day of February 2025, and 5<sup>th</sup> day of March 2025.

4. **THAT** as provided in Subsections 345(1) and (2) of the *Municipal Act 2001*, if the taxes or any class or instalment thereof so levied in accordance with this By-law remain unpaid following the due date, a penalty of one per cent (1.00%) on the fourth day default and one and one point quarter per cent (1.25%) per month (15% per annum), on the first day each calendar month thereafter in which the default continues;
5. **THAT** as provided in Subsections 345(3) of the *Municipal Act 2001*, provides interest of one and one-point quarter per cent (1.25%) per month (on the first day each calendar month thereafter in which the default continues;
6. **THAT** the Treasurer of The Corporation of The City of Markham is hereby authorized and directed to serve personally or to mail or cause to be mailed notices of the taxes hereby levied to the person or persons taxed at the person's residence or place of business or upon the premises in respect of which the taxes are payable by such person, or the ratepayer's mortgage company or third party designated by the property owner;
7. **THAT** payment of the taxes shall be paid to the Treasurer at the Municipal Offices, 101 Town Centre Boulevard, Markham, Ontario, L3R 9W3;
8. **AND THAT** this By-law shall not take effect until January 1, 2025.

**READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS 23 DAY OF OCTOBER, 2024.**

KIMBERLEY KITTERINGHAM  
CITY CLERK

FRANK SCARPITTI  
MAYOR





Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** 2025 Interim Spending Authority Pending Adoption of the 2025 Unionville and Markham Village Business Improvement Areas Budgets

**PREPARED BY:** Shane Manson, Senior Manager, Revenue & Property Tax

**RECOMMENDATION:**

- 1) That the report “2025 Interim Spending Authority Pending Adoption of the 2025 Unionville and Markham Village Business Improvement Areas Budgets” be received; and,
- 2) That Council authorize spending for the Unionville BIA (UBIA) and the Markham Village BIA (MBIA) to support their ongoing operations, up to a total of 50% of the UBIA and MBIA 2024 Operating Budgets (\$218,250 and \$167,350, respectively); and,
- 3) That staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval for the UBIA and the MBIA to have authority to make payments necessary to support their ongoing business, pending adoption of their 2025 operating budgets.

**BACKGROUND:**

This is an annual administrative report, usually tabled for Committee’s consideration around October in anticipation of the following budget year, which seeks Council approval for interim spending authority for the UBIA and the MBIA. This interim spending authority will enable the UBIA and the MBIA to continue operations, without interruption and at existing approved service levels, as a new year begins and pending adoption of their budgets for the new year.

Consistent with previous approvals, the 2025 Interim Spending Authority for both BIAs is up to 50% of their 2024 approved operating budgets is being requested.

**OPTIONS/ DISCUSSION:**

Not applicable.

**FINANCIAL CONSIDERATIONS**

The 2024 approved operating budgets for BIAs were \$436,500 for the UBIA and \$334,700 for the MBIA. The requested 2025 Interim Spending Authority is therefore \$218,250 for the UBIA, and \$167,350 for the MBIA.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED**

Not applicable.

**RECOMMENDED BY:**

Joseph Silva  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Not applicable.



Report to: General Committee

Meeting Date: Oct 22, 2024

**SUBJECT:** 2025 Temporary Borrowing By-law

**PREPARED BY:** Shane Manson, Senior Manager Revenue & Property Tax

**RECOMMENDATION:**

1. That the report titled “2025 Temporary Borrowing By-law” be received; and
2. That a by-law be brought forward for Council approval to authorize temporary borrowing, if required, of amounts not to exceed \$234,716,497 from January 1, 2025 to September 30, 2025 and \$117,358,249 from October 1, 2025 to December 31, 2025 to meet the expenditures of the municipality until taxes are collected and other revenues are received; and
3. That the Treasurer report to Council in advance of borrowing, if temporary borrowing is required; and
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval to allow the City of Markham to temporarily borrow funds for the 2025 fiscal year, if required to do so.

**BACKGROUND:**

This is an annual administrative report, usually tabled for Committee’s consideration around October in anticipation of the following budget year. Section 407(1) of the *Municipal Act, 2001* states:

“At any time during a fiscal year, a municipality may authorize temporary borrowing until the taxes are collected and other revenues are received, of the amount Council considers necessary to meet the current expenditures of the municipality for the year...”

The City of Markham (the City) is known for its financial performance, fiscal responsibility and operational excellence. With sound cash management practices and policies in place, the City’s strong financial position has not necessitated bank financing for operating purposes in the past. However, enacting a temporary borrowing by-law is recommended for unforeseen circumstances and has been the City’s practice for many years.

On an annual basis, the City’s banker, TD Canada Trust, has requested a copy of the by-law in order to be aware of the limits, should a necessity to borrow arise. Subsection 407(2) of the *Municipal Act, 2001* governs the upper limits on the amounts the City can borrow, as follows:

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(a) From January 1 to September 30 in the year, 50 per cent of the total estimated revenues of the municipality, as set out in the budget adopted for the year; and

(b) From October 1 to December 31 in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year.

Section 407(3) of the *Municipal Act, 2001* provides that until the budget is adopted in a year, the limits upon borrowing under subsection (2) shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year (\$469,432,994 for the City of Markham in 2024).

This authority for temporary borrowing remains with Council and is unchanged by revisions to the Municipal Act introducing Special Powers and Duties of the Head of Council (Part VI.1).

**OPTIONS/ DISCUSSION:**

Not applicable.

**FINANCIAL CONSIDERATIONS**

In the event of short-term borrowing, the City will incur interest expenses. The Treasurer will submit a report to Council in advance, should borrowing become necessary.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED BY:**

Joseph Silva  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Appendix A, "2025 Temporary Borrowing Bylaw"

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**THE CORPORATION OF THE CITY OF MARKHAM  
BY-LAW NO. 2024-XXX**

**A BY-LAW TO AUTHORIZE THE TEMPORARY BORROWING OF AN AMOUNT NOT TO EXCEED \$234,716,497 FROM JANUARY 1 TO SEPTEMBER 30, 2025 AND \$117,358,249 FROM OCTOBER 1 TO DECEMBER 31, 2025 TO MEET THE CURRENT EXPENDITURES OF THE CORPORATION FOR THE YEAR, UNTIL TAXES ARE COLLECTED AND OTHER REVENUES RECEIVED.**

**WHEREAS** Section 407 (1) of The Municipal Act authorizes that Council may borrow from time to time such sums as Council considers necessary to meet, until the taxes are collected and other revenues received, the current expenditures of the Corporation for the year; and

**WHEREAS** Section 407 (2) of The Municipal Act states the amount to be borrowed shall not exceed from January 1st to September 30th of the year, 50 per cent of the total estimated revenues of the Corporation, and from October 1st to December 31st, 25 per cent of the total estimated revenues for the Corporation; and

**WHEREAS** Section 407 (3) of The Municipal Act states that until the budget is adopted in a year, the limits upon borrowing shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year; and

**WHEREAS** the total revenues of the Corporation as set forth for the year 2024 are \$469,432,994 which was adopted by Council at the Council meeting on February 28, 2024.

**NOW THEREFORE THE CORPORATION OF THE CITY OF MARKHAM HEREBY ENACTS AS FOLLOWS:**

1. **THAT** The Treasurer is hereby authorized on behalf of the Municipality to borrow from time to time by way of promissory note from the Municipality's banker a sum or sums not exceeding \$234,716,497 from January 1 to September 30 of the year and \$117,358,249 from October 1 to December 31 to meet, until the taxes and other revenues are received, the current expenditures of the Municipality for the year, including the amount required for the purposes mentioned in Subsection 1 of Section 407 of The Municipal Act and to give on behalf of the Municipality to the Bank a promissory note or notes sealed with the Corporate Seal and signed by the Treasurer for the monies so borrowed, with interest, which may be paid in advance or otherwise.
2. **THAT** all sums borrowed pursuant to the authority of this by-law from the said bank for any or all purposes mentioned in the said Section 407 shall with interest thereon, be a charge upon the whole of the revenues of the Municipality for the current year.

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**READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS 23 DAY OF OCTOBER, 2024.**

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KIMBERLEY KITTERRINGHAM

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FRANK SCARPITTI, MAYOR



Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** Award of Proposal 142-R-24 - Consulting Services for Pre-Design and Detailed Design for Elgin Mills Road Widening - Woodbine Avenue to Warden Avenue

**PREPARED BY:** Alice Kam, Capital Works Engineer, Ext. 2014  
 Salia Kalali, Senior Manager, Infrastructure & Capital Projects, Ext. 2360  
 Tony Casale, Senior Construction Buyer, Ext. 3190

**RECOMMENDATION:**

- 1) That the report entitled “Award of Proposal 142-R-24 - Consulting Services for Pre-Design and Detailed Design for Elgin Mills Road Widening - Woodbine Avenue to Warden Avenue” be received;
- 2) That the contract for consulting engineering services for pre-design and detailed design for Elgin Mills Road widening from Woodbine Avenue to Warden Avenue be awarded to the highest ranked, lowest priced proponent, WSP Canada Inc. in the amount of \$1,972,952.11 inclusive of HST;
- 3) That allowances in the amount of \$825,649.71 inclusive of HST, be established for subsurface utility engineering investigations during the design, permit to take water, environmental monitoring, CCTV inspection, additional engineering survey, utility relocation, overall benefit plan for permitting for Redside Dace, technical memorandums, Yorknet fiber optic conduit design, additional public consultation, tree clearing, Stage 3 archaeological investigation, foundation investigation and soil quality sampling which may be required and approved by the Director of Engineering;
- 4) That a 10% contingency in the amount of \$279,860.18 inclusive of HST, be established to cover any additional consulting services to deliver the project and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy;
- 5) That the Engineering Department Capital Administration fee in the amount of \$277,061.58 be transferred to revenue account 640-998-8871 (Capital Administration Fee);
- 6) That the cost in the amount of \$3,355,523.58 (\$1,972,952.11+ \$825,649.71+ \$279,860.18 + \$277,061.58) be funded from capital account 083-5350-21181-005 and York Region with available budget of \$2,418,661.00;
- 7) That additional allowances in the amount of \$200,000.00 be established for engagement with Indigenous communities, permit applications and additional consultation with the public, FUA developers and regulatory agencies

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- 8) That the budget shortfall in the amount of \$1,136,862.58 be funded from the Development Charges Reserve; and,
  - 9) That Staff be authorized and directed to do all things necessary to give effect to this resolution

**PURPOSE:**

The purpose of this report is to obtain Council approval to award the contract for pre-design and detailed design services for the Elgin Mills Road Widening from Woodbine Avenue to Warden Avenue, including approval of additional funding for the award and allowances for Indigenous engagements, permit applications and additional consultation with the public, FUA developers and regulatory agencies.

**BACKGROUND:**

Elgin Mills Road East from Woodbine Avenue to McCowan Road is an existing collector road that is approximately 6.8 km in length with a 20.0m right-of-way. This section of road includes the Hamlet of Victoria Square and is within the Markham's Future Urban Area (FUA). The section of Elgin Mills East Road west of Victoria Square Boulevard is under York Region's jurisdiction and the section east of Victoria Square Boulevard is under City of Markham's jurisdiction.

In May 2018, staff prepared a report to the Development Services Committee titled "Municipal Road Transfer – Elgin Mills Road Transfer and Donald Cousens Parkway Extension Transportation Planning Study (Wards 2, 5 and 6)" and received Council approval to request York Region to assume Elgin Mills Road between Victoria Square Boulevard and York-Durham Line into the York Region Road system. However, at that time York Region had advised Markham staff that the Elgin Mills Road widening could only be accommodated in the later part of their 10-year capital program. The Region added that there are priority projects within the York Region that are included in their 10-year capital program that have been already approved. As the Region's timeline would not be able to meet the future growth demands in the area, Markham staff prepared a report to the Development Services Committee in June 2019 titled "Elgin Mills Road Municipal Class Environmental Assessment (MCEA) (Wards 2, 5 and 6)" and received approval to undertake the Elgin Mills Road EA, design and construction before transferring Elgin Mills Road to York Region.

**Environmental Assessment Study**

In October 2019, the city initiated a Schedule C MCEA (EA) study for the widening of Elgin Mills Road. The approved scope of work for the Elgin Mills Road Widening EA was from Victoria Square Boulevard to McCowan Road. At the commencement of the EA, York Region requested that the city include the section of Elgin Mills Road from Woodbine Avenue to Victoria Square Boulevard in the study. This section of Elgin Mills Road is within the York Region's jurisdiction. York Region provided the city with a purchase order to cover the cost of this additional work as part of the EA Study.



An Environmental Study Report (ESR) entitled “Elgin Mills Road, Schedule C Municipal Class Environmental Assessment (EA) Study (Wards 2, 5 and 6)” was prepared as part of the EA study. The preferred alignment and design concept of Elgin Mills Road from Woodbine Avenue to McCowan Road, as set out in the ESR was presented to and endorsed by the City’s council in December 2023. City staff were authorized to issue a Notice of Study Completion and file the EA Study with the Ministry of the Environment, Conservation and Parks (MECP). The Notice of Completion was sent out on January 12, 2024, and the ESR was posted for public review for a 30-day review period that ended on February 12, 2024.

This Request for Proposal is for the detailed design of the Elgin Mills Road widening from Woodbine Avenue to Warden Avenue (Phase 1). Detailed Design for the section from Warden Avenue to McCowan Road (Phase 2), is tentatively planned to start in 2026/2027, pending budget approvals.

**Bid Information (RFP 142-R-24):**

Bids closed on	June 21, 2024
Number picked up the Bid document	9
Number responded to the Bid	3

**Proposal Evaluation:**

The evaluation team was comprised of staff from the Engineering Department and facilitated by staff from the Procurement Division. The city released this RFP utilizing a two-stage evaluation process.

