



Report to: General Committee

Meeting Date: March 22, 2021

SUBJECT: Transfer Payment Agreement for the Provincial Audit and Accountability Fund (AAF)

PREPARED BY: Jerome Callender, Senior Business Operations Analyst – ext. 3679

RECOMMENDATION:

1. That the report entitled “Transfer Payment Agreement for Provincial Audit and Accountability Fund” be received; and,
2. That the Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing (the “Province”) to fund the Plan for Expansion of the Administrative Monetary Penalties System (AMPS) , provided the agreement is in a form satisfactory to the Commissioner of Corporate Services and the City Solicitor; and,
3. That a new capital project named, “Plan for Expansion of the Administrative Monetary Penalties System” be created in the amount of \$110,000.00 to be funded from the Provincial Audit and Accountability Fund; and,
4. That the tendering process be waived in accordance with Purchasing By-Law 2017-8 (Part II, Section 11.1 Non Competitive Procurement, item 1 item 1 (h)); and,
5. That the contract for consulting services for the expansion of the administrative penalties system be awarded to WSCS Consulting Inc. in the amount of \$89,511.25 (inclusive of HST); and,
6. That the remaining balance in the amount of \$20,488.75 be retained within the new capital project for any additional costs related to the project, and that authorization to approve expending of this amount up to the specified limit be in accordance with the Expenditure Control Policy; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of the report is to obtain Council’s authority for:

- a) The Mayor and Clerk to execute the Ontario Transfer Payment Agreement with the Province for the City to receive Provincial funding up to \$110,000 for the development of the Plan for Expansion of the Administrative Monetary Penalties System;
- b) The creation of a new capital project for the Plan for Expansion of the Administrative Monetary Penalties System; and
- c) Approval to award the consulting services to develop the plan for expansion of the Administrative Penalties System as per the terms and conditions of the Audit and Accountability Fund grant

BACKGROUND:

On November 17th, 2020 the Province announced a second intake of the provincial Audit and Accountability Fund to help large urban municipalities find service delivery efficiencies.

In order to be eligible for funding, proposed review projects must:

1. Review municipal service delivery expenditures to find efficiencies. The review can take a number of forms including:
 - A line-by-line review of the municipality's entire budget;
 - A review of service delivery expenditures and modernization opportunities; and
 - A review of administrative processes to reduce costs;
2. Result in a final report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies; and
3. Be completed by **October 15, 2021**, with a publicly posted independent third-party report that outlines the analysis, findings and actionable recommendations.

The AAF program provides funding to retain independent third party consultants to complete the review. Only third-party service provider fees are eligible for funding. Municipal administrative costs, such as staff time, are not eligible.

At the December 16, 2020 General Committee meeting, Council passed a resolution directing staff to apply to the Province for funding for the following projects:

- 1) Standardized Terms of Reference for studies supporting development application submissions
- 2) Comprehensive review and update of the Development Fee By-law
- 3) Plan for Expansion of the Administrative Monetary Penalties System;

On December 18, 2021 City staff submitted applications for the above projects. Due to the short timeframe for submission, pricing quotes were requested from consulting firms with specific expertise in the relevant areas.

On February 26, 2021, the Ministry of Municipal Affairs and Housing informed the City that it will receive funding of up to \$110,000 **for only one of the proposed projects**: the Plan for the Expansion of the Administrative Monetary Penalties System, including the preparation of a report with actionable recommendations for efficiencies.

OPTIONS/ DISCUSSION:

The goal of the Administrative Monetary Penalties System is to create a simple, fair, and cost effective system for dealing with minor by-law infractions. Diverting these minor offences out of the courts frees up court time for more serious matters and reduces the

backlog of cases currently in the courts. It is also a much more cost effective method of dealing with minor offences compared to the courts.

The AAF project will fund the development of the plan to expand the application of the AMPS program beyond parking offences to include other regulatory by-laws across multiple City departments.

