

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 16, Report No. 11, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on September 16, 2015, as follows:

By approving the following in accordance with Communication C2 from the Commissioner of Planning, dated September 10, 2015:

That recommendation 1. included in the report of the Commissioner of Planning and the Director of Parks Development dated September, 8, 2015, be replaced with the following recommendation as amended:

"That a 2-Stage Public-Private-Partnership procurement process as outlined in this report be approved to identify potential interest in the North Maple Regional Park project, and that staff report back at the completion of Stage 1 for Council's consideration of all options for the future strategic use of the NMRP lands fronting Keele and/or other areas of the park for a potential Public-Private-Partnership, and long-term go-forward plan for the park."

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**NORTH MAPLE REGIONAL PARK
PROCUREMENT PLAN AND STRATEGIC USE OF PPP LANDS
WARD 1**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Planning and the Director of Parks Development, dated September 8, 2015:

Recommendation

The Commissioner of Planning and the Director of Parks Development, in consultation with the Commissioner of Finance & City Treasurer and the Interim Commissioner of Legal and Administrative Services/City Solicitor recommend:

1. That a 2-Stage Public-Private-Partnership procurement process as outlined in this report be approved to identify potential interest in the North Maple Regional Park project and that staff report back at the completion of Stage 1 for Council's consideration of all options for the future strategic use of the PPP lands along the Keele Street frontage and long-term go-forward plan for the park.

Contribution to Sustainability

Developing a long-term strategy to guide the planning and development of NMRP demonstrates a coordinated and sustainable approach that is consistent with the priorities previously set by Council in Green Directions Vaughan, specifically:

- Objective 2.2 To develop Vaughan as a City with maximum green space and an urban form that supports our expected population growth.
- Objective 2.3 To create a City with sustainable built form.
- Objective 3.1 To develop and sustain a network of sidewalks, paths and trails that supports all modes of non-vehicular transportation.
- Objective 4.1 To foster a City with strong social cohesion, an engaging arts scene, and a clear sense of its culture and heritage.

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Economic Impact

Capital development of NMRP is currently estimated to cost in excess of \$35M for the ultimate build-out of the park. Funding for capital development, based on a conventional approach using Development Charge (DC) funding, is unaffordable in the short-term given the many city wide parks development priorities and would therefore require the project to be phased over many years, possibly spanning 15 years or more.

Development of NMRP will also have an economic impact in terms of operating and maintenance (O&M). Details on the timing and impact of O&M costs will be determined by the scope of work and timing of capital park development and in-service year(s).

Further review of Capital and O&M costs and associated financial impact to the City will be undertaken as part of the Park Master Plan process and/or outcome of the proposed public-private-partnership (PPP) procurement process.

Communications Plan

Consultation with the community was essential to establishing the vision for NMRP. Continued community consultation including discussion with user groups and stakeholders will continue to occur at various stages of implementation of the NMRP development.

The proposed PPP procurement process will be advertised on the Bids and Tenders section of the City's website, Biddingo.com, P3 Canada, Ontario Public Buyers Association and Daily Commercial News. Staff will also reach out to potential partners, including respondents of the previous process, to solicit response and input from as many potential partners as possible.

Purpose

The purpose of this report is to respond to direction from the June 23, 2015 Council meeting with respect to developing criteria for undertaking a procurement process to provide information on potential market interest and magnitude of financial benefit to the City of public private partnering opportunities and on the strategic use of the PPP lands located along the Keele Street frontage of NMRP.

Background - Analysis and Options

Council at its June 23, 2015 meeting adopted the following recommendation from the Finance, Administration and Audit Committee meeting of June 15, 2015 (Item 13, Report No. 10, Recommendation 2. as amended):

That staff conduct additional due diligence and report back for Council's consideration in September 2015 on the future strategic use of PPP lands along the Keele Street frontage to assist with funding and advancement of future phases of park development and on the appropriate criteria for undertaking an Request for Expressions of Interest (RFEOI) procurement process to provide information on potential market interest and the potential magnitude of financial benefit to the City.

Following direction from Council, staff from Parks Development, Purchasing Services, Development Finance & Investments, Financial Planning & Analytics, Legal Services and Real Estate met to discuss options and alternatives for developing the appropriate criteria for undertaking an RFEOI procurement process. Staff also discussed the advantages and disadvantages of considering other procurement and pre-procurement processes such as Request for Information (RFI), Request for Proposal (RFP) and Request for Qualification (RFQ). Subsequent to this meeting staff sought the advice of a PPP procurement advisor to assist in confirming a recommended PPP procurement process for NMRP.