Stage 1 – Mandatory and Technical Evaluation

Under Stage One, proponents were required to demonstrate their experience based on the following mandatory requirements:

- 3 projects showcasing urban sewer and/or watermain experience based on a construction value  $\geq$  \$10.0 M each;
- 3 projects showcasing combined roadway and/or sewer/watermain experience based on a construction value  $\geq$  \$25.0 M each;
- 2 roadway projects showcasing road widening and/or road reconstruction based on a construction value  $\geq$  \$10.0 M each;
- 2 projects with structural rehabilitation, replacement and/or new structure based on a construction value  $\geq$  \$10M each);
- Management of a minimum of 2 multi-year projects with multiple design components;
- 2 surface stormwater management facilities (wet or dry ponds)
- 2 projects that required hydraulic modeling;
- The Design Lead / Project Manager must be a Professional Engineer with a minimum 7 years' experience in the design of municipal linear projects of a similar size and complexity and have project management experience on at least 3 projects with

multiple design components with multiple stakeholders of similar size and complexity;

- The Modeling/Hydraulics Specialist must have a minimum 7 years' experience in Stormwater / CSO management;
- The Structural Specialist must be a Professional Engineer with a minimum 7 years' experience in structural engineering design especially water-crossing structures;
- The Geotechnical Specialist must be a Professional Engineer with a minimum 7 years' experience in geotechnical and foundation engineering with proven experience in foundations adjacent to water courses;
- The Environmental Planner must have a minimum 5 years' experience in environmental planning with extensive knowledge in First Nations consultation, Endangered Species Act, and required environmental permits; and
- The Transportation Specialist must have a minimum 7 years' experience in transportation planning and traffic engineering

All 3 proponents met the mandatory evaluation criteria and were further evaluated under the technical evaluation. Under the technical evaluation, proponents were assessed based on pre-established evaluation criteria as outlined in the Request for Proposal (RFP); 25% corporate experience, project team and structure, 25% project understanding and approach, 20% project resources and workplan, and 5% proposal structure and quality. Proponents that did not achieve a technical score of 56.25 out of 75 points (75%) would not proceed any further and their financial proposal would remain sealed in the bidding system. Two proponents achieved the minimum technical score to proceed to Stage 2 – Financial Evaluation.

### Stage 2 – Financial Evaluation

Under Stage 2 – Financial Evaluation, Proponents were assessed based on their Bid Price exclusive of HST. The highest ranked proponent was determined by adding the points awarded under Stage 1 Technical Evaluation and Stage 2 Price Evaluation.

<b>Proponent</b>	<b>Technical Score</b>	<b>Financial Score</b>	<b>Total Score (out of 100)</b>
WSP Canada Inc.	72.00	25.00	97.00

Bid prices ranged from \$2,798,601 to \$3,268,621 inclusive of allowances and HST.

### **DISCUSSION:**

As multiple FUA developers are moving forward with their developments, it is crucial for the city to widen Elgin Mills Road to meet the future growth demands in the area. The city is currently planning to start the detailed design for phase 1 (Elgin Mills Rd – Woodbine Avenue to Warden Avenue) by November 2024 and start construction by May 2027. The budget shortfall can be attributed to the following three factors:

#### **1. Time Gap between Requesting Detailed Design Budget and Award:**

The EA study for the widening of Elgin Mills Road was awarded in March 2020 with an initial estimated completion date of Q4 2021, and hence the budget request for

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detailed design was requested in 2021 to immediately start after EA completion. The EA completion was delayed due to several unforeseen challenges including; the COVID-19 global pandemic, design challenges and changes to address issues with FUA developers, co-ordination with York Region's Kennedy Road and Warden Avenue Widening at the overlapping intersections on Elgin Mills Road and design changes to accommodate adjacent property owners' requests (e.g. Impacts to driveways), coupled with City's staff turnover and resource issues from the EA Design Consultant. The EA study was finally completed in Q1 2024. Pre-design and detailed design could only be finalized with a confirmed EA and recommended design. Despite efforts to fast-track the RFP process, the EA was delayed for several years and during the past couple of years, there has been inflation and significant cost increase of engineering services. The time gap between requesting the detailed design budget and the award is thus the largest contributing factor of the budget shortfall.

## **2. Revisions to Design Scope**

Revisions to design scope is another factor for the budget shortfall. These revisions include the addition of watermain and sanitary sewer and the need to conform with new permit requirements (excess soil, endangered species act, floodplain analysis, climate change mandate, etc.) from approval agencies as part of detailed design. In the 2021 budget request, neither watermain nor sanitary sewer was included as part of the detailed design budget request. Subsequently, the water main on Elgin Mills Road from Street 'A' to Warden Avenue was added to the project scope to support City-wide's growth. In addition, the sanitary sewer on Elgin Mills Road between Berczy Green Drive and Thomas Lynch Street and associated connections were also added to the design scope in response to the need for ongoing FUA developments. Furthermore, there have been a number of changes regarding regulations and permitting requirements from various regulatory agencies including MECP, TRCA, DFO etc. To fulfill these requirements, additional design efforts are required. One example is the change of excess soil management requirement which calls for additional reporting and material testing during design.

## **3. Additional Allowance**

The third factor contributing to the budget shortfall is the need of additional allowance for engagement with Indigenous communities, permit applications and additional consultation with the public, FUA developers and regulatory agencies. The City's EA project team has engaged Indigenous Communities throughout the EA and will continue to engage with them during the detailed design phase. Additional budget is requested to support engagement activities during the detailed design phase including providing capacity funding to facilitate engagement as the City deems necessary, and to retain external legal counsel to provide legal advice and expertise to support the City's engagement. In addition, the allowance is required for additional consultation with the public, FUA developers and regulatory agencies including TRCA during the detailed design phase of the project.

WSP Canada Inc. have the required experience, qualifications and capability to undertake a detailed design study of this size and scope and have demonstrated a comprehensive understanding of the project requirements, reflected in the proposed detailed methodology and work plan. The bid price from WSP is comparable with other York Region projects with similar size and complexity and it is deemed reasonable. In addition, the hourly rates proposed by WSP are in line with other recently awarded City's projects. It is recommended to award the contract for the pre-design and detailed design services for the Elgin Mills Road Widening from Woodbine Avenue to Warden Avenue (Phase 1).

### FINANCIAL CONSIDERATIONS

Recommended proponent	WSP Canada Inc. (Highest ranked / Lowest priced proponent)	
Current budget available	\$1,768,661.00 <u>\$ 650,000.00</u> \$2,418,661.00	Elgin Mills -Victoria Sq. Blvd to McCowan Road (Design) 083-5350-21181-005 York Region*
Less cost of award	\$1,972,952.11 \$ 825,649.71 <u>\$ 279,860.18</u> \$3,078,462.00  <u>\$ 277,061.58</u> \$3,355,523.58	Consulting Services (Incl. of HST) Cash Allowances** Contingency @ 10% Cost of award (Incl. of HST)  Internal Management Fees Total Cost
Budget remaining after this award	(\$936,862.58)	
Request for Additional Allowance	(\$200,000.00)	
Total shortfall	(\$1,136,862.58)	***

\* Recovery amount expected from York Region upon completion of the project.

\*\* The cash allowance is for subsurface utility engineering investigations during the design, permit to take water, environmental monitoring, CCTV inspection, additional engineering survey, utility relocation, overall benefit plan for permitting for Redside Dace, technical memorandums, Yorknet fiber optic conduit design, additional public consultation, tree clearing, Stage 3 archaeological investigation, foundation investigation and soil quality sampling.

\*\*\* The budget shortfall in the amount of (\$1,136,862.58) will be funded from the Development Charges Reserve.

### OPERATING BUDGET AND LIFE CYCLE IMPACT:

This award has no financial impact to the Operating Budget and Life Cycle Reserve. This award is funded by York Region and project 21181 (funded by Development Charges).

### HUMAN RESOURCES CONSIDERATIONS

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The new neighborhoods and employment lands in the FUA are being planned in accordance with the City of Markham's vision of supporting sustainable growth in the City. This vision is articulated under four main themes includes protecting the natural environment, building compact and complete communities, providing sustainable travel choices, and maintaining a vibrant and competitive economy. Transportation network improvements are crucial to accommodate expansion of the designated Urban Area. Widening of Elgin Mills Road is one of the important components to ensure sufficient capacity to accommodate future travel demands through the FUA. With multiple FUA developments on-going, City needs to move forward the detailed design and construction of the Elgin Mills Road Widening to ensure our infrastructures are able to support the anticipated growth and demand

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance has reviewed and approved the report.

**RECOMMENDED BY:**

Frank Clarizio, P.Eng  
Director, Engineering

Arvin Prasad, MPA, RPP, MCIP  
Commissioner, Development Services

**ATTACHMENTS:**

None



Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** Award of Proposal 120-R-24 - Contract Administration, Site Inspection & Post Construction Services for Victoria Square Boulevard (Phase 1) Road Improvement

**PREPARED BY:** Kyle Saulnier, Capital Works Engineer, Ext. 2316  
 Salia Kalali, Senior Manager, Ext 2360  
 Tony Casale, Senior Construction Buyer, Ext. 3190

**RECOMMENDATION:**

- 1) That the report entitled “Award of Proposal 120-R-24 - Contract Administration, Site Inspection & Post Construction Services for Victoria Square Boulevard (Phase 1) Road Improvement” be received;
- 2) That the contract for contract administration, site inspection and post construction services for Victoria Square Boulevard (Phase 1) Road improvement be awarded to the highest ranked / 3<sup>rd</sup> lowest priced bidder, EXP Services Inc. (EXP) in the amount of \$695,941.52 inclusive of HST;
- 3) That an allowance in the amount of \$230,995.20, inclusive of HST, be established for geotechnical investigations, material testing during construction, excess soil management, coordination with the Design Consultant during construction, coordination with utility companies and for an external financial audit of the consulting fees, which may be required;
- 4) That a 10% contingency in the amount of \$92,693.67, inclusive of HST, be established to cover any additional services to deliver the project and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy;
- 5) That the Engineering Department Capital Administration fee in the amount of \$91,766.74 be transferred to revenue account 640-998-8871 (Capital Administration Fee);
- 6) That the cost in the amount of \$1,111,397.13 (\$695,941.52 + \$230,995.20 + \$92,693.67 + \$91,766.74) be funded from capital account 23113 with available budget of \$1,349,868.00;
- 7) That the remaining budget in the amount of \$238,470.87 will be retained in the account until after the award of the construction contract and any remaining amount will be returned to original funding source at that time;
- 8) That the Mayor and Clerk be authorized to execute an agreement with the property owner of 10183 Victoria Square Boulevard for the property owner to pay for all costs for the design and construction of the lateral service connections (sanitary and watermain) for their property within the overall project construction tender for the Victoria Square Boulevard Improvement (Phase 1) Project; and further,

- 9) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain Council approval to award the contract for contract administration, site inspection and post construction services for Victoria Square Boulevard Road Improvement (Phase 1).

**BACKGROUND:**

The existing Victoria Square Boulevard (VSB) is a 2-lane rural roadway, approximately 2.8 km in length that stretches from Woodbine Avenue South to Woodbine Avenue North. The roadway is drained by roadside ditches and culverts to tributaries of Carlton Creek. There are discontinuous installations of curb and gutter, watermains and sewers throughout the VSB corridor. The project includes upgrading VSB corridor to an urban cross-section in select locations, a continuous left-turn lane, implementation of new parking spaces and boulevard construction on both sides with separate cycle tracks, sidewalks and double rows of trees. Underground works include storm drainage system (catch basins and storm sewers), watermain extension and new sanitary sewer. As part of this work, the consultant will provide construction contract administration, site inspection and post construction services. Construction is anticipated to commence in spring 2025 and be completed by fall 2026.

The property owner of 10183 VSB requested the city to include lateral watermain and sanitary sewer service connections to their property, as part of the VSB construction project. Staff determined this was in the best interest of the City to conduct this work as part of the current project, to minimize future disturbances to the surface of the right of way. The City responded indicating that this work could be included as part of the VSB construction contract, contingent on the homeowner's approval of the construction costs and entering into a Cost Recovery Agreement with the City regarding the work. The resident will pay the full amount for the service connections. The resident has since agreed to the estimated construction costs for the service connections, and pending this report's approval, will be sent the Agreement and construction costs to finalize the service connection work.

**Bid Information (120-R-24):**

Bids closed on	May 23, 2024
Number picked up the Bid document	14
Number responded to the Bid	6

**Proposal Evaluation:**

The evaluation team was comprised of staff from the Engineering Department and facilitated by staff from the Procurement Division. The city released this Request for Proposal utilizing a two-stage evaluation process.

### Stage 1 – Mandatory and Technical Evaluation

Under Stage One, bidders were required to demonstrate their experience based on the following mandatory requirements:

- Provide 3 projects showcasing experience with urban sewer and/or watermain projects with a value  $\geq$  \$2M each;
- Provide 3 projects showcasing experience with complex urban combined roadway and sewer and/or watermain projects with a value  $\geq$  \$10M each;
- Management of a minimum of 2 multi-year projects with multi-discipline components;
- Contract Administrator must have a minimum of 10 years of recent experience in support of project management, contract administration, cost engineering, construction sequencing, relative to large and complex engineering/construction projects similar to this project.
- Resident Site Inspector must have a minimum of 5 years' experience in municipal linear infrastructure overseeing multi-disciplinary projects in the field.

The mandatory evaluation criteria ensured that bidders had the relevant experience to carry out the assignment. Four of the six bidders met the mandatory evaluation criteria and were further evaluated under the Technical Evaluation.

Under the technical evaluation, bidders were assessed based on pre-established evaluation criteria as outlined in the Request for Proposal (RFP); 25% corporate experience, project team and structure, 25% project understanding and approach, 20% project resources and workplan, and 5% proposal structure and quality. Bidders that did not achieve a technical score of 56.25 out of 75.0 points (75%) would not proceed any further and their financial proposal would remain sealed in the bidding system. Three bidders achieved the minimum technical score to proceed to Stage 2 – Financial Evaluation. The bidder that did not achieve the minimum technical score to proceed to Stage 2 received a technical score of 19 out of 75 points.

### Stage 2 – Financial Evaluation

Under Stage 2 – Financial Evaluation, Bidders were assessed based on their Bid Price exclusive of HST. The sole bidder that passed the Stage 1 Technical Evaluation received the full financial score.

<b>Bidder</b>	<b>Technical Score</b>	<b>Financial Score</b>	<b>Total Score (out of 100)</b>
EXP Services Inc.	71.00	20.72	91.72

### **OPTIONS/ DISCUSSION:**

EXP Services Inc. have the required experience, qualifications and capability to undertake a project of this size and scope and have demonstrated a comprehensive understanding of the project requirements, reflected in the proposed detailed methodology and work plan.



