



REQUEST FOR PROPOSALS

RFP-2024-06

July 24, 2024

Affordable Housing Financial Feasibility Analysis and Recommended Affordability Measures

City of Duncan, Planning Department
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Submission Deadline: August 21, 2024, 12:00 p.m. local time

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REQUEST FOR PROPOSALS

1.0 - INTRODUCTION

1.1 PURPOSE

The City of Duncan wishes to determine whether new inclusionary zoning provisions in the *Local Government Act* are financially feasible to implement in this jurisdiction. A financial feasibility analysis is required to inform the City as it considers how to structure inclusionary zoning provisions. The City also desires recommendations on the specific affordability measures that would be most appropriate to use. This Request for Proposals (“RFP”) seeks bids from land development economists or other professionals with demonstrated experience in this field, and preferably, with this specific type of analysis.

1.2 BACKGROUND

The City of Duncan wishes to determine whether new Bill 16 inclusionary zoning provisions in the *Local Government Act* are financially feasible to implement in this jurisdiction. These provisions allow the City to require affordable housing in new residential developments within certain zones; such requirements will be added into the Zoning Bylaw to specify required affordability measures, which may include the ownership and management of the units; the number of bedrooms in the units; the form of tenure of the affordable units; the affordability of the units, including the sales price of the units or the rent to be charged for the units; and the proportion of housing that must be affordable.

Before the City can incorporate these provisions into its Zoning Bylaw, the *Local Government Act* requires that the City undertake a financial feasibility analysis that considers the following:

- The conditions of the local housing market
- The costs of residential construction
- The degree to which different factors affect the feasibility of meeting a range of affordability requirements
- The amount of density required to ensure the feasibility of constructing affordable and special needs housing units and not deter development.¹ The City generally defines density of multi-unit residential developments using floor area ratio regulations, but there may be other regulations – like building height – that have a significant impact on the scale of development.

While it is generally acknowledged that the private development market is likely unable to bear the burden of providing highly subsidized housing units and/or a larger percentage of affordable housing units, the City is interested in determining if, and under what circumstances (e.g. density), the private development market may be able provide a certain, well-defined affordable housing component.

¹ Note: these requirements are summarized from the Local Government Act section 482.9(1) and (2). The wording of the legislation supersedes the wording of this summary.

The financial feasibility analysis must assess different scenarios involving developments that are strata buildings and developments that are rental buildings, as the affordability regulations may apply to ownership units and rental units.

Broadly, the purpose of this financial feasibility analysis is to understand:

1. How much density is needed to offset the costs to the developer for providing affordable housing, and
2. How inclusionary housing requirements would impact the feasibility of new residential development.

Based on the financial feasibility analysis, the City is also seeking recommendations on what specific affordability measures would be most appropriate to require of developers, in relation to each affordability measure allowed for in section 482.7 of the Local Government Act

The financial feasibility analysis and affordability measure recommendations may draw upon the:

- [2021 City of Duncan Housing Needs Assessment](#), and
- [2021 Regional Housing Needs Assessment](#).
- [Bill 16 background information](#)

Of specific interest to the City in determining the affordability measures and parameters is clearly establishing a definition of “affordable housing” in the Duncan context and the minimum threshold(s) to be considered an “affordable housing unit” under the City’s inclusionary zoning regulations, if incorporated into the new Zoning Bylaw. For example, if the financial feasibility analysis finds that the City can require a certain percentage of dwelling units in a development of a certain density without deterring development, what are those specific affordability parameters (e.g. rents based on income, rents offered a certain percentage below market, etc.)?

The City is seeking the feasibility analysis and recommendations on affordability measures on an expedited timeframe and wishes to finalize this project no later than the end of November 2024.

1.3 SCOPE AND DELIVERABLES

Scope: The feasibility analysis and recommended affordability measures should be framed within the context of the City of Duncan’s housing market and its variety of project types and sizes.

Deliverables: There are three (3) deliverables for this project:

1. A financial feasibility analysis in the form of a written report, including supporting background information, results of discussions with affordable housing providers, methods and calculations, and outcomes and recommendations, that addresses the considerations and legal requirements in section 482.9(1) and (2) of the *Local Government Act* and this RFP.
2. Detailed and specific recommendations regarding the affordability measures and parameters identified in section 482.7 of the *Local Government Act*.
3. Presentation of the analysis to the City’s Committee of the Whole (i.e. Council).

In undertaking the financial feasibility analysis and determining the affordability measures, it is expected that the successful consultant will complete all necessary background research, including determining local construction costs, meeting with City staff, and reaching out to and

meeting with the Cowichan Housing Association, BC Housing, and any local affordable housing providers.