The Province has provided the Ontario Transfer Payment Agreement which sets out the terms of funding. The following is a high level description of the terms:

- The Province will providing funding to the City of up to \$110,000.
- The funding is for the City to retain an independent third party consultant to provide a comprehensive assessment of the City's plan for the expansion of AMPS.
- The report of the findings and recommendations of the third party consultant must be completed and posted on the City's publicly accessible website.
- By October 15, 2021, a final report must be submitted to the Province, which will provide financial information on the project (including financial information on what the municipality paid to the third party consultant with back-up documentation).
- Funding is subject to the Ontario Legislature allocating the necessary funds to make the payments under the Agreement.

Staff recommend the following:

- The Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement with the Province for funding an assessment of the development review process.
- A new capital project named, "Plan for Expansion of the Administrative Monetary Penalties System" be created in the amount of \$110,000.00 to be funded from the Provincial Audit and Accountability Fund.
- The City engage WSCS Consulting Inc. to complete the project with the following scope of work:
 - a. Assess current processes for parking offences;
 - b. Assess opportunities to expand the Administrative Monetary Penalties System beyond parking infractions to other bylaw offences;
 - c. Benchmarking against other municipalities that have expanded AMPS, to identify best practices;
 - d. Develop a fully integrated strategy for expansion of the Administrative Monetary Penalties System including cost/benefit analysis, policies, business process maps, optimization of technology tools and implementation plan;
 - e. Preparation of a final report that provides specific and actionable recommendations for cost savings/efficiencies.
 - f. Final report and recommendations to be completed by September 30, 2021.

The terms of the Audit and Accountability Fund grant require municipalities to engage third-party consultants to complete the work. Staff research has shown that there is a very limited number of consultants who have experience with Administrative Monetary Penalties Systems, as they are relatively new. In fact, the City of Markham was one of the first municipalities in Ontario to implement AMPS for parking offences in 2015.

The timelines for project completion are very tight – the final report has to be approved by Council, publicly posted, and submitted to the Province by October 15, 2021. This does not allow sufficient time for an RFI or RFP process to be completed. Accordingly staff are recommending a sole source contract be awarded to WSCS Consulting Inc. (see **Appendix “A”**).

The Principal of WSCS Consulting is Tammy Carruthers. Ms. Carruthers is a Chartered Professional Accountant and former municipal Treasurer, who has significant experience in business process mapping and process design and redesign for projects approved under the Audit and Accountability Fund.

WSCS has undertaken several projects for the City of Markham in past years, and has delivered a quality product, on-time, on-budget in all cases. The WSCS team has a significant amount of municipal experience and completed several Audit and Accountability Fund projects during the first intake of the program.

FINANCIAL CONSIDERATIONS

Staff recommend that a new capital project named, “Expansion of the Administrative Monetary Penalties System” be created in the amount of \$110,000.00 to be funded from the Provincial Audit and Accountability Fund, to be created.

The consulting work for the Plan for Expansion of the Administrative Monetary Penalties System will be charged to the new capital project and subsequently reimbursed by the Province.

Recommended Supplier	WSCS Consulting Inc (Preferred Supplier)	
Available Budget and Account #	\$110,000.00	Account number TBD (Expansion of Administrative Monetary Penalties System project)
Less cost of award	\$89,511.25	WSCS Consulting Inc (inclusive of HST)
Budget Remaining after this award	\$20,488.75	

The remaining balance will be retained with the new capital for any additional costs related to the project and that authorization to approve expending of this amount up to the specified limit be in accordance with the Expenditure Control Policy.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

The expansion of the AMPS program to encompass other offence categories aligns with several strategic priorities: Exceptional Services by Exceptional People; Safe and Sustainable Community; and Stewardship of Money and Resources.

BUSINESS UNITS CONSULTED AND AFFECTED:

Relevant Corporate Services Commission departments were consulted in the preparation of this report and preliminary discussions regarding the potential for AMPS expansion have occurred with Legal Services, Development Services and Community & Fire Services Staff.

RECOMMENDED BY:

Kimberley Kitteringham
City Clerk & Director, Legislative Services
& Corporate Communications

Trinela Cane
Commissioner Corporate Services

Attachments:

Appendix “A” - WSCS Consulting Inc. Company Profile