**FINANCIAL CONSIDERATIONS**

Recommended bidder	EXP Services Inc. (Highest ranked / 3 <sup>rd</sup> lowest priced bidder)	
Current budget available	\$1,349,868.00	083-5350-23113-005 Victoria Square Boulevard
Less cost of award	\$ 695,941.52 \$ 230,995.20 \$ 92,693.67 \$1,019,630.39  \$ 91,766.74 \$1,111,397.13	Consulting Services (Incl. of HST) Cash Allowances (Incl. of HST) * Contingency @ 10% Cost of award (Incl. of HST)  Internal Management Fees Total Cost
Budget remaining after this award	\$ 238,470.87	**

\*The cash allowances are for geotechnical investigations, material testing during construction, excess soil management, coordination with the Design Consultant during construction, coordination with utility companies and for an external financial audit of the consulting fees.

\*\* The City has been experiencing higher than anticipated construction costs on current projects and the VSB design has undergone a number of changes/complications/additional scope items that would impact the estimated construction cost comparing to the budget request in 2023. For these reasons the remaining amount will be retained in the account until after the award of the construction contract and any remaining amount will be returned to original funding source at that time.

**OPERATING BUDGET AND LIFE CYCLE IMPACT:**

The requested award has no financial impact to the Operating Budget or Life Cycle Reserve Study. This contract is funded by project 23113 (funded by Development Charges).

**HUMAN RESOURCES CONSIDERATIONS**

Not Applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The proposed work is required to continue to accommodate growth and improve safety in the City of Markham. The program aligns with the City's Strategic Plan goals of "Safe & Sustainable Community."

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance and Legal have reviewed and approved the report.

**RECOMMENDED BY:**

Frank Clarizio, P.Eng.  
Director, Engineering

Arvin Prasad, MPA, RPP, MCIP  
Commissioner, Development Service

**ATTACHMENTS:**

None



Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** Award of Contract 174-S-24 Automated Zoning Compliance Software Solution

**PREPARED BY:** Stephanie Di Perna, Ext. 3940  
Ned Sirry, Ext. 4885  
Rosemarie Patano, Ext. 2990

**RECOMMENDATION:**

- 1) THAT the report entitled “Award of Contract 174-S-24 Automated Zoning Compliance Software Solution” be received; and,
- 2) THAT the contract 174-S-24 Automated Zoning Compliance Software Solution (One time - implementation and training costs) (Recurring - software licenses, ongoing support and maintenance cost for Year-1 pro-rated six months and Year 2) be awarded to Archistar in the amount of 821,285.63 inclusive of HST; and,
- 3) THAT a contingency in the amount of \$65,702.85 inclusive of HST be established to cover any additional project costs be approved, and that authorization be granted to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy; and,
- 4) THAT the capital costs in the amount of \$886,988.48 (821,285.63 + \$65,702.85) inclusive of HST be funded from capital project account 600-101-5399-24318, with an available budget of \$889,000.00 inclusive of HST; and,
- 5) THAT the remaining budget in the amount of \$2,011.52 be returned to the original funding source; and,
- 6) THAT the contract for software and license, ongoing support and maintenance costs for 8 years be awarded to Archistar in the amount of \$2,674,659.82 inclusive of HST (\$1,298,380.26 fee for 4 years + \$1,376,279.56 fees for the 4 renewal options) to be funded from 400-400-5361 with a net new operating annual budget of \$324,595.07 and subject to the adoption of the 2025 and future operating budgets in the negotiated annual amounts of:
  - Year 3 - \$ 324,595.07
  - Year 4 - \$ 324,595.07
  - Year 5 - \$ 324,595.07
  - Year 6 - \$ 324,594.05
  - Year 7 - \$ 344,069.89 \*
  - Year 8 - \$ 344,069.89 \*
  - Year 9 - \$ 344,069.89 \*
  - Year 10 - \$ 344,069.89 \*
  - Total - \$2,674,659.82

\* Optional Year Renewal

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- 7) THAT the annual operating costs starting in year 3 be transferred to Building Standards and Planning & Urban Design departments (to be shared 50/50) through indirect transfer and ultimately be funded by Building Fees and Development Fees.
  - 8) THAT the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve the additional renewal years (Years 7 to 10) on behalf of the City (in its sole discretion), and execute any required documentation in a form satisfactory to the City Solicitor; and,
  - 9) THAT the tendering process be waived in accordance Purchasing By-Law 2017-8, Part II, Section 11 Non Competitive Procurement, item 1 (g) which states “where it is in the City’s best interest not to solicit a competitive Bid;” and item (b) which states “where there is only one source of supply for the goods to be purchased”; and,
  - 10) THAT Archistar be designated as the preferred vendor for the City’s Automated Zoning Compliance service needs at the sole discretion of the City for the term of this contract; and,
  - 11) THAT the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve any new purchases related to this contract needed due to growth and/or future Automated Zoning Compliance upgrades due to change in technology or system integration with other applications related to the project during the term of this contract, subject to the Expenditure Control Policy and budget approval; and,
  - 12) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To seek Council approval to procure an automated zoning compliance software. The software is a public facing portal that provides zoning compliance in real time for the public and applicants. The secure section allows applicants to upload drawings to confirm zoning compliance of their proposal before they apply for a building permit.

This project forms part of the digital component of the Housing Accelerator initiative, funded by the Housing Accelerator Fund. The annual operating/licensing cost, which will be funded by a combination of service user fees and development/building reserves, ensures the sustainability of the software implementation.

**BACKGROUND:**

In February 2022, the Federal Budget announced \$4 billion in funding for the Housing Accelerator fund (HAF) with the goal of creating at least 100,000 more housing units.

In March 2023, the Canadian Mortgage and Housing Corporation (CMHC) launched the HAF program and application process. Local municipalities with over 10,000 people and delegated

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approval authority for land use planning and development approvals were eligible for the urban stream of funding.

On June 14, 2023, Council directed staff to submit a Housing Accelerator Fund (HAF) application and on January 25, 2024, the City's HAF application approval was secured through the execution of a contribution agreement with the Canadian Mortgage and Housing Corporation (CMHC) for \$58.8 million in funding, with the goal of supporting the delivery of 1640 housing units.

On June 26, 2024, Council approved the City's initiatives, work plan and associated cost. The initiatives are based on short-term and long-term goals, which support key Actions included in the City's housing strategy, as follows:

1. Public Partnerships
2. Additional Residential Units (ARUs) and Incentives Program
3. Major Transit Station Areas (MTSAs) - Policy Update
4. Inclusionary Zoning (IZ) in MTSA's
5. Incentive Program for Affordable Housing
6. Enhance Markham's Electronic Development Application System
7. Parking and Transportation Demand Management (TDM) Standard Update.

The automated zoning compliance software forms part of initiative six to enhance Markham's electronic development application system. The housing units associated with all seven initiatives are required to be delivered by the end of 2026.

The City of Markham has complex zoning by-laws, and the public has difficulty navigating zoning requirements causing delays in the approvals of development and building permit applications. Building Standards Department created a zoning review program to assist the public in confirming zoning compliance prior to major investments such as the sale of property, leasing of establishments and designing new developments. Aside from public zoning, inquiries there are several internal City departments that rely on zoning information. The Licensing department requires confirmation of zoning prior to the issuance of stationary business licenses. By-Law Enforcement is responsible for the enforcement of City zoning by-laws. Prior to the issuance of zoning orders and caution notices, the By-Law officer must confirm zoning with Building Standards zoning staff. Building Standards processes +/- 3,000 public facing and +/- 600 internal department zoning requests each year. External zoning services are partially funded by user fees. The balance of external services and all internal services are currently funded through building permit fees.

The number of zoning requests are projected to increase with the City's expected growth. The projected increase in service requests will affect permit processing times, which may frustrate the public and internal customers. To support future growth targets efficiently, a digital solution to these manual processes is required.

#### **OPTIONS/ DISCUSSION:**

The City of Burlington recently issued a Request for Information for gathering market information on service providers with an automated rule-based compliance software. RFI -

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24-701 Call for Innovation issued on March 11, 2024 and closed on April 3, 2024. The RFI contained similar scope and deliverables to the City's own requirements. The City of Burlington received seven responses and interviewed three of the respondents. City of Markham staff were invited to attend the interviews held on May 16, 2024. Though the City of Burlington has not made any conclusive decision(s), City of Markham staff have identified that Archistar was the only respondent with a working and viable solution.

As part of this activity, investigations indicated no other potential system for consideration. ITS and key business unit stakeholders are confident that the City's business needs can be fully met with the Archistar tool, and have identified the following significant process and service delivery improvements:

- **Streamline Applicable Law Compliance**: Streamline and/or automate the evaluation of a set of plans for compliance with the City's Zoning By-law (Applicable Law). This process will identify potential conflicts and deficiencies related to City regulations, such as building heights, lot coverage, density, parking, landscape buffers, and building setbacks, thereby empowering stakeholders to play a crucial role in the city's development.
- **Increase Consistency of Reviews**: Improve the consistency of plan reviews and the relationships between the Zoning By-law, business rules and site conditions (e.g., corner lot).
- **Empower Applicants**: Applicants will be provided with real-time zoning guidance, ensuring they navigate the process effortlessly and submit applications that meet all requisite criteria, which will promote a more streamlined, and efficient process.
- **Empower Enforcement Staff**: Providing By-law Enforcement and Licensing Enforcement staff with real-time zoning compliance details in the field allows them to make compliance decisions on the spot and reduces impact on Building Standards zoning staff providing internal zoning interpretations.
- **Empower Land Owners and Business Owners**: Instant information related to permitted uses and zoning compliance allows landowners and business owners to make informed decisions on the activities they propose on the site.
- **Reduce wait-time and re-submissions**: Significantly reduce the time that applicants wait to receive their initial zoning compliance check for low-density applications, providing options for applicants to pre-assess their drawings prior to application submission, thereby relieving them of unnecessary stress and wait time.
- **Process Digital Files**: Provide a user-friendly and intuitive interface for the zoning compliance review of digital plans, focusing on vector-based PDF format, with options to leverage best practices across the industry.
- **Promote User Adoption**: Provide for functionalities and an interface that encourages easy adoption and ongoing use by both City staff and external applicants.

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- **Promote Ease of Understanding:** Allow any user (public, council, staff, etc.) to understand how the City's regulations, policies, and business rules apply to their proposed situation or project with an intuitive, accessible, and data-driven digital platform.
  - **Resource Redeployment:** By eliminating manual interventions in lower value tasks, the City's staff can be redeployed to areas where their expertise can be better utilized, leading to more value-added contributions and a higher degree of job satisfaction.
  - **Informed Decision-Making:** Harness the generated data to pinpoint common challenges, bottlenecks, and opportunities for system refinement. Empower decision-makers with data-backed insights for creating impactful policies and improvements.

Workshops were conducted with the City's business units to review the existing Zoning processes strengths and limitations at the City of Markham to identify business requirements that would enhance functionality to meet both current and future needs. The Archistar solution best meets these requirements with their base zoning module which can be used by the Public, Planning, Building, Licensing and By-Law Enforcement departments and one automated zoning plans checker to support low-density development. This module includes accessory dwelling units.

In alignment with the marketplace research conducted, Staff are seeking an award through a preferred supplier arrangement with Archistar, with the following two key supporting rationale:

### **1. Maximize the robust capabilities of Archistar Platform Applications:**

- The Archistar platform has several modules that allow end users to
  - understand planning/building codes;
  - determine highest and best use of land;
  - create 3D designs using generative building design technology; and,
  - automatically check compliance against building designs.
- The foundation of the Archistar platform is an industry unique solution that combines an interactive GIS component with digitized planning/building codes to correctly identify which rules or criteria apply to specific parcels of land;
- The system can accept any GIS feature that the City uses and standardize and only display the relevant rules by building types allowed;
- The rule engine is unique and allows rules to be displayed conditionally according to building type and property characteristics, allowing the use of formulas and conditional statements to handle the most complex planning and building codes;

### **2. Leader in the Market:**

- The use of the Archistar platform will revolutionize the development process, allowing staff and the public to:
  - gain information quickly;

- examine development options efficiently; and,
  - reduce the strain on staff resources.
- Archistar is widely used throughout Australia, the USA and recently partnered with the City of Vancouver and the City of Surrey.
  - In ongoing conversations with other municipalities, a significant finding is that a number of the municipalities are exploring the Archistar platform as a cost-effective option. These synergies will allow the City to take advantage of information and best practices sharing with respect to implementation risks, decisions, integration points and will facilitate a smoother transition.

Through negotiations, staff achieved 10% (\$384,212 inclusive of tax) cost reduction as allowed under the Purchasing By-Law, while still maintaining the same level of project deliverables.

The following is the negotiated savings:

	One time - implementation and training costs and Recurring - software licenses, ongoing support and maintenance (Year-1 pro-rated 6-months and Year-2)	Software licenses, ongoing support and maintenance Years 3 – 6	Software licenses, ongoing support and maintenance Years 7 – 10	Total
	\$	\$	\$	\$
Original Fee	862,641	1,405,115	1,612,402	3,880,158
Negotiated Fee	<u>821,286</u>	<u>1,298,380</u>	<u>1,376,280</u>	<u>3,495,946</u>
<b>Award savings</b>	<b>41,355</b>	<b>106,735</b>	<b>236,122</b>	<b>384,212</b>
% Reduction	5 %	8 %	15%	10%

### CONCLUSION:

The proposed Archistar solution will allow for a more robust management of zoning inquiries and synergies across departments. This will ultimately provide the required flexibility to meet the City's changing needs (including the ability to support growth). This award will enable the City to deliver a fully integrated, extendable and scalable enterprise system to achieve this outcome.

### FINANCIAL CONSIDERATIONS

The cost of award includes 2 components:

- one-time costs for acquisition of software licenses, implementation, training, and Year-1 pro-rated 6-month and Year-2 of support and maintenance
- recurring operating costs for licenses, software and ongoing support and maintenance for 4 years, with an option to renew the contract for additional 4 years

### Capital Costs

The one-time cost for the acquisition, implementation and Year-1 Pro-Rated 6-Months and Year-2 support is \$821,286 inclusive of HST impact. These costs will be funded from

project 24318, GL account 600-101-5399-24318 with an available component budget of \$889,000.00 and is funded by the Housing Accelerator Fund.