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On August 6, 2015 a PPP procurement workshop was held with John Davis from PPI Consulting (formerly Partnering and Procurement Inc.) to build upon the research and planning already developed by the City through the Park Vision process and the Financial Advisory Review. PPI is one of North America's leading procurement and project management consulting firms that specialize in supporting public sector clients with delivering fair and transparent procurement processes for complex projects.

The purpose of the PPP procurement workshop was to:

- a. Identify and assess potential procurement options for NMRP that align with the park vision and Council's stated objectives
- b. Identify the decisions and information that are required to enable a successful PPP procurement process (e.g. decisions that may impact the scope of development options)
- c. Identify and substantiate a recommended go-forward approach

PPI led staff through a series of facilitated discussions to confirm the quantity and type of available information related to NMRP and surrounding lands (knowns) and the type of information still required or to be clarified through the PPP process (unknowns). PPI also provided an overview of procurement options and the considerations for each. The result of these discussions confirmed that undertaking a 2-Stage process would be appropriate for the NMRP project with the initial stage being an RFI followed by an RFP, depending on the outcome and results of the RFI.

The purpose of the RFI is to provide the City with information and clarity of market interest to inform the potential for and criteria desired in an RFP since the scope of PPP development options is not already defined. The advantages of the 2-Stage RFI/RFP process are to:

- a. Confirm and clarify market interest in the NMRP project
- b. Provide a focused and well-defined set of objectives
- c. Identify solutions that align with the Park Vision and broader strategic plans for the area (i.e. Block 27 planning, Mobility Transit Hub, etc.)
- d. Confirm Return on Investment for potential private partners and economic value to City
- e. Provide an organized approach to decision-making
- f. Provide for public transparency and fairness

A draft Terms of Reference for the RFI is appended as Attachment 1. The Terms of Reference is subject to change pending further refinement prior to release. Upon approval from Council to proceed, the following schedule is proposed:

- September 16, 2015 - Council approval
- September 23, 2015 - Finalize RFI
- September 28, 2015 - Issue RFI
- October 19, 2015 - RFI closing date (3 weeks)
- October 26-30, 2015 - Review submissions
- November 9-13, 2015 - Conduct Commercially Confidential Meetings (if required)
- November 16, 2015 - Report to FAA Committee
- November 17, 2015 - Council meeting
- November 18, 2015 - Initiate Stage 2 RFP process (if required)

Upon completion of Stage 1 staff will bring forward, as requested by Council, all options for consideration of the future strategic use of the PPP lands along the Keele Street frontage and long-term go-forward plan for NMRP. These options include:

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- a. Option 1. Conventional Approach to Park Development
- b. Option 2. Recreation Partnership
- c. Option 3. Strategic Positioning and Value-Added Sale of a portion of Lands
- d. Option 4. Pursue Stage 2 Process for PPP Opportunities

Relationship to Vaughan Vision 2020 / Strategic Plan

This report is consistent with the priorities previously set by Council in the Vaughan Vision 2020/Strategic Plan and the necessary resources have been allocated and approved. Conducting a review of alternative funding and service delivery models for the development and operation of NMRP supports the City's commitment to enhancing natural and built environments through efficient use of resources, managing corporate assets through continuous assessment of infrastructure requirements, pursues excellence in service delivery and supports the goal of enhancing community health, safety and wellness through design and program opportunities. Taking steps to achieving the NMRP plan demonstrates Council's commitment to providing service excellence to citizens.

Regional Implications

Implementation of the NMRP plan, including potential PPP opportunities, will require York Region involvement and approval related to the location of the proposed driveway entrance(s) along Keele Street and associated transportation considerations, as well as input and approvals for site servicing requirements and capacity.

Conclusion

In June 2015 Council directed staff to undertake additional due diligence and report back in September 2015 on the future strategic use of PPP lands along the Keele Street frontage to assist with funding and advancement of future phases of park development and on the appropriate criteria for undertaking a procurement process to provide information on potential market interest and the potential magnitude of financial benefit to the City. Staff reviewed a variety of procurement processes in collaboration with public procurement advisor John Davis from PPI Consulting and recommend that a 2-Stage PPP procurement process be undertaken, including an RFI as the initial stage followed by an RFP (if required based on the results of the RFI). The RFI will assist the City by providing information required to inform the potential for and criteria desired for an RFP since the scope of PPP development options has not yet been defined. Staff propose to undertake the RFI process in September and October 2015 and report back to Council in November 2015 with the results and proposed next steps.

Attachment

- 1. Draft RFI Terms of Reference

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)