

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Request for Proposal for Realtor of Record

Memo No: 2025-M-015

Date: January 9, 2025

Attachment: RFP#2024-01 - Realtor of Record

Prepared By: Laala Jahanshahloo - CAO/ Treasurer

Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-015, including Appendix A, hereby being part of the memo, as presented;

AND FURTHER BE IT RESOLVED THAT Council approves the RFP for Realtor of Record Services, including the scope of services, proposal submission requirements, and evaluation criteria;

AND FURTHER BE IT RESOLVED THAT Council authorizes the CAO/Treasurer to finalize the issue date, post the RFP, and take all necessary actions to execute the RFP process, including distribution, review of received proposals, and bringing the results to Council for final review and decision.

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Executive Summary

This memorandum seeks Council’s authorization to issue a Request for Proposal (RFP) to engage a Realtor of Record for the sale of surplus municipal properties, a key component of the Municipality’s tax arrears recovery strategy. The aim is to ensure effective property management, maximize revenue, and support financial sustainability. Approval is sought for the RFP’s scope, submission requirements, and evaluation criteria. Upon approval, the CAO/Treasurer will post the RFP and oversee its execution to ensure transparency and efficiency.

Background

The Municipality of Temagami faces ongoing challenges in recovering outstanding tax arrears, a significant portion of which is tied to surplus properties. Challenges include:

- **Inadequate Property Valuations:** Resulting in below-market sale prices.
- **Limited Marketing Efforts:** Reducing property visibility and competitive bidding.
- **Inefficient Processes:** Delaying sales and impacting financial recovery.

In November 2024 (Memo 2024-M-188), Council identified tax arrears recovery as a priority for the 2025 financial planning cycle. This initiative aims to reduce delinquency rates, improve cash flow, and optimize the sale of surplus properties to strengthen municipal finances.

Importance of High Sale Prices

Currently, 24% of the Municipality's outstanding taxes are tied to arrears, up from 18% in 2017. Optimizing sale prices for surplus properties is critical to recovering lost revenue, stabilizing finances, maintaining tax rates, and funding essential services. The growing arrears highlight the urgent need for enhanced strategies and stronger enforcement to boost revenue recovery.

Rationale for Engaging a Realtor

Engaging a professional Realtor of Record is a strategic measure to address rising tax arrears. This approach ensures effective marketing and sales strategies, maximizing revenue and supporting municipal financial sustainability. The key benefits are as follows:

- **Tax Arrears Recovery:** Facilitates the recovery of overdue taxes and mitigates financial shortfalls.
- **Professional Marketing and Sales Expertise:** Ensures competitive bidding, maximizing sale values.
- **Accurate Valuation and Assessment:** Guarantees fair market value sales, optimizing revenue recovery.
- **Efficiency in Process Management:** Streamlines transactions to ensure timely sales with minimal disruptions.
- **Transparency and Public Trust:** Reinforces accountability through thorough documentation and unbiased processes.
- **Risk Mitigation:** Reduces risks related to undervaluation, disputes, and legal challenges.
- **Strategic Alignment:** Supports financial sustainability and municipal priorities by addressing key fiscal challenges.

Legal Framework for Engaging a Realtor

Under the *Municipal Act, 2001*, municipalities in Ontario are authorized to manage and sell properties with tax arrears to recover outstanding taxes and mitigate financial shortfalls.

Relevant provisions include:

- *Section 373(1)*: Permits municipalities to register a tax arrears certificate against the title of a property when realty taxes remain unpaid for a specified period.
- *Ontario Regulation 181/03*: Governs public tender and auction methods for property sales.

While the Act and associated regulations provide a framework for tax arrears recovery, they also grant municipalities discretion in managing their financial affairs and property holdings. This includes engaging licensed real estate professionals to enhance market exposure, ensure competitive pricing, and expedite the sales process.

Engaging a licensed Realtor aligns with municipal principles of accountability, transparency, and efficiency, supporting effective asset management and financial sustainability under the *Municipal Act, 2001*.

Proposal for Council Consideration

The Municipality proposes issuing an RFP (Appendix A) to engage a qualified Realtor of Record. This initiative will address challenges related to surplus property management and support financial recovery goals. The Key Components of the RFP are as follows:

- **Scope of Services:**
 - Conduct property assessments to determine fair market values.
 - Develop and execute marketing strategies to maximize property visibility.
 - Manage the sales process, including negotiations and transaction closures.

- **Proposal Submission Requirements:**
 - Corporate profile and relevant experience.
 - Compliance evidence.
 - Transparent cost proposals.
- **Evaluation Criteria:**
 - Qualifications and experience.
 - Proposed approach.
 - Cost efficiency.
 - Track record and references.

Conclusion

Engaging a Realtor of Record is a critical step toward addressing the Municipality's financial challenges. This initiative aligns with regulatory standards and supports Council's priorities for effective and transparent tax arrears recovery.