<b>Project</b>	<b>Amount (\$)</b>	
Budget Available for this Award	889,000.00	(A)
One-Time Acquisition, Implementation and Year-1 Pro-Rated 6-month and Year-2 Support Cost	821,285.63	(B)
Contingency (8%)	65,702.85	(C)*
Total Capital Costs	886,988.48	(D) = (A) - (B) - (C)
<b>Surplus Budget to be Returned to Source</b>	<b>2,011.52</b>	<b>(E) = (A) - (D)</b>

\*An 8% contingency in the amount of \$65,702.85 inclusive of HST impact will be established to cover any additional project costs be approved and that authorization be granted to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy.

### **Operating Costs**

The award includes annual software and license services for the remaining 8 years, with year 3 to commence in 2026 as net new operating expense. GL account 400-400-5361, Services Agreements-Computer Software will require an annual net increase of \$324,595.07. The cost will be transferred to Building Standards and Planning & Urban Design departments (to be shared 50/50) through indirect transfer and ultimately be funded by Building Fees and Development Fees. There is thus no net impact to tax operating budget.

<b>Maintenance Costs</b>		
<b>Year of Term</b>	<b>Annual (\$)</b>	<b>Total Over Term (\$)</b>
Year 3 to 6	324,595.07	1,298,380.26 (F)
Year 7 to 10	344,069.89	<u>1,376,279.56</u> (G)
<b>Maintenance Costs over the Term</b>		<b>2,674, 659.82</b> (H) = (F) + (G)

### **HUMAN RESOURCES CONSIDERATIONS**

Not applicable

### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

<b>Goal</b>	<b>Examples – How the Solution can Help Achieve the Goal</b>
<b>Exceptional Services by Exceptional People</b>	The system will facilitate better integration with existing applications for a more consistent approach and response to citizen zoning requests and inquiries.
<b>Engaged, Diverse &amp; Thriving City</b>	The software will allow a more robust management of zoning inquiries and synergies across departments to respond to said requests.



**BUSINESS UNITS CONSULTED AND AFFECTED:**

Building Standards, Planning and Urban Design, Engineering, Licensing and By-Law Enforcement

**RECOMMENDED BY:**

Sumon Acharjee  
Chief Information Officer

Trinela Cane  
Commissioner, Corporate Services

Arvin Prasad  
Commissioner, Development Services

**ATTACHMENTS:**

None



Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** Award of Contract #024-R-24 Citywide Security Guard Services

**PREPARED BY:** Darius Chung, Senior Buyer, Ext. 2025  
Eric Lizotte, Manager, Corporate Security, Ext. 2710  
Joanna Chan, Senior Financial Analyst, Ext. 2073

**RECOMMENDATION:**

1. That the report entitled “Award of Contract #024-R-24 Citywide Security Guard Services” be received; and,
2. That the contract be awarded to the highest ranked / lowest priced bidder, Paladin Security Group Ltd, for a term of two years in the total amount of \$869,901.17 inclusive of HST as per the following;  
November 1, 2024 - October 31, 2025 - \$434,950.85  
November 1, 2025 - October 31, 2026 - \$434,950.85  
Total: \$869,901.17; and,
3. That the contract includes an option for the City (in its sole discretion) to extend the contract for up to four additional one-year terms. Pricing will be firm for the initial term of the contract (2024-2026), and options to extend in years 3-4 (2026-2028) and years 5-6 (2028-2030) will be subject to Consumer Price Index (CPI) increase to a maximum of 4%; and,
4. That the Director of Sustainability & Asset Management and Senior Manager of Procurement & Accounts Payable be authorized to extend the contract for an additional four, one-year periods subject to adoption of the annual operating budget, vendor performance, and an increase based on the CPI to a maximum of 4% in years three and five; and
5. That the award in the amount of \$434,950.85 (inclusive of HST) be funded from account 750-751-5312 (Security Guard Services); and
6. That staff be authorized to award a one-year pilot program in the amount of \$170,503.77 inclusive of HST for the mobile security guard services; and
7. That the Commissioner, Corporate Services and Treasurer be authorized to extend the pilot program for mobile security guard services from November 1, 2025 – October 31, 2026 pending the success of the program and extension years from November 1, 2026 – October 31, 2030, in the additional annual amount of \$170,503.77 inclusive of HST per year; and
8. That the award amounts in 2025 to 2030 be subject to Council adoption of the respective annual operating budgets; and

9. That the shortfall for the period November 1, 2024 – December 31, 2024 be reported as part of the 2024 year-end results of operations and that the operating budget starting in 2025 be adjusted accordingly for the contract escalation and extension of the pilot for mobile security guard services, if approved, subject to adoption of the 2025-2030 operating budgets; and
10. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **PURPOSE:**

The purpose of this report is to obtain approval for the following:

1. Award the contract for both routine and on-demand citywide security guard services.
2. Award the contract for mobile security guard services (dedicated uniformed mobile patrol).

### **BACKGROUND:**

This Contract is for on-site security guard services at the Markham Civic Centre, located at 101 Town Centre Boulevard, along with dedicated mobile patrol services and additional security services at other City locations on an as-needed basis.

The purpose of the Contract is to protect people and property, maintain order and promote good relationships amongst the general public, employees and representatives of the City. The City's security program focuses on the preventative and deterring principles to guide security guards and minimize risk. The Contractor will be considered an agent of the City of Markham for protection of persons and property.

Guard services utilized by the City work closely with York Regional Police. They are intended to supplement the protection afforded by the York Regional Police, as the presence of security is to avert situations which could subsequently become matters that involve the police.

### **PROPOSAL INFORMATION:**

Bid closed on	August 30, 2024
Number picking up bid document	25
Number responding to bid	12

### **PROPOSAL EVALUATION:**

The evaluation team was comprised of staff from Sustainability & Asset Management and staff from the Procurement Department acted as the evaluation facilitator.

The evaluation was based on pre-established evaluation criteria as outlined in the Request for Proposal: Qualifications and Experience of the Bidder 10%, Experience and Qualification of the Personnel 15%, Resource Management 30%, Quality Assurance 15%, and price 30%, for a total of 100% with the resulting score as noted below.

<b>Bidder</b>	<b>Total Score (100 points)</b>
Paladin Security Group Ltd.	87

Paladin Security Group Ltd. is the incumbent and has been the citywide security guard service provider since their award in 2018. Since then, they have proven to be reliable and Staff are pleased with their performance and attention to detail. They also provide security guard services for City of Pickering, Brampton and Kingston, and a number of private organizations.

### **OPTIONS AND DISCUSSIONS:**

In June 2024, senior staff including the Commissioner, Corporate Services, the Treasurer, and Director of Sustainability & Asset Management endorsed a recommendation to pilot a 1-year program to add a dedicated uniformed mobile patrol within the City in response to a growing number of incidents spanning from 2021-2023, particularly in community centres and libraries.

The intent of this pilot is to provide fast physical support and security presence for all departments and City facilities after-hours and weekends. This mobile patrol will proactively patrol facilities and City property to mitigate instances such as illegal dumping, break and enters, homeless encampments, graffiti/vandalism, and other harmful behavior. Additional benefits expected include reduced overtime due to after-hours facility alarm calls, parks/operations calls, vandalism and damages.

The one-year uniformed mobile patrol pilot program is expected to cost \$170,503.77. Staff will monitor the pilot to determine outcomes and report to senior staff including the Commissioner, Corporate Services, Treasurer, and Director of Sustainability & Asset Management towards the end of the one-year pilot with a recommendation to continue or discontinue dependent on the performance of the vendor, demonstrated benefits of the service, and City security priorities.

### **FINANCIAL CONSIDERATIONS:**

Recommended bidder	Paladin Security Group Ltd. (lowest priced / highest ranked bidder)	
Current budget available	\$ 416,671.00	750-751-5312 (Security Guard Services)
Less cost of award	\$ 605,454.62	November 1, 2024 – October 31, 2025*
	\$ 434,950.85	November 1, 2025 – October 31, 2026**
	\$ 434,950.85	November 1, 2026 – October 31, 2027**
	\$ 434,950.85	November 1, 2027 – October 31, 2028**
	\$ 434,950.85	November 1, 2028 – October 31, 2029**
	\$ 434,950.85	November 1, 2029– October 31, 2030**
	\$ 2,780,208.87	Total cost of award (Incl. of HST)
Budget shortfall	(\$ 188,783.62)	***

\*Cost of award in year 1 includes a pilot program for additional mobile security guard services valued at \$170,503.77. Personnel include 1 full-time supervisor, 40 hours a week, 6 full-time security guards 24 hours a day, 7 days a week, and 2 full-time mobile patrol guards for 12 hours a day, 7 days a week.

\*\*Subject to Council adoption of the annual operating budgets. Years 3 and 5 are subject to Consumer Price Index (CPI) increase to a maximum of 4%.

\*\*\*The budget shortfall of \$188,783.62 is due to 1) the additional mobile security of \$170,503.77; and 2) contract escalation due to anticipated future contractor wages increases of \$18,279.85.

From 2018-2024 the contract cost rose by 9% to an annual cost of \$422,250.18. Under this new contract starting on November 1, 2024, the annual cost for the service is \$434,950.85 or 3% higher than our current cost. The cost increase is mainly due to an anticipated minimum wage increase on October 1, increasing from \$16.55/hour to \$17.20/hour.

Labour costs in comparison to other security firms bidding on this contract is fair with the lowest being \$434,950.85 / year and the highest being \$484,491.77 / year amongst bidders that met the tender requirements, excluding additional mobile security.

#### **ENVIRONMENTAL CONSIDERATIONS:**

Not Applicable.

#### **OPERATING BUDGET AND LIFE CYCLE IMPACT**

The portion of budget shortfall that is due to contract escalation and any subsequent CPI increases will be adjusted as part of the 2025-2030 operating budgets subject to adoption.

The cost related to the one-year pilot program will result in an unfavourable variance for 2024-2025, and will be reported as part of the 2025 year-end results of operations (offset by any favourability in other city expenditures). If the one-year pilot program is deemed successful, the proposed operating budget will be increased accordingly and with the same cost escalation as applied to the overall contract, subject to adoption of future operating budgets.

There is no incremental impact to the Life Cycle Reserve Study.

#### **HUMAN RESOURCES CONSIDERATIONS:**

Not applicable

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

<b>Goal</b>	<b>Examples – How the Solution can Help Achieve the Goal</b>
Exceptional Services by Exceptional People	Paladin Security Group Ltd. has been providing excellent and reliable citywide security guard services for the last 6 years.
Engaged, Diverse & Thriving City	Supports safe facilities for users of Markham facilities.
Safe & Sustainable Community	Security guards are imperative to operating safe and sustainable facilities for users and staff.
Stewardship of Money & Resources	This competitive procurement demonstrates good value for the City.

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**BUSINESS UNITS CONSULTED AND AFFECTED:**

Comments from Sustainability and Asset Management, and Finance have been incorporated into this report. Operations, Recreation, Culture and Library are supportive of the mobile pilot program.

**RECOMMENDED BY:**

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Graham Seaman,  
Director, Sustainability and  
Asset Management

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Trinela Cane,  
Commissioner, Corporate Services

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Andy Taylor,  
Chief Administrative Officer



Report to: General Committee

Meeting Date: October 22, 2024

**SUBJECT:** 2024 Asset Management Plan  
**PREPARED BY:** Denny Boskovski, Manager, Corporate Asset Management  
 Sustainability & Asset Management, Extension 6190

### **RECOMMENDATION:**

1. That the report and presentation titled “2024 Asset Management Plan” be received; and,
2. That Council endorse the findings from the update of the City’s Asset Management Plan, for all city owned and/or managed assets assessed at current levels of service; and,
3. That Council direct staff to submit the 2024 Asset Management Plan (the document) to the Ministry of Infrastructure, informed by the findings noted under Recommendation two and as outlined in this report; and make the document publicly available on the City’s website upon its completion; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **EXECUTIVE SUMMARY:**

The report seeks Council’s endorsement of findings from the update to the City’s asset management plan, which is required to maintain our compliance with Ontario Regulation 588/17. The regulation requires the 2024 update to include an assessment of all City assets based on current service levels, and to provide financial projections (minimum of 10 years). The findings are summarized as follows:

- The City’s assets have a combined current replacement value of \$17.5B
- City’s asset portfolio is relatively young (average age 33 years and average service life 81 years)
- City’s assets are in a GOOD state of performance (nearly 90 per cent)
- Additional funding will be required for asset repair and replacement, as well as asset acquisition to support growth (610,500 residents and 301,600 jobs by 2051)
- The City is applying and should continue to improve its asset management practices, including governance, standards, data management, and resource planning

The findings from the update to the asset management plan will inform the 2024 Asset Management Plan (the document), which is expected to be finalized before year end. Once the formal document is complete, staff will submit it to the Ministry of Infrastructure and post it on the City’s publicly facing website. This will conclude our regulatory requirements for phase three.

**PURPOSE:**

The purpose of this report is to seek Council's endorsement of the findings from the update to the City's asset management plan, which will inform the finalization and submission of the 2024 Asset Management Plan (the document) as required by Ontario Regulation 588/17.

**BACKGROUND:**

**Provincial legislation has been enacted requiring all municipalities to implement asset management planning**

In 2015, the province passed the [Infrastructure for Jobs and Prosperity Act](#) with [Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure](#), filed under this act. The regulation sets out detailed requirements for municipalities to ensure the long-term sustainability of municipal infrastructure through the preparation of a Strategic Asset Management Policy and a comprehensive Asset Management Plan (AMP) and companion Financial Strategy, through four phases or milestones, by July 1, 2025.

The regulatory phases and ongoing requirements are:



To date, the City has fulfilled phases one and two of the regulation with the 2024 Asset Management Plan (2024 AMP) fulfilling phase three requirements. Staff note that phase three was due on July 1, 2024. In consultation with the Ministry of Infrastructure, this date was recalibrated to October 2024. The 2025 Asset Management Plan and Financial Strategy due on July 1, 2025, fulfills phase four (and final phase) of the regulation.



