

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Consultant Evaluation Report – Development Charges Background Study Proposals

Memo No: 2025-M-099

Date: April 24, 2025

Attachment: None

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Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-099 as presented;

AND FURTHER THAT BE IT RESOLVED THAT Council selects the consultant to prepare the Development Charges Background Study and By-Law based on the information presented;

AND FURTHER THAT BE IT RESOLVED THAT Council considers a By-law to authorize execution of the necessary agreement with the selected firm.

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1. Executive Summary

The Municipality of Temagami issued RFP #2025-02 to retain a consultant to complete its first Development Charges (D.C.) Background Study and By-Law, ensuring compliance with the *Development Charges Act, 1997* and supporting cost recovery for future growth. Proposals were received from:

- Hemson Consulting Ltd.
- Watson & Associates Economists Ltd.

A structured evaluation using four methodologies - RFP scoring, scenario-based testing, goal alignment, and capability review - was conducted to compare qualifications, methodology, cost, and implementation tools.

This report summarizes the results of that analysis to assist Council in selecting the firm that best meets the Municipality's needs. Council is invited to review the information and determine the most appropriate choice.

2. Background

The Municipality of Temagami anticipates modest growth and aims to ensure future infrastructure costs are appropriately funded through growth-related charges. The development of a compliant and defensible D.C. By-Law will be critical to supporting sustainable investment and long-term cost recovery.

Two compliant proposals were received by the deadline. Staff applied a multi-dimensional evaluation model, including quantitative scoring and scenario-based assessment, to compare qualifications, approach, costs, and alignment with municipal priorities.

3. Weighted Scoring Matrix

Criteria	Weight	Hemson	Score	Watson	Score
Experience & Qualifications	30%	400+ DC studies, national reach	28/30	250+ Ontario clients, Northern Ontario focus	29/30
Methodology & Approach	25%	Two-phase feasibility + study	22/25	Step-by-step roadmap, OLT readiness	24/25
Cost-Effectiveness	20%	\$27,960	19/20	\$28,700	18/20
Legislative Compliance	15%	DCA focus, AMP integration	13/15	Full DCA alignment, cash flow tools	14/15
References	10%	Sudbury, Smiths Falls	8/10	Parry Sound, Casselman, West Perth	9/10
Total	100%		90		94

4. Scenario-Based Evaluation

Scenario	Hemson	Watson
Legislative Change	Senior leadership-dependent	Policy templates ensure flexibility
Community Resistance	Stakeholder education	Public FAQ tools and communication visuals
Rapid By-Law Adoption	Phased approach may delay process	Pre-built tools streamline adoption timeline
Legal Appeal (OLT)	Limited defense experience noted	Offers expert testimony and legal mitigation

5. Objective-Oriented Scoring (Municipal Alignment)

Objective	Hemson	Watson
Legislative Compliance	Addresses DCA and AMP requirements	Provides detailed legislative compliance roadmap
Equitable Cost Recovery	Includes area-specific rate options	Includes clear exemption and credit policies
Sustainable Growth	Integrates with asset management	Incorporates long-term fiscal impact analysis

6. Capability Maturity Assessment

Capability	Hemson	Watson
Process Standardization	Checklists, phased workflow	Pre-built templates, policy libraries
Scalability	National reach	Focused on small-town and rural Ontario
Innovation	Operating cost forecasting tools	Legal mitigation tools, automation
Compliance Rigor	AMP-based methodology	Full DCA step-by-step alignment

7. Cost Comparison

Firm	Cost (Excl. HST)	Notes
Hemson	\$27,960	Lower total cost; phased approach; traditional model
Watson	\$28,700	Higher cost includes legal tools, pre-built templates

8. Key Considerations for Council

Council may consider the following when weighing both proposals:

- If the Municipality prioritizes legal preparedness, ease of implementation, and small-town experience, Watson & Associates Economists Ltd.'s inclusion of public engagement templates, policy toolkits, and Ontario Land Tribunal (OLT) readiness may offer added value. The cost difference is minimal relative to the additional implementation and legal support provided.
- If the Municipality prefers a lower-cost, traditional consulting model and values a phased, cautious approach rooted in asset management experience, Hemson Consulting Ltd.'s proposal may offer a familiar process and modest cost savings.

9. Conclusion

Both firms are experienced and capable of delivering a D.C. Background Study and By-Law in compliance with legislative requirements. This report outlines their strengths, approaches, and cost structures without providing a recommendation. Council is invited to select the consultant whose approach best aligns with the Municipality's current objectives, capacity, and risk tolerance.