Appendix A 2025-M-015

Corporation of the Municipality of Temagami

Request for Proposal (RFP#2025-01) for Realtor of Record Services

Issue Date: _____

Submission Deadline: _____, 4:00 PM EST

Contact: Laala Jahanshahloo, CAO/Treasurer

Email: cao@temagami.ca

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1. Purpose and Scope

The Municipality of Temagami is seeking proposals from qualified real estate professionals to provide Realtor of Record services for a one-year term (2025–2026). The selected proponent will assist in marketing and selling surplus municipal properties to:

- Recover tax arrears.
- Stabilize municipal finances.
- Ensure transparency and fairness in the sale process.

The successful proponent will be responsible for property appraisals, developing marketing strategies, managing sales, and ensuring compliance with the Municipal Act, 2001, and other applicable legislation.

2. General Terms and Conditions

2.1. Definitions

- **Municipality:** Corporation of the Municipality of Temagami.
- **RFP:** This document in its entirety.
- **Proposal:** A completed submission by a proponent.
- **Proponent:** An individual or entity submitting a proposal.
- **Deadline:** Submission deadline outlined in this document.

2.2. Proposal Submission Requirements

Proposals must include the following:

- **Corporate Profile:** Overview of the proponent's qualifications, structure, and team experience.
- **Services and Approach:** Detailed marketing strategy, compliance methods, and property valuation processes.
- **Key Personnel:** Resumes of team members and their relevant roles.
- **Cost Proposal:** Commission structure and additional fees.
- **References:** Contact information for three similar engagements.
- **Conflict of Interest Declaration:** Completed Appendix I.
- **MFIPPA Compliance Acknowledgment:** Completed Appendix II
- **Insurance Confirmation:** Proof of liability insurance with a minimum coverage of \$2,000,000.

2.3. Submission Instructions

- **Format:** PDF only.
- **Delivery: Email** submissions to cao@temagami.ca with the subject line: "RFP Realtor of Record Services Submission."
- **Deadline:** 4:00 PM EST, _____.

2.4. Late Submissions:

Proposals received after the deadline will not be considered. Email timestamps will be used to verify submission time. Proponents are responsible for confirming receipt.

2.5. Proposal Validity

Proposals must remain valid for 90 days from the submission deadline.

2.6. Rights Reserved by the Municipality

The Municipality reserves the right to:

- Reject any or all proposals.
- Modify or cancel the RFP process.
- Accept proposals based on criteria beyond cost, such as local experience or unique expertise.

3. Specific Terms and Conditions

3.1. Term of Agreement

- **Initial Term:** One year, starting in 2025.
- **Renewal:** Option to extend for an additional term of two years, subject to satisfactory performance.

3.2. Insurance Requirements

Proponents must provide proof of professional liability insurance with a minimum coverage of \$2,000,000.

3.3. Indemnification Clause

The successful proponent will indemnify and hold harmless the Municipality of Temagami from all claims, liabilities, and expenses arising from any errors, omissions, or negligence during service delivery.

4. Scope of Services

The successful proponent will:

- Develop marketing strategies and promotional materials for surplus municipal properties.
- Conduct property appraisals and determine fair market values.
- Manage negotiations, prepare contracts, and oversee closings.
- Ensure compliance with the Municipal Act, 2001, and other applicable legislation.
- Provide regular progress reports to the Municipality.

5. Evaluation Criteria

- **Qualifications and Experience (30%):** Relevant certifications, municipal experience, and licensure.
- **Marketing Strategy (30%):** Clarity and effectiveness of proposed marketing methods.
- **Fee Structure (20%):** Transparency and cost-effectiveness of fees.
- **References (10%):** Feedback from similar engagements.
- **Organizational Strength and Team Expertise (10%):** Assess the organization's capabilities, structure, and the expertise of the team assigned to the project.

5.1. Scoring Scale

- **0-1:** Response significantly lacking or incomplete.
- **2-4:** Met some expectations but lacked detail.
- **5-6:** Met minimum expectations with sufficient detail.
- **7-8:** Exceeded expectations with robust content.
- **9-10:** Greatly exceeded expectations with innovation.

6. Appendices

Appendix I: Conflict of Interest Declaration Template

Conflict of Interest Declaration

By signing this template, the proponent declares whether any actual, potential, or perceived conflicts of interest exist with respect to their submission of this proposal.

Conflict of Interest Acknowledgment:

1. I/we declare that there are no conflicts of interest in submitting this proposal.
2. I/we declare the following potential or actual conflicts of interest (if applicable):
 - [Provide details of the conflict or write “None”].

I/we agree to notify the Municipality of Temagami immediately should any conflicts arise during the RFP process or the term of the agreement.

Proponent Information

- **Proponent Name:** _____
- **Address:** _____
- **Authorized Representative Name:** _____
- **Signature:** _____
- **Date:** _____

Appendix II: MFIPPA Compliance Template

Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) Compliance

By signing this template, the proponent acknowledges compliance with the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). The proponent agrees to keep all

personal and confidential information obtained through this RFP process secure and use it only for the purposes outlined in the RFP.

Acknowledgment of Compliance:

I, the undersigned, hereby acknowledge that our organization complies with all applicable provisions of MFIPPA and agrees to handle all information in accordance with the Act.

Proponent Information

- **Proponent Name:** _____
- **Address:** _____
- **Authorized Representative Name:** _____
- **Signature:** _____
- **Date:** _____