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Previous and current undertakings include:

- 2016 Corporate Asset Management Plan
- 2019 Asset Management Audit by MNP LLP
- **Regulation phase 1** - 2019 Asset Management Policy
- 2021 Corporate Asset Management Program Review and Strategic Roadmap
- **Regulation phase 2** - 2021 Corporate Asset Management Plan
- 2021 Enterprise Asset Management (EAM) Software – Lucity Implementation (Phases 2 complete, Phase 3 scheduled to be complete in Q1 2025)
- 2022 Natural Assets Inventory and Evaluation
- **Regulation phase 3** - 2024 Asset Management Plan (subject of this report)
- Corporate Asset Management Strategy and Governance Framework (underway)

### OPTIONS/ DISCUSSION:

Asset Management is the coordinated activity of an organization to realize value from assets by balancing costs, risks, opportunities and performance benefits, in a sustainable manner. It considers all asset types and includes all activities involved in an asset's life cycle including planning, acquisition and the impacts of growth, operations, maintenance, renewal and disposal of any remaining liabilities.

Having said this, asset management best practice ensures that:

- **Value** – That the value proposition that assets support, from their initial acquisition, through to their renewal or replacement, stays in the forefront as customer and stakeholder needs change over time.
- **Alignment** – That organizational objectives translate into holistic and informed technical and financial decisions, and ensure that we are doing what we “say” is important.
- **Leadership & Workplace Culture** – That decision makers stay informed of the asset management system's state of maturity (outlines current state of capabilities and capacity to provide key functions), and of our asset's current state of performance.
- **Assurance** – That assets fulfill their required purpose by ensuring that processes link asset purpose and performance to strategic objectives, and checks that the City “gets” what it set out to achieve.

Markham is projected to grow in population (people) and employment (jobs) to 610,500 and 301,600 respectively by 2051. Demands for services from customers and stakeholders alike will also evolve and continue to compete for limited resources throughout this journey of growth and intensification.

As a result, modernization and integration of the City's asset management governance, systems and processes, aims to develop sustainable service levels and practices that balance costs, residual risks, and acceptable performance results. The benefits of a modern and integrated asset management system and practice will position the City to successfully manage current and anticipated future service pressures and be a powerful enabler. Additional benefits include:

- 
- Support holistic and informed asset investment decisions
  - Support financial and asset performance
  - Enhance risk management within a common framework
  - Improve services and outputs
  - Demonstrate sustainability, climate change and community social responsibility
  - Demonstrate regulatory and industry compliance
  - Enhance the City's reputation
  - Improve organizational sustainability
  - Improve efficiency and effectiveness of resources, data and information

**The 2024 Asset Management Plan is a multi-disciplinary guiding document that considers all City strategies and regulatory and community-based business drivers**

Asset management plans play an important role in municipal planning, informing the amount and timing of funding to maintain, repair or replace assets, ensuring that they are in a good state of performance and support desired service levels. The City uses information from asset management plans, such as condition assessments, as an input into work plans, operating and capital budgets, and financial strategies, including updates to City's Life Cycle Reserve and the Waterworks Stabilization/ Capital Reserve studies. An asset management plan itself is a decision-making tool, which informs the financial strategy required to achieve a desired level of service, while balancing or minimizing risks.

The 2024 Asset Management Plan is the 3rd of 4 phases required to satisfy O. Reg. 588/17. Scope of this plan includes:

- All known assets that the City owns and manages
- An assessment of the current state of the infrastructure, including asset replacement values and current asset performance
- An assessment of the current levels of service provided to the community
- Documentation of the lifecycle activities required to maintain current service levels
- A risk assessment of the City's assets
- A financial summary outlining the cost requirements to maintain current service levels through to 2051
- Plan is based upon 2023 year-end data

The process of developing this asset management plan resulted in the development or establishment of several industry best practice frameworks and tools that will support the City's asset management program well into the future. These include:

- A service-centric asset hierarchy that details the relationships between assets and the services they provide to the community
- In-house growth model forecasting future asset acquisitions and resource needs
- Levels of service framework and performance measures
- Risk management strategy and risk ratings aligned to assets
- Life cycle renewal forecast computational model

## The State of the Infrastructure

The City's assets have a combined current replacement value of **\$17.5B**. This means that it would cost the City approximately \$17.5 billion should it replace all of its assets today.

Figure 1 below provides a breakdown of asset current replacement value organized by the services they support. The previously endorsed 2021 Asset Management Plan established that all City assets have a combined replacement value of \$9.63B. The increase in overall value is attributed to:

- The updating of replacement cost unit rates (including accounting for inflation)
- Increase in quantities of assets related to:
  - new assets acquired since the 2021 Asset Management Plan
  - inclusion of natural assets
  - improvements to the currency and accuracy of base-data inflows

Specifically, the road pavement component of the Transportation Service represents the largest material change due to an increase in their current replacement value and life cycle renewal unit rates where:

- Road value from the 2021 Asset Management Plan = \$768M
- Road value from the 2024 Asset Management Plan = \$7.149B

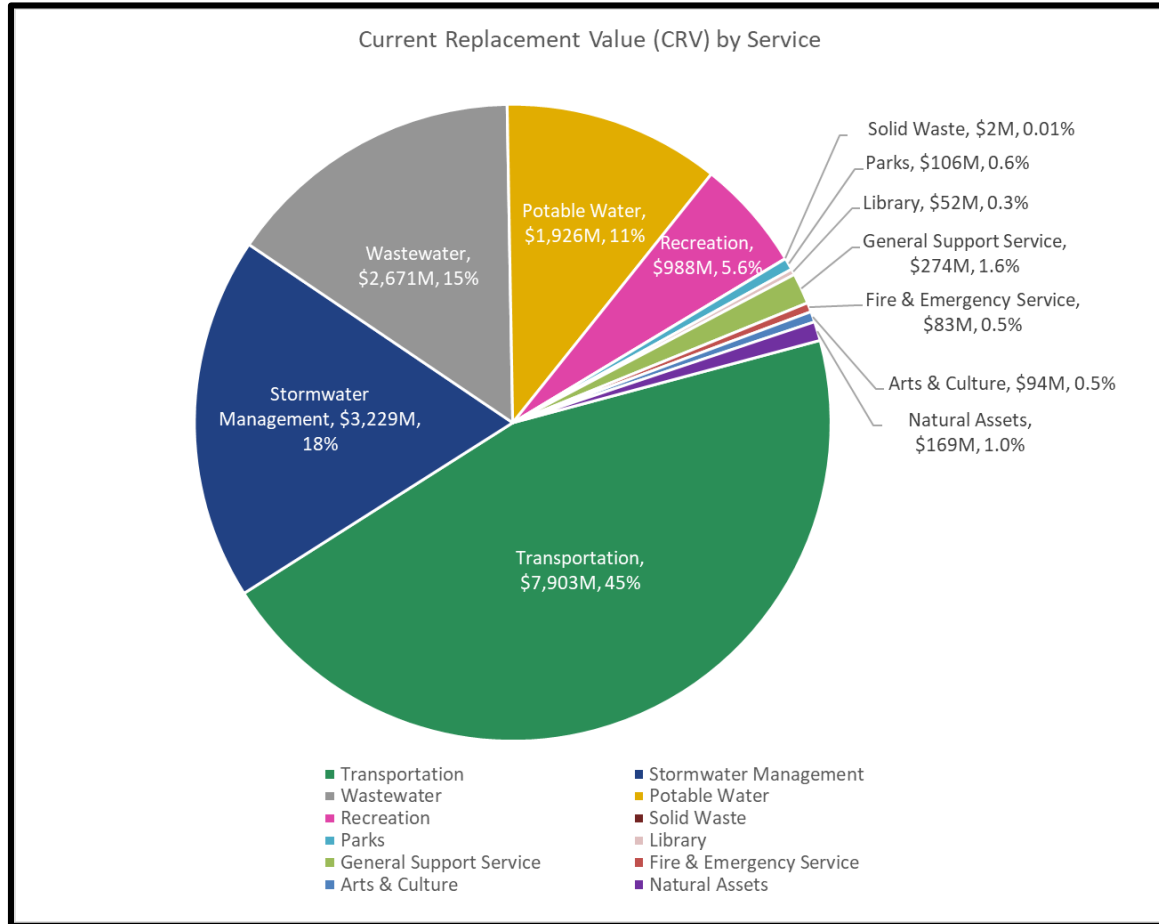
Current replacement value means the total cost to replace an asset like-for-like. Markham's standard practice to maintain roads in a good state of performance is to provide preventative maintenance including road resurface ("shave and pave"). For the 2021 Asset Management Plan, resurfacing unit rates were used to determine a road's current replacement value.

The 2024 Asset Management Plan uses industry best practice to determine the full replacement cost of assets. Staff note that the updated value is aligned with other GTA based municipalities and was recommended by GEI Consultants Inc. (formerly GM BluePlan Engineering Limited), whom were retained to develop the 2024 Asset Management Plan.

Staff also note that this change will not affect the Lifecycle Reserve Study for resurfacing as resurfacing unit rates continue to be used to determine the cost to resurface a road. Staff will review and adjust the proposed annual capital budget based upon changes to the road network size, condition ratings, and identified needs as they come forward.

While this increase may be perceived as significant, it is an example of **asset management best practice achieving** what it sets out to accomplish. In this instance, to continuously improve an organization's data accuracy.

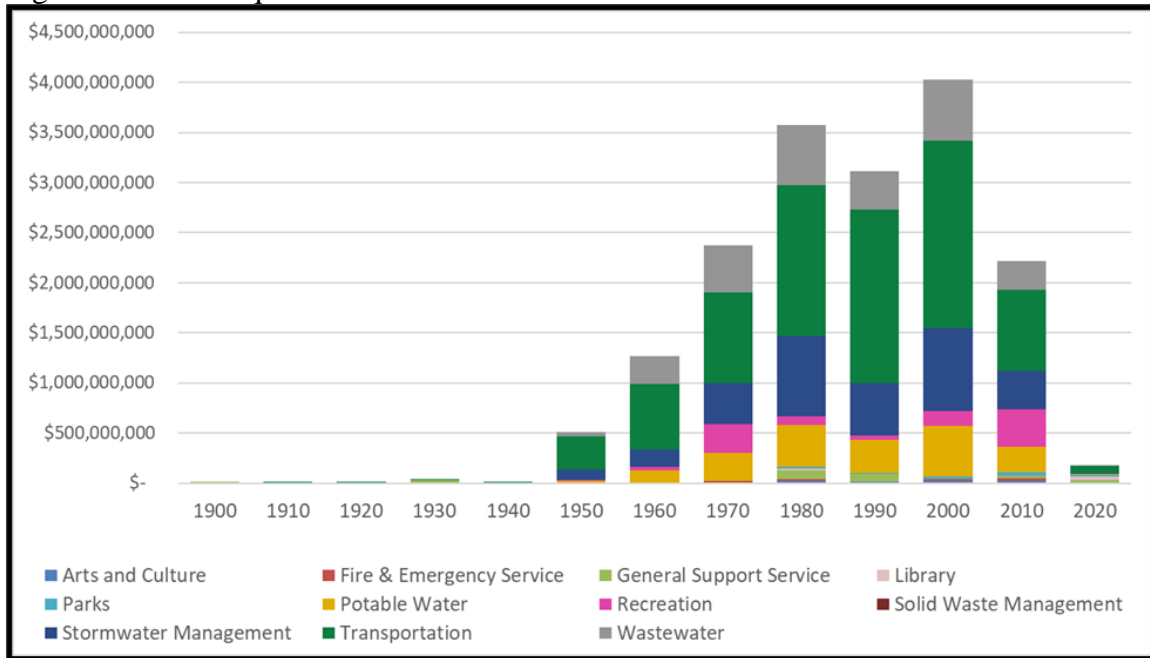
Figure 1: Asset Current Replacement Value by Service



### Most of the City's assets were acquired from the 1980s through to the 2000s

Historically, asset acquisitions supporting growth peaked from the 1980s through to the 2000s. Figure 2 highlights the City's asset acquisition profile organized by service. It is typical to see population growth and construction peaks beginning in the 1970s for many GTA municipalities.

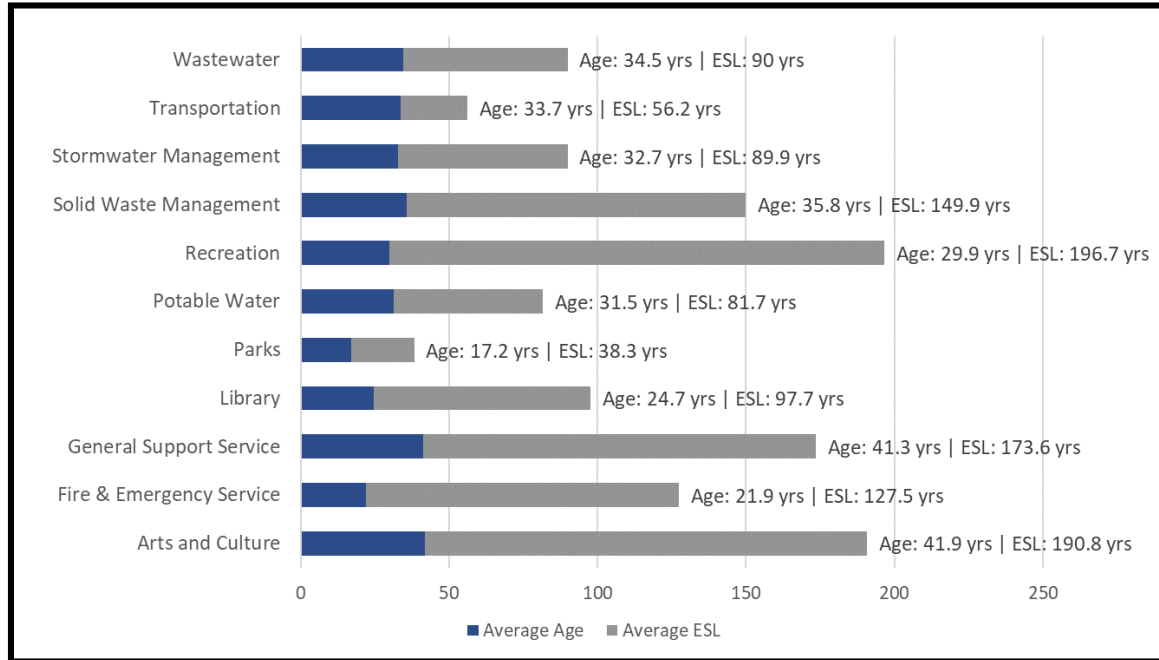
Figure 2: Asset Acquisition Profile



Overall, the City's combined asset portfolio has an average age of 33 years and average useful service life of 81 years. Figure 3 below highlights the average age of assets compared with their average estimated service life. Furthermore, this figure highlights the degree of service life "consumption" at a macro level.