NOTE TO ALL BIDDERS: The City of Duncan may negotiate with one or more of the Proponents to adjust or change some of the requested scope and duties prior to signing a contract.

File Formats

DOCUMENT TYPE	REQUIRED FILE FORMAT
Written Documents	Microsoft Word and PDF
Spreadsheets	Microsoft Excel
Technical Drawings	Autodesk AutoCAD 2019 (or newer)
Non-technical Graphics	.jpg, .jpeg, png
Database	Microsoft Access, .gdb for spatial databases
Drawings, Maps and Spatial Data	Drawing/map source data must be delivered in ESRI ArcGIS shape file <u>and</u> Autodesk Spatial Data File (sdf) NAD 83, UTM Zone 10N projection and accurately overlay onto the City’s existing base mapping. Core attributes and label names must be defined or included in the source data feature class tables with attribute domains created to constrain field values (where possible). From the final map series, a set of symbology layer files must be rendered for all map themes. All digital data are to be delivered on media compatible with the City’s computer equipment.

1.4 TIMEFRAME

The City wishes to obtain these deliverables on an expedited timeframe. Ideally, the deliverables would be finalized by the end of November 2024.

2.0 - INSTRUCTIONS TO PROPONENTS

2.1 SUBMISSION OF PROPOSALS

Electronic submissions are supported and encouraged. Electronic submissions should be sent by email to kyoung@duncan.ca by the closing date and time: **August 21, 2024, 12:00 p.m. local time.** It is recommended that the sender verify receipt of the submission by the City. The City is not responsible for email submissions that are not received by the City by the closing date and time due to technological issues.

Hard copy proposals are also accepted and should be clearly marked with the name and address of the Proponent and the RFP project title. Hard copy submissions should include an electronic copy of all proposal files on a USB drive. The sealed envelope containing the proposal should be addressed to the following:

City of Duncan, Planning Department
Attn: Kyle Young, Director of Planning and Sustainability
200 Craig Street
Duncan, BC V9L 1W3

Proposals should be received on or before the Closing Time and Date of:

Time: **12:00 p.m. local time**
Date: **August 21, 2024**

It is the Proponent's sole responsibility to ensure its Proposal is received at the address set out above by the Closing Time and Date.

Proponents wishing to make changes to their Proposals after submission but prior to the Closing Time and Date may do so by submitting the revisions by email or hard copy. It is the Proponent's sole responsibility to ensure the revisions are received by the City prior to the Closing Time and Date.

2.2 INQUIRIES AND SOLICITATION OF COUNCIL MEMBERS AND STAFF

All inquiries related to this RFP, including whether or not the contract has been awarded, must be directed in writing to the City Representative named below. Information obtained from any person or source other than the City Representative may not be relied upon.

Name: Kyle Young, Director of Planning and Sustainability
Email: kyoung@duncan.ca

Proponents and their agents will not contact any member of the City Council or City staff with respect to this RFP at any time other than the City Representative named in this RFP.

2.3 RFP ADDENDA

Addenda to this RFP may be issued prior to closing in response to queries received or at the initiative of the City. Information contained in RFP addenda is an integral part of the RFP and should be considered by proponents when responding to this RFP. Receipt of Addenda should be acknowledged by the Proponent in the submission.

Proponents finding discrepancies or omissions in the Contract or RFP or having doubts as to the meaning or intent of any provision, should immediately notify the City Representative named in this document.

2.4 PROPONENT REPRESENTATIVE

Each Proponent should designate one individual to whom any additional information deemed relevant to this RFP may be communicated. This information is to be emailed to the City Representative noted above.

3.0 - GENERAL TERMS OF PROPOSAL PROCESS

3.1 PROPOSAL PREPARATION COSTS

All expenses incurred by the Proponent in preparation and submission of this Proposal are to be borne by the Proponent, with the express understanding that no claims for reimbursements against the City will be accepted. The City shall not be responsible for any costs involved in or associated with any meetings, discussion or negotiation following submission that could lead to acceptance of the Proposal and award of a contract.

3.2 PROPOSAL EVALUATION

Proposals will be evaluated based on the criteria listed below. The evaluation team will not be limited to the criteria listed below, and the evaluation team may consider other criteria that the team identifies as relevant during the evaluation process. However, any criteria considered will be applied evenly and fairly to all Proposals.

Stage One – Submission Criteria

Proposals that do not meet all of the criteria may be excluded from further consideration during the evaluation process.

Item #	Submission Criteria
1	The Proposal should be received at the Delivery Location before the Closing Date and Time specified in Section 1.1 – Invitation. Late Proposals may not be considered.
2	The Proposal should be dated and signed by a person authorized to sign on behalf of the Proponent.
3	The Proposal should be no more than 13 pages. Of these, there may be a maximum of 10 pages for the body of the Proposal, and up to 3 pages summarizing the skills and experience of the project team.

