

Municipality of East Ferris

Report to Council

Report No.: PLAN-2021-09

Date: April 27, 2021

Originator: Greg Kirton, Manager of Planning and Economic Development

Subject: Real Estate Services Contract

RECOMMENDATION

1. That Council award the contract for realty services with the municipality to Realty Executives and direct staff to prepare an agreement between the Municipality of East Ferris and Realty Executives.
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BACKGROUND

The Municipality of East Ferris issued an RFP for realty services on March 15, 2021 requesting submissions from experienced realtors to assist with the disposition of surplus lands and other realty services required by the municipality. The submission deadline for responses to the RFP was Monday, March 29th at 4:00 pm and 4 submissions were received. They were as follows:

- Coldwell Banker – Sue Favretto & Kate Ricci
- Royal LePage – Dario & Eric Mattei
- Realty Executives – Mike Burman
- Century 21 – David Weiskopf

To evaluate each submission, prior to reviewing any of the documents, staff developed a weighted scoring matrix that evaluated each submission based on the following criteria:

- 1) Realty Fee Structure (50%)
- 2) Experience (15%)
- 3) Methodology (15%)
- 4) Local Knowledge (15%)
- 5) Quality of Proposal (5%)

In developing the scoring matrix, staff chose to weight the scoring heavily towards the realty fee structure provided by each realtor in an effort to maximize the revenues generated by the land sales. Of course, it is important that our land be efficiently marketed and sold by experienced realtors with knowledge of the community; however, we were confident that we would receive

multiple submissions from qualified realtors who would all be capable of disposing of our lands for best prices possible. As a result, we developed scoring with a focus on pricing.

The submissions varied in their approaches to pricing, with some realtors using a flat rate for all sales and some using a tiered pricing structure based on the land sale value. We evaluated each submission based on the best pricing in the range that the majority of our properties are likely to be sold in.

All of the submissions demonstrated excellent experience in the real estate field with multiple decades of experience in each team.

The methodology varied slightly, but in general approaches were similar among all proposals with regards to the channels that they would use to advertise our properties and the approaches to marketing and client relationships.

We felt that some knowledge of East Ferris and the surrounding area would be beneficial in ensuring that our properties are marketed in the best way possible. With the exception of one submission, all of the realtors were based in the region, although there were slight differences between their levels of knowledge of East Ferris specifically.

Lastly, we put a small amount of weight on the general quality of the submission as a way to factor in any additional information that was included that did not directly address one of the other categories as well the overall quality and effort put into the proposal.

Based on the results of the scoring, staff recommend that we enter into a contract for realty services with Realty Executives. The scoring was very close and staff would like to thank all the real estate agents and firms that took the time to respond to our RFP. All of the submissions demonstrated the experience and capability of the realtors representing them; however, Realty Executives edged the others out slightly on fee structure, which made the difference in our evaluation.

OPTIONS

1. Option 1

That Council award the contract for realty services with the municipality to Realty Executives and direct staff to prepare an agreement between the Municipality of East Ferris and Realty Executives.

2. Option 2

That Council award the contract for realty services with the municipality to one of the other realtors that submitted a bid on the RFP and direct staff to prepare an agreement between the Municipality of East Ferris and the desired realtor.

3. Option 3

That Council choose to not award the contract for realty services based on the submissions to the RFP and direct staff to proceed with disposing surplus municipal lands in another manner.

FINANCIAL IMPLICATIONS

By selecting a realtor to assist the municipality in disposing of surplus lands, Council will be able to generate additional revenue through the land sale process. There will be fees associated with the use of a realtor, but it will greatly improve the efficiency of the land sale process and ensure that we receive maximum value for the lands that we dispose of. Through the RFP scoring process, staff weighted the scoring matrix with a focus on fee structure to ensure that the financial impacts associated with realty fees remain as low as possible.

RECOMMENDATION

It is recommended that Council award the contract for realty services with the municipality to Realty Executives and direct staff to prepare an agreement between the Municipality of East Ferris and Realty Executives.

Respectfully Submitted,



Greg Kirton
Manager of Planning and
Economic Development

I concur with this report
and recommendation.



Jason H. Trottier, BBA, CPA, CMA
CAO/Treasurer