Generally, the City's assets are in the earlier stages of their service life. This indicates that City assets on average should experience lower maintenance and renewal pressures. As assets continue to age, the City will see an increase in maintenance and renewal pressures, of which will generally correspond with historical and/or significant construction peaks noted in Figure 2. This is a primary benefit of integrated asset management planning where use of a long-term lens to forecast and identify financial pressures into the future provides the City with improved capabilities to proactively plan its approach to keep assets in a good state of performance.

Figure 3: Average Age and Estimated Service Life Profile by Service



### Overall, the City's assets are in a **GOOD** state of performance

The assessment rating system used in this asset management plan is aligned with the Canadian Infrastructure Report Card methodology. This system provides a standardized and descriptive framework that allows for comparative benchmarking across all services and asset portfolios. Figures 4 and 5 below highlight the distributed performance state of the City's assets including an explanation of what each category state means.

Overall, the combined average performance rating for all assets is **GOOD** and have remained in this state since staff last reported to Council through the endorsed 2021 Asset Management Plan. Specifically:

- 88% of assets are generally within the first half of their useful service life and are performing as intended
- 12% of assets are generally within the latter half of their useful service life and are the subject of planned maintenance and/or renewal life cycle activities

The objective is to ensure that assets remain fit for purpose and continue to deliver services to the community long into the future. By continuing to monitor asset performance, the City can be proactive in its approach to managing assets in a state of performance.

Figure 4: Overall Asset Performance State

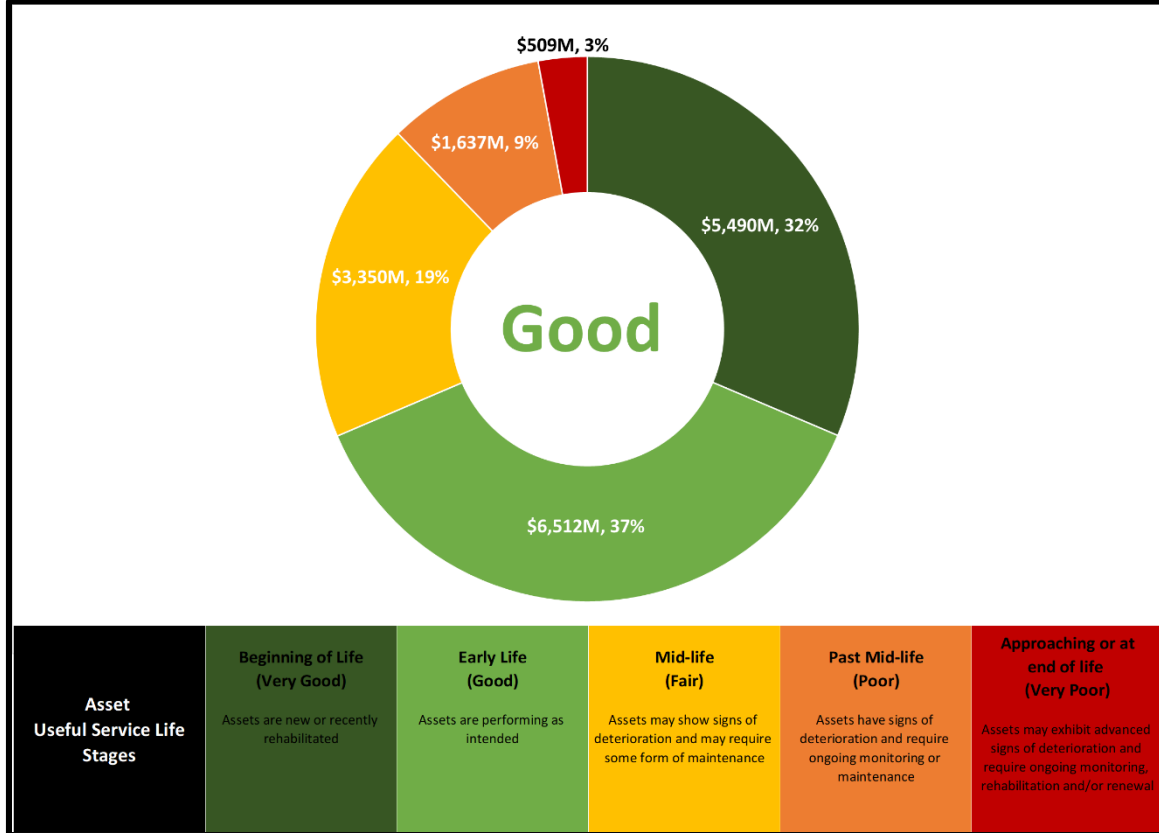
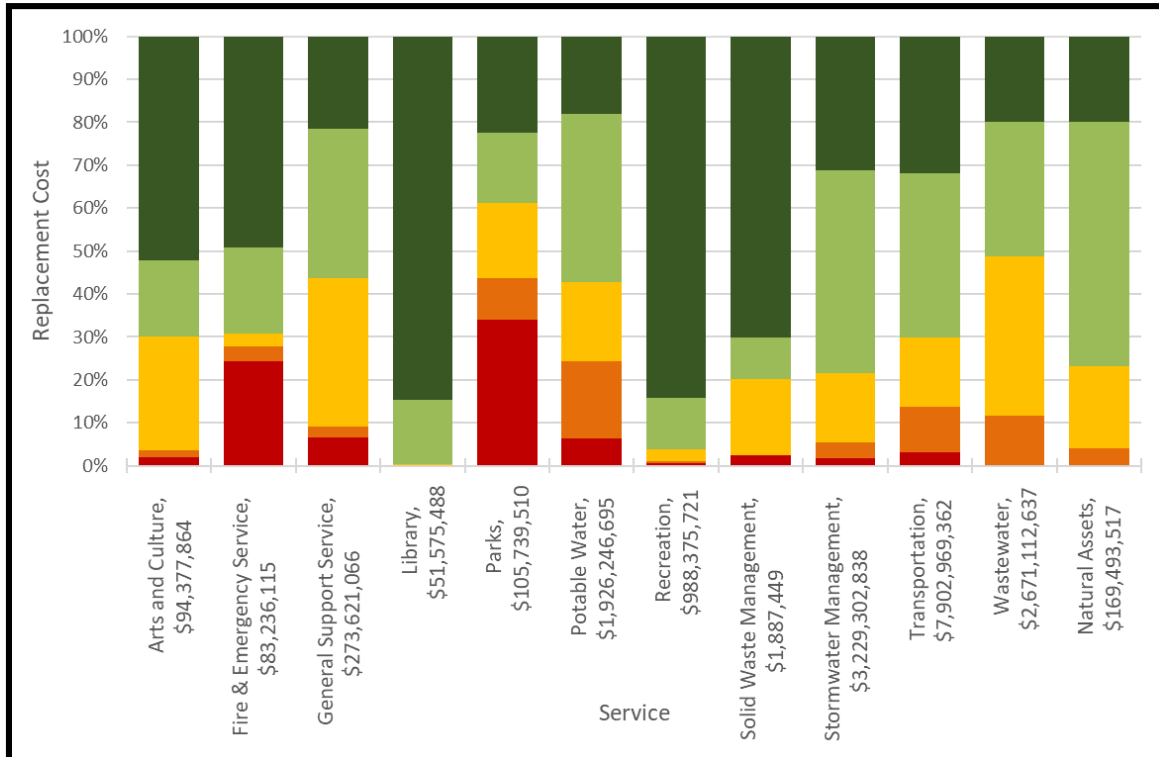


Figure 5: Asset Performance State Distribution by Service



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## Markham is poised to grow significantly by 2051

The 2022 York Region Official Plan identifies growth forecasts that the City is responsible for implementing. York Region's plan forecasts that population will grow to approximately **610,500 residents and 301,600 jobs by 2051**. Growth within Markham will primarily be accommodated through development within designated growth areas (typically green fields) and intensification within strategic growth areas (Yonge Street corridor, etc.).

Ontario Regulation 588/17, Section 5.(2).6.vi, requires the City to integrate the following information into their asset management plans:

*“For each of the 10 years following the year for which the current levels of service under paragraph 1 are determined, the estimated capital expenditures and significant operating costs related to the lifecycle activities required to maintain the current levels of service in order to accommodate projected increases in demand caused by growth, including estimated capital expenditures and significant operating costs related to new construction or to upgrading of existing municipal infrastructure assets.”*

To support asset management requirements and inform more granular financial planning, staff developed growth projections that align the City's land use policies with the population and employment projections noted above. **Preliminary projections suggest possible asset growth needs averaging a 74% increase across all portfolios with resource needs averaging a 70% increase.** This growth in asset base will require additional funding and resourcing to adequately support acquisition, operations, maintenance and renewal pressures (see Financial Considerations).

## Three industry best practice frameworks and tools were developed for this plan

Asset management is a centre of excellence that directly informs financial planning, annual business planning, budget allocation and expected performance results. Frameworks, standards and tools work to better coordinate the activities of an organization and improve upon its capabilities. The following are new “tools in the toolbox” that will complement the development the City's 2025 Asset Management Plan and Financial Strategy, and be further operationalized and integrated within the City's systems and processes over time.

### 1. Levels of Service

A level of service (LOS) is a measure of “what” the City provides to the community and the nature and quality of that service. Many activities may be directly driven by legislated requirements, as well as by federal, provincial and City strategic objectives. **This framework is key to linking service levels (effort) with expected performance results (condition, function or capacity).** Service levels are defined in three ways; customer values, customer/ community levels of service, and technical levels of services.

- Customer Values: summarizes the different customer expectations of each service



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- Customer/community LOS: contains a suite of LOS measures that focus on customer experiences that use language that is familiar to the community.
  - Technical LOS: details measures that the City uses to understand if it is managing assets to the level appropriate to meet community expectations.

In summary, technical service levels represented by our day-to-day work programs provided at their current provision, result in customer service levels (the asset's resulting performance state), that work to satisfy customer values and deliver the City's strategic objectives.

## 2. Risk Management Strategy

The purpose of a Risk Management Strategy is to detail the City's approach to evaluating risk, as well as the risks associated with the current state of assets and service areas. As part of the development of the 2024 AMP, a risk management strategy was developed to assess the risks of the City's asset portfolio. This was done by evaluating the likelihood of failure (LOF) and consequence of failure (COF) of each asset using a standardized framework.

LOF represents the likelihood of an asset failing, relative to a specific failure event. For the purposes of the 2024 AMP, asset failure refers to failure due to poor condition, resulting in the asset no longer functioning as intended, and/or inability to provide its intended service. Therefore, the LOF of an asset is linked to its condition and is rated on a scale of 1 to 5.

The COF framework defines the consequences that may occur should an asset fail or stop providing its intended service. The City's COF framework contains evaluation criteria, which were developed using a "triple bottom line" analysis, which evaluates the financial, social, and environmental consequences, also on a scale of 1 to 5.

LOF and COF scores are multiplied together to determine an overall risk rating score out of a maximum score or highest risk of 25. The City's risk management framework is a new analytical tool that ranks all assets from very low risk through to very high risk, and can be used to better inform departmental business planning and decision making, specifically to determine where investment is best made within an environment of limited resources. Results from this analysis indicate that:

- 48.8% or \$8.5B of all assets assessed as Very Low risk or fit for future use
- 44.4% or \$7.8B of all assets assessed as Low risk or adequate for now
- 6.4% or \$1.1B of all assets assessed as Moderate risk or may require attention
- 0.4% or \$67.5M of all assets assessed as High risk or requires attention
- **NO ASSETS are assessed as Very High risk or unfit for sustained service**

Staff note that an asset assessed as moderate risk or higher does not necessarily mean that an asset should be replaced, but rather highlights the significance of the asset in the context of the service it supports. This in turn informs the planning and integration of robust mitigation strategies within regular day to day operating and maintenance practices or better inform future renewal needs.

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### 3. Life Cycle Renewal Strategies and Computational Model

Life cycle is a term used to document activities and their costs throughout all stages of an asset's life. Lifecycle activities and/or events generally consist of day-to-day activities of an organization to provide services. These activities are organized into categories that include; acquisition, operations, maintenance, renewal and disposal.

The City generally employs 2 methods of renewal which are defined as:

- Rehabilitation – significant works or repairs that extend an asset's service life
- Replacement – replacement of an asset with another like-asset

The 2024 Asset Management Plan developed a computational model that integrates the decision-making logic that departments principally use to determine when an asset will require renewal at a macro level. Renewal unit rates determine the cost of the activity. The computational model does not consider more advanced resource optimization strategies such as strategically deferring or bundling renewal activities in order to realize an economic, social or environmental benefit. Those nuances in business planning remain at the discretion of staff.

Outputs from the model and how they relate to the City's budgeting trends and process is discussed further in the Financial Considerations section of this report.