Stage Two – Weighted Criteria

The evaluation team will evaluate Proposals that met the submission criteria on the following weighted criteria:

Weighted Criteria	Weight
Experience and Qualifications <ul style="list-style-type: none"> • Experience conducting land development feasibility analyses • Experience conducting feasibility analyses related to affordable housing • Familiarity with municipal government • Demonstrated ability to meet deadlines • Consultant or consultant team’s qualifications and CVs 	25
Approach and Understanding <ul style="list-style-type: none"> • Demonstrated understanding of the requirements and the deliverables • Clear articulation of what steps will be taken to prepare the deliverables 	25

Weighted Criteria	Weight
<ul style="list-style-type: none"> • Acknowledgement of any addenda • Strong plan for communication and coordination with the City • Presentation of findings to City staff 	
Timeline <ul style="list-style-type: none"> • Demonstrated ability to work under tight timelines • Ability to meet the preferred timeframe 	15
References <ul style="list-style-type: none"> • 2 relevant references provided in the format required 	10
Financial Proposal <ul style="list-style-type: none"> • Project fee • Hourly rate for all individuals on the team • Blended hourly rate if applicable 	25
Total:	100

The City recognizes that “Best Value” is the essential part of purchasing a product and/or service and therefore the City may prefer a Proposal with a higher price, if it offers greater value and better serves the City’s interests, as determined by the City, over a Proposal with a lower price.

The City, at its sole discretion, reserves the right to:

- Reject any or all Proposals whether complete or not;
- Waive any irregularity or insufficiency in the Proposal submitted;
- Not be liable for misunderstandings or errors in the Request for Proposals;
- Issue addenda to the Request for Proposals;
- Contact references provided by the Proponents;
- Retain independent persons or contractors for assistance in evaluating Proposals;
- Request points of clarification to assist the City in evaluating Proposals;
- Negotiate changes with the successful Proponent; and
- Withdraw the Request for Proposals.

3.3 PROPOSAL PRESENTATION

The City reserves the right to request one or more of the Proponents, whose submissions are of particular interest to the City, to make verbal presentations to the City.

3.4 PROPOSAL CONFIDENTIALITY AND PROPRIETARY INFORMATION

All submissions become the property of the City and will not be returned to the Proponent. The City will consider all Proposals submitted as confidential but reserves the right to make copies of all Proposals received for its internal review and for review by its financial, accounting, legal, and technical consultants.

Proponents should be aware that the City is a “public body” as defined in and subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.

If a Proponent believes any of the information requested in this RFP and provided by the Proponent is confidential, they must identify it as such and provide a rationale as to why it should not be released under “Freedom of Information” legislation.

The rationale for keeping information confidential under this legislation includes:

- a) Trade secrets of the Proponent;
- b) Financial, commercial, scientific or technical information, the disclosure of which could reasonably be expected to result in material financial loss or gain or could reasonably be expected to prejudice the competitive position of the Proponent; or
- c) Information the disclosure of which could be reasonably expected to interfere with contractual or other negotiations of the Proponent.

3.5 CONFLICT OF INTEREST

A Proponent shall disclose in its Proposal any actual or potential conflicts of interest and existing business relationships it may have with the City, its elected or appointed officials or employees, and any property ownership direct or indirect in the jurisdiction. The City may rely on such disclosure.

3.6 COLLUSION

Except as otherwise specified or as arising by reason of the provision of the contract documents, no person whether natural, or body corporate, other than the Proponent has or will have any interest or share in this Proposal or in the proposed contract which may be completed in respect thereof. There is no collusion or arrangement between the Proponent and any other actual or prospective Proponents in connection with Proposals submitted for this project and the Proponent has no knowledge of the contents of other Proposals and has made no comparison of figures or agreement or arrangement, express or implied, with any other party in connection with the making of the Proposal.

3.7 LITIGATION

Proponents who, either directly or indirectly through another corporation or entity, have been or are in litigation, or who have served notice with intent to proceed with court action against the City in connection with any contract for works or services, may be considered ineligible Proponents. Receipt of Proposals from such Proponents may be disqualified from the evaluation process.

3.8 NO CONTRACT

This RFP is not a tender or contract and does not commit the City in any way to select a preferred Proponent. By submitting a Proposal and participating in the process as outlined in this RFP, Proponents expressly agree that no contractual, tort or other legal obligation of any kind is formed under or imposed on the City by this RFP or submissions prior to the completed execution of a formal written contract.

3.9 ACCEPTANCE OF PROPOSAL

The acceptance of a Proposal will be made in writing from the City and will be addressed to the successful Proponent at the address given in the submitted Proposal. Following acceptance and approval to proceed with the Proposal, the Proponent is expected to enter into a contract with the City to perform the works or services set out and agreed upon in the Proposal.