#### **The City's commitment to continuous improvement is a journey that never ends**

Ontario Regulation 588/17, Section 3.(1).3, requires the City to document:

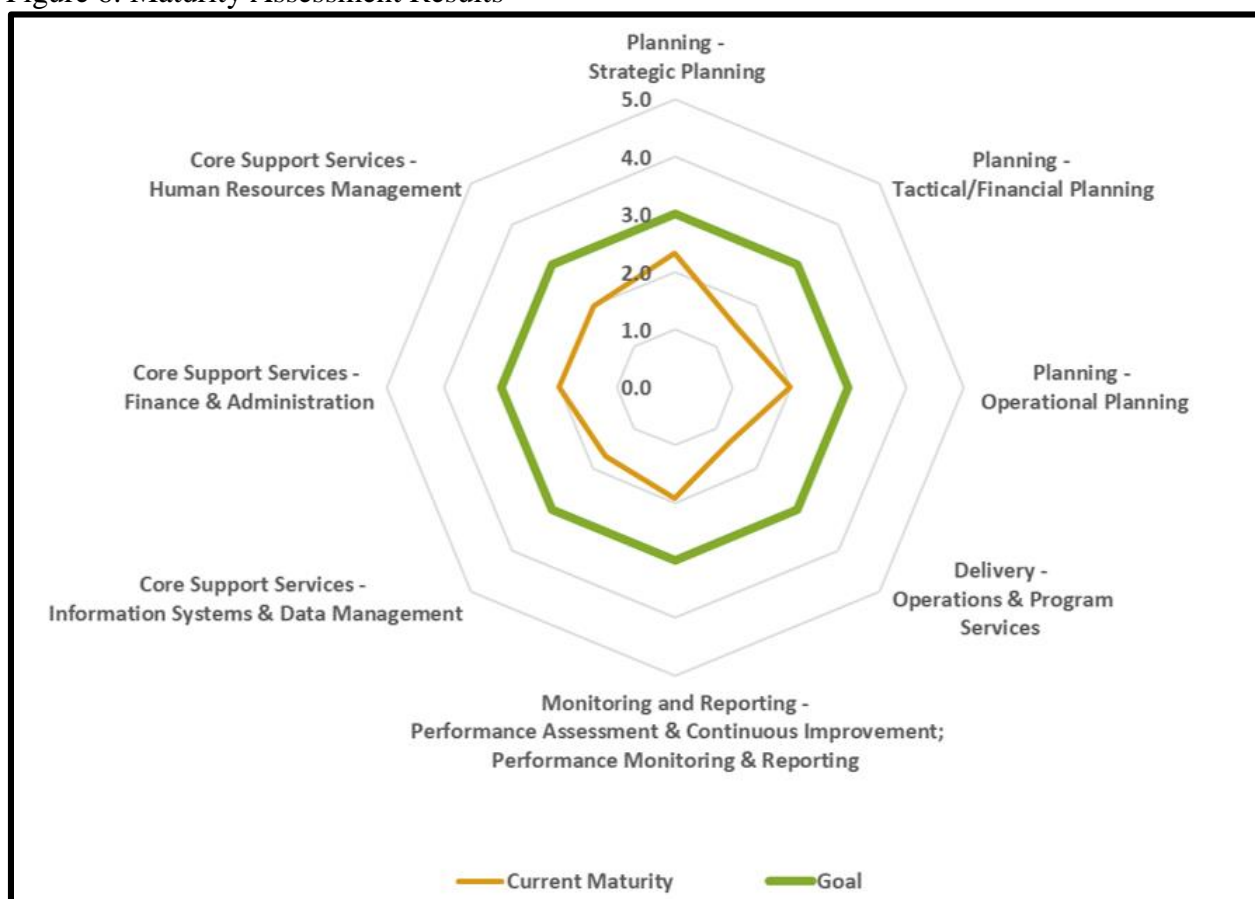
*"The municipality's approach to continuous improvement and adoption of appropriate practices regarding asset management planning."*

Under the supervision of the Asset Management Steering Committee, Corporate Asset Management has embarked on an evaluation of the City's current capabilities in order to determine the City's approach to continuous improvement and adoption of appropriate practices regarding asset management planning. This can also be referred to as modernization.

The Corporate Asset Management Strategy and Governance Framework project (in progress) has assessed the City's current state of practice compared with industry best practice. The industry refers to this exercise as a maturity assessment. The goal of the maturity assessment is to determine if there are any gaps in the City's practices and how well coordinated practices are. Maturity assessment findings are scored using the following categories; 0-innocent, 1-aware, 2-developing, 3-core, 4-optimizing and 5-excellent.

The City has completed a maturity assessment with the results shown in Figure 6 below.

Figure 6: Maturity Assessment Results



**Markham aspires to mature our asset management planning capabilities to a “core” (3.0) rating across all eight areas.**

Staff note that most municipalities in Ontario are below a “core” rating. Improvement strategies that will bring the City to a “core” rating are in the early stages of development.

Emerging improvement strategy themes include:

- Defining and evaluating asset management governance, roles and responsibilities
- Consistent and formalized standards, processes and procedures
- Improved data and information
- Formalized resource planning
- Improved demand/ growth analysis
- Stakeholder engagement
- Acquire and/or improve upon supporting systems, tools and integrations

Further updates from this important work will be socialized as new information becomes available.

In closing, staff are finalizing the formal 2024 Asset Management Plan (the document) with its completion expected before year’s end. Once the formal document is complete,

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staff will submit it to the Ministry of Infrastructure and post it on the City's publicly facing website. This will conclude our regulatory requirements for phase 3.

## FINANCIAL CONSIDERATIONS

Endorsement of this report and the 2024 Asset Management Plan has no immediate financial impacts.

Subject to further analysis and assessment, the findings should help inform the development of future financial plans. These include the asset management financial strategy that will accompany the 2025 update of the Asset Management Plan. Phase 4 of the regulation requires the City to build upon the endorsed 2024 Asset Management Plan in order to consider "proposed or appropriate" levels of service, and develop a financial strategy that outlines how the City will fund said level of service. Council will be required to endorse this plan and financial strategy by July 1, 2025. As with any resource planning exercise, discussions around service levels, risk-based prioritization, and financial sustainability will need to be part of asset management considerations going forward.

Asset management findings and the financial strategy should also help inform more regular processes like the development of annual budgets and updates to development-based background studies. Using historical financial data to estimate possible funding requirements to support the City's asset management needs, the 2024 update suggests average capital budget requirements of approximately **\$200 million per year** for the Asset Management Plan's planning period (to 2051). These figures are expected to vary year-over-year, depending on a number of factors, including asset management schedules, prioritization of capital projects, etc. The cost of new assets to service growth will be incorporated into the development of future development charge background studies; for reference, the current Council-approved background study (2022–2031) incorporates a \$2.79 billion capital program (hard and soft services). Asset management needs will also result in operating pressures, including staffing, that will be considered as part of the annual budget process.

As part of the City's financial policy and planning process, annual contributions to the City's Life Cycle Reserve enable the City to set aside funds to meet asset management needs. These contributions form part of the annual operating budget, and are supplemented by any year-end surplus. To address increasing asset management needs, the City has been gradually escalating budgeted contributions to the Life Cycle Reserve, with a current target incremental contribution of 1% of the City's tax levy.

While the Life Cycle Reserve Study is a substantive portion of our repair and renewal strategy, it should be noted that the City also utilizes funding from the water rate, the storm water fee, and external grants to support maintaining assets in a good state of performance. The water rate and storm water fee are regularly reviewed and calibrated as part of the budget process with a view to ensuring sustainable funding for identified assets.

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Further incremental contributions, or adjustments to the revenue mix from these revenue sources may need to be considered to support the asset management financial strategy.

**In closing**, staff note that the practice of asset management is a journey of continuous improvement and not a destination. Some source data, frameworks, tools and models developed for this asset management plan were developed for the first time and represents the best information available as of this writing. The new “tools in the toolbox” developed for the 2024 AMP assist in quality control, validate and monitor our performance. As the City matures its practices, accuracy of data and forecasting will improve. This may result in ongoing adjustments to monetary values that will be reported through future iterations of asset management plans.

## **HUMAN RESOURCES CONSIDERATIONS**

Not applicable

## **ALIGNMENT WITH STRATEGIC PRIORITIES:**

Asset Management is a broad practice and centre of excellence that covers the majority of services that a municipality provides. All of the City’s strategic priorities are an input to developing and implementing asset management policy, objectives, strategies, plans, systems and processes.

The 2024 Asset Management Plan is fully aligned with Building Markham’s Future Together:

- Goal 1 – Exceptional Services by Exceptional People
- Goal 2 – Engaged, Diverse, Thriving and Vibrant City
- Goal 3 – Safe, Sustainable and Complete Community
- Goal 4 – Stewardship of Money and Resources

## **BUSINESS UNITS CONSULTED AND AFFECTED:**

This report was developed under the supervision of the City’s Asset Management Steering Committee and in consultation with Financial Services.

## **RECOMMENDED BY:**

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Graham Seaman  
Director, Sustainability & Asset Management  
Chair, Asset Management Steering Committee

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Joseph Silva  
Treasurer

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Arvin Prasad  
Commissioner, Development Services

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Morgan Jones  
Commissioner, Community Services

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Trinela Cane  
Commissioner, Corporate Services

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Andy Taylor  
Chief Administrative Officer

**ATTACHMENTS:**  
2024 Asset Management Plan - Staff Presentation





# 2024 Asset Management Plan

**Corporate Asset Management  
General Committee, October 22, 2024**





# Agenda

1. Regulatory Requirements
2. This Plan's Features
3. 2024 Asset Management Plan's Findings
4. Recommendations







# Markham's AM Journey

Strategic Plan – 2020 to 2026  
Building Markham's Future Together

## Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure





# 2024 Asset Management Plan

Page 64 of 72  
**Strategic Plan – 2020 to 2026**  
Building Markham's Future Together

The 2024 Asset Management Plan is the **3<sup>rd</sup> of 4 phases** required to satisfy O. Reg. 588/17, scope includes:

- *All known assets that the City owns and manages*
- *An assessment of the current state of the infrastructure, including asset replacement values and current asset performance*
- *An assessment of the current levels of service provided to the community*
- *Documentation of the lifecycle activities required to maintain current service levels*
- *A risk assessment of the City's assets*
- *A financial summary outlining the cost requirements to maintain current service levels through to 2051*
- *Plan is based upon 2023 year-end data*

Several industry best practice frameworks and tools were developed:

- *A service-centric asset hierarchy that details the relationships between assets and the services they provide to the community*
- *In-house growth model forecasting future asset acquisitions and resource needs*
- *Levels of service framework and performance measures*
- *Risk management strategy and risk ratings aligned to assets*
- *Life cycle renewal forecast computational model*

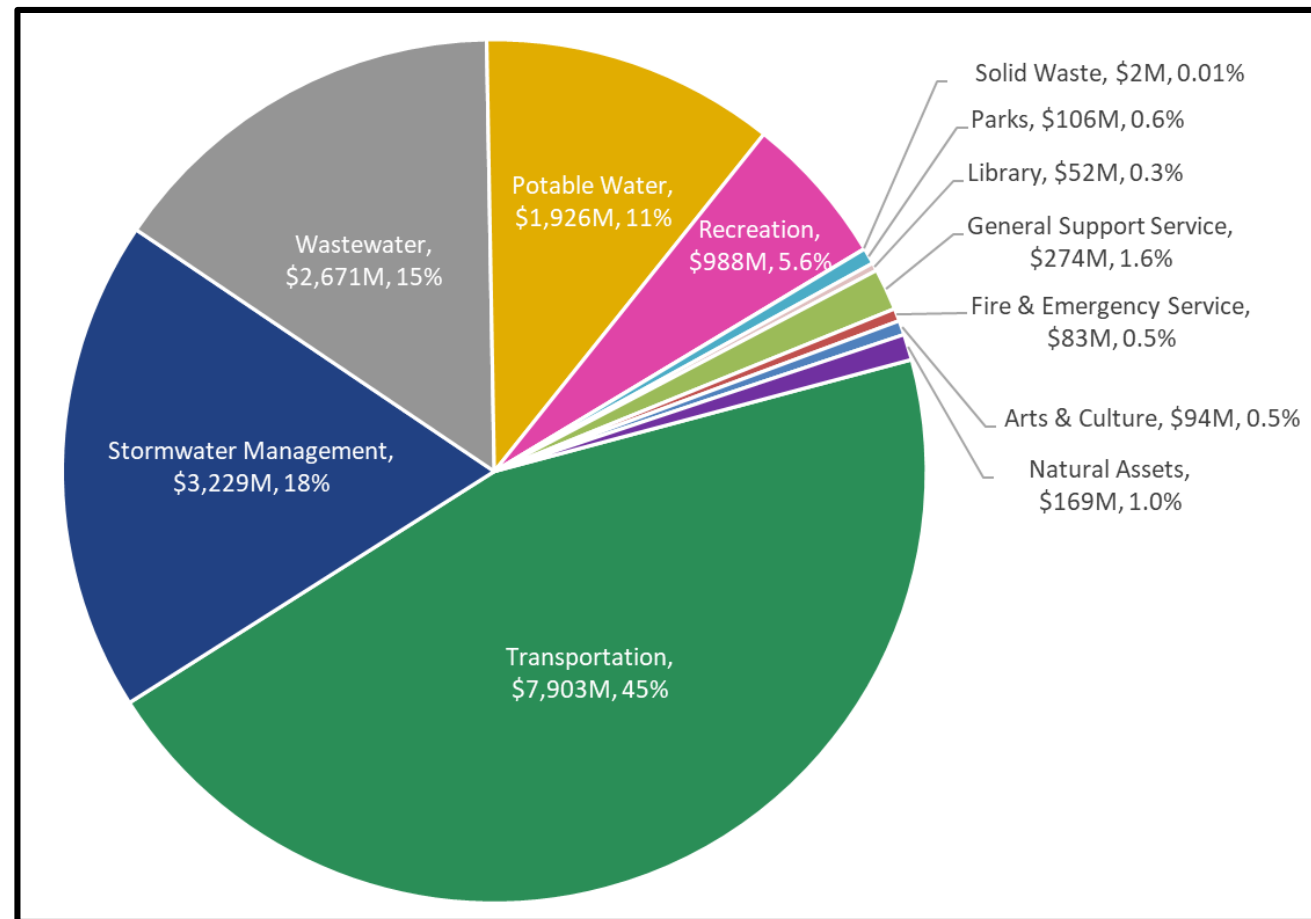


# State of City Infrastructure

## Current Replacement Value (CRV) by Service

### Key Takeaways

- The City's assets have a combined current replacement value of **\$17.5B**
- 2021 Asset Management Plan CRV = \$9.63B
- Increase in overall value mainly attributed to the updating of replacement cost rates and asset acquisitions since 2020
- The road pavement component of Transportation represents the largest material change due to an increase in **replacement cost unit rates**, for comparison:
  - 2021 Asset Management Plan = \$768M
  - 2024 Asset Management Plan = \$7.149B
  - Change is a result of no longer using a resurfacing ("shave and pave") unit rate to determine a road's current replacement value

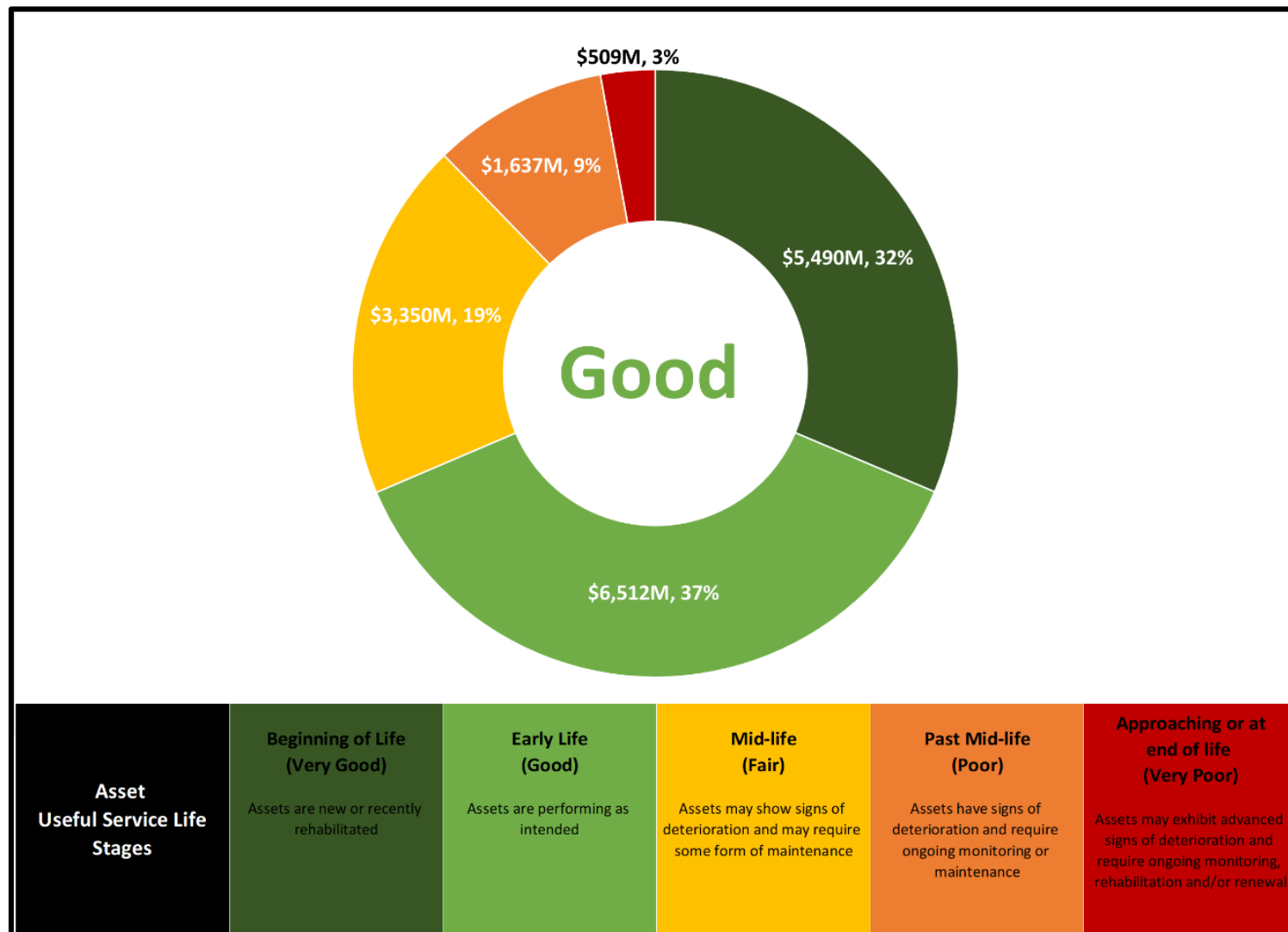




## Installation & Performance Profiles

### Key Takeaways

- Asset acquisitions peaked from the 1980s through to the 2000s
- The City's assets are relatively young:
  - Average age of **33** years
  - Average useful service life of **81** years
- Overall, assets remain in a **GOOD** state of performance since last reported
- **88% or \$15.4B** of assets performing as intended
- **12% or \$2.1B** of assets are subject of planned maintenance or renewal



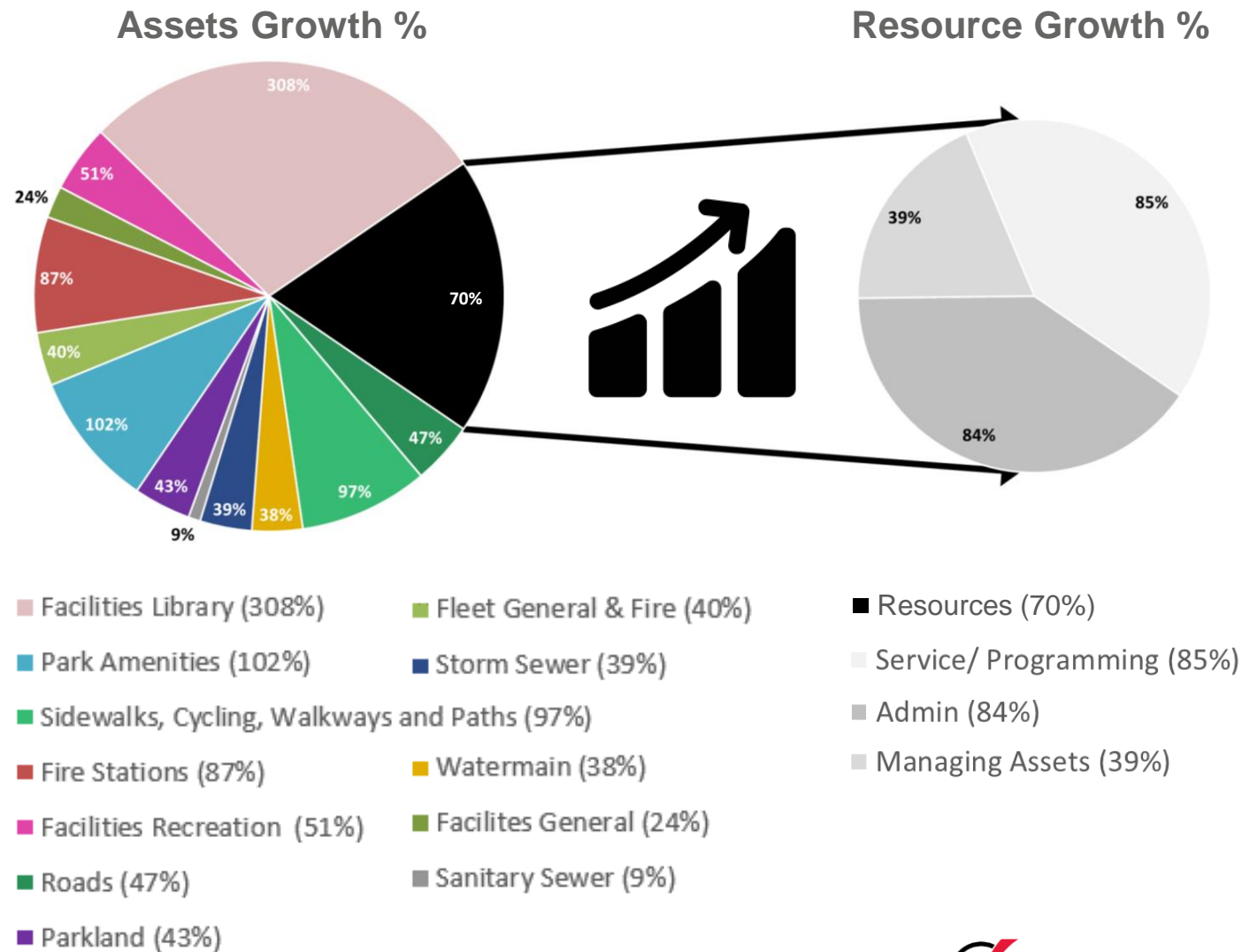


# NEW Growth Model

## Asset & Resource Based Growth Projections to 2051 (full build-out)

### Key Takeaways

- The City will grow to approximately **610,500 residents and 301,600 jobs by 2051**
- Preliminary projections suggest:
  - Asset growth averaging **74% increase** across all portfolios
  - Resource growth averaging **70% increase**
- Peak development and construction activity may be expected around **2026-2035** and again in the **2041-2050** timeframes
- The City's current Development Charges Background Study determined that **\$2.79B** is required to support growth from 2021 through to 2031
- **Additional DC funding will** be required to support growth from 2031 through to 2051

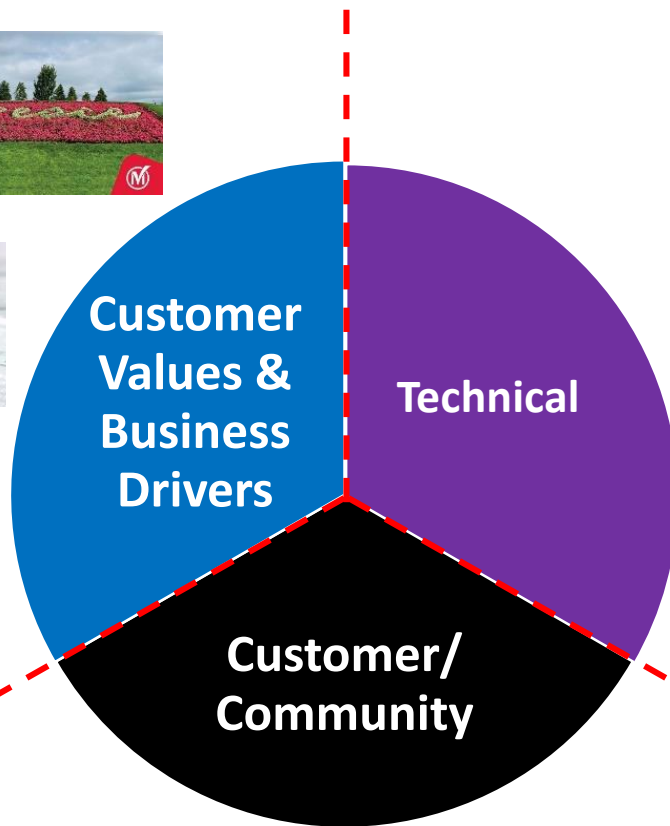




# NEW Levels of Service

## WHY WE DO THINGS

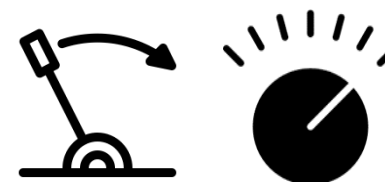
- Council Direction
- BMFT
- Legislative requirements with mandates & regulations
- Tax payer priorities



## ANNUAL WORK PROGRAMS & BUDGETS

(work we do and cost)

- Bridge Inspection
- Road resurfacing
- Valve exercising
- Water quality sampling
- Building renovation
- HVAC replacement
- Computer replacement



## PERFORMANCE MANAGEMENT

(what the end user experiences)

### Resulting Condition

- 88% of assets are performing as intended
- 12% of assets are subject of planned maintenance or renewal

### Resulting Functionality

- # of closures/ IT server downtime



### Resulting Capacity

- Widen a 2 lane to a 4 lane road

### Resulting Availability/ Accessibility

- Can I connect to municipal water?





## Key Takeaways

- Highlights the significance of the asset in the context of the service it supports
- Better informs day to day operating, maintenance and renewal practices
- 48.8% or \$8.5B** of all assets assessed as **Very Low risk or fit for future use**
- 44.4% or \$7.8B** of all assets assessed as **Low risk or adequate for now**
- 6.4% or \$1.1B** of all assets assessed as **Moderate risk or may require attention**
- 0.4% or \$67.5M** of all assets assessed as **High risk or at risk or requires attention**
- NO ASSETS** are assessed as **Very High risk or unfit for sustained service**

*Risk Rating (out of 25) = Likelihood of Failure (out of 5) × Consequence of Failure (out of 5)*

		Consequence of Failure				
		1	2	3	4	5
Likelihood of Failure	1	\$84,338,977 0.5%	\$2,191,182,430 12.5%	\$3,031,655,144 17.3%	\$149,016,025 0.9%	\$0 0.0%
	2	\$127,927,211 0.7%	\$2,743,160,517 15.7%	\$3,303,538,056 18.9%	\$254,801,676 1.5%	\$2,836,032 0.0%
	3	\$105,132,401 0.6%	\$1,807,073,834 10.3%	\$1,415,437,168 8.1%	\$67,632,808 0.4%	\$10,272,917 0.1%
	4	\$52,889,314 0.3%	\$778,189,355 4.4%	\$800,685,177 4.6%	\$55,515,269 0.3%	\$0 0.0%
	5	\$45,763,184 0.3%	\$220,459,770 1.3%	\$238,713,920 1.4%	\$11,979,447 0.1%	\$0 0.0%

Legend		
Very Low	1-5	Fit for the Future
Low	6-10	Adequate for Now
Moderate	11-15	Requires Attention
High	16-20	At Risk
Very High	21-25	Unfit for Sustained Service

### Staff notes:

- A new tool in the tool box

### Methodologies used in its development

- Common framework that fits all asset types and the services that they support
- Defining asset failure:
  - Likelihood of failure (LoF) score out of 5
  - Consequence of failure (CoF) score out of 5
- Scores are multiplied together for an overall risk rating out of 25



# Financial Summary

## Maintain Current Level of Service Scenario

### *Key Takeaways*

- Preliminary findings suggest:
  - Approximately **\$200M** average annual capital requirement (to 2051) to keep the asset portfolio's performance rated as **GOOD**
  - City is managing financial resources **well**
  - Renewal needs and service delivery pressures for assets in service today are expected to **peak in 2040-2044, and again by 2051**
  - New assets to service growth are expected to **peak in 2026-2035 and again in the 2041-2050 timeframes**
- This important work should help inform:
  - Future financial planning to set optimal infrastructure investment target
  - Annual budgets
  - Background studies that support growth and development
- Asset management needs will also result in operating pressures, including staffing, that will be considered as part of the annual budget process







# Recommendations

## General Committee, October 22, 2024

1. That the report and presentation titled “2024 Asset Management Plan” be received; and,
2. That Council endorse the findings from the update of the City’s Asset Management Plan, for all city owned and/or managed assets assessed at current levels of service; and,
3. That Council direct staff to submit the 2024 Asset Management Plan (the document) to the Ministry of Infrastructure, informed by the findings noted under Recommendation 2 and as outlined in this report; and make the document publicly available on the City’s website upon its completion; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.



Thank you