The agreement that the successful Proponent will be expected to execute with the City will be prepared by the City. The agreement attachments will include the entire Request for Proposals, the Proponent's total Proposal submission and any mutually agreed upon modifications, changes or negotiated adjustments. In the event of a conflict between the RFP and the Proponent's submission, the RFP will take precedence.

3.10 INSURANCE REQUIREMENTS

The successful applicant shall maintain during the duration of any contract commercial general liability insurance providing for coverage of any losses arising out of or in connection with the provision of services in an amount not less than \$5,000,000.00 per occurrence. The successful applicant shall name the City as an additional insured.

The successful applicant shall maintain during the duration of any contract errors and omissions insurance in an amount not less than \$1,000,000.00 per occurrence.

The successful applicant shall provide the City with certificates of insurance confirming the maintenance of the insurance, promptly after a request to do so from the City.

3.11 TERMINATION AT THE CITY'S DISCRETION

The City may, in its sole discretion and without reason, terminate a contract upon notice to the successful applicant. If the City terminates a contract, the successful applicant shall be entitled to be paid for all services satisfactorily performed by them up to the date of such termination. The successful applicant is not entitled to, and irrevocably waives and releases the City from any and all claims for, any damages or compensation for costs incurred, loss of profit or loss of opportunity, directly or indirectly arising out of termination of a contract.

4.0 - PROPOSAL CONTENT

4.1 PROPOSAL LENGTH

Proposals should be a maximum of 10 pages in length including appendices. An additional 3 pages may be included, if desired, to provide a summary of the skills and experience of the project team (no lengthy resumes). This means that proposals should be no more than 13 pages, with only 3 of those pages describing the project team.

4.2 PROPONENT CONTACT INFORMATION

Proposals must include the full name, address and telephone number of the submitting office of the Proponent and where applicable, the name, address and telephone number of any branch office, affiliate or sub-consultant(s) that will be involved in the Project.

4.3 PERSONNEL

4.3.1 Project Manager

The Proposal must identify the project manager who will be the single point of contact responsible for direct interaction with the City, including stating their position and professional discipline. The Proposal should describe the work to be performed by the project manager, their qualifications and substantive experience directly related to the proposed Work.

4.3.2 Project Team

The Proposal must list the project team members, including Project roles and responsibilities. Team member qualifications and experience may be summarized in the 3 pages allocated to the project team, if desired.

4.3.2 Sub-Contractors

The Proposal must include the company name of all sub-contractors and sub-consultants proposed to be used in the performance of the Work with a description of the work they would be performing.

The sub-contractors and sub-consultants listed in the Proposal may not be changed without the written consent of the City. If the City so requires, the Proponent shall be prepared to confirm to the City the competence of sub-contractors and sub-consultants prior to acceptance of the Proposal.

4.4 EXPERIENCE

The Proposal must describe the applicants' experience delivering similar projects. Applicants should highlight their experience with local governments and conducting affordable housing financial analyses.

4.5 PROJECT APPROACH AND SCHEDULE

The Proposal must describe the steps that will be undertaken to complete the deliverables and provide a timeline for doing so.

The City expects that the financial feasibility analysis will review the types of residential and mixed-use projects that could be subject to the inclusionary housing requirements and will evaluate the feasibility of the affordability measures contained in section 482.7 of the *Local Government Act*.

The City expects that the financial feasibility analysis will include development of a pro forma model to test the financial feasibility of different types of development in relation to each affordability measure allowed for in section 482.7 of the *Local Government Act*.

The City expects a written report detailing the respective feasibility of the affordability measures in section 482.7 of the Local Government Act in relation to the different types of development that were considered.

Proposals must describe how communication will be managed through the duration of the project. The City expects that applicants will provide a presentation to staff when the analysis is complete to review the findings together. The City will review the draft report and recommendations and will provide comments back to the applicant. The final report and recommendations submitted by the consultant will incorporate City feedback. The consultant will present the final report and findings to the City’s Committee of the Whole (comprised of all Council members).

The Proposal should list any assumptions regarding the applicant and the City’s respective responsibilities.

4.6 PRICING

The Proposal must include the fee to complete the deliverables. In addition, a schedule of hourly rates should be included to be used in the event of unforeseen extra work.

All prices shall be in Canadian Funds and are to show taxes (if applicable) separately.

4.7 REFERENCES

The Proposal should provide no less than 2 relevant references, preferably from within the last 5 years. References should be provided in this format:

Reference 1	
Name of organization	
Contact person	
Contact person’s title	
Contact person’s phone number and email address	
Contract start and end dates	
Description of similar project:	