

February 21, 2012

To: His Worship the Mayor
and Members of City Council

Re: Regina Revitalization Initiative (RRI) Procurement Team Contracts

**RECOMMENDATION OF THE EXECUTIVE COMMITTEE
- FEBRUARY 15, 2012**

1. That City Council authorize the Deputy City Manager of Corporate Services to proceed with procurement and contractual offer for a Project Manager, Architectural/Owner's Engineer Advisor and Fairness Advisor to advise the City on the P3 planning and procurement of a replacement for Mosaic Stadium.
2. That the City Solicitor be instructed to prepare the necessary agreements for execution by the City Clerk.

EXECUTIVE COMMITTEE – FEBRUARY 15, 2012

The Committee adopted a resolution to concur in the recommendation contained in the report.

Mayor Pat Fiacco, Councillors: Louis Browne, Sharron Bryce, Fred Clipsham, Michael Fougere, Terry Hincks, Jocelyn Hutchinson, Wade Murray, Mike O'Donnell and Chris Szarka were present during consideration of this report by the Executive Committee.

The Executive Committee, at its meeting held on February 15, 2012, considered the following report from the Administration:

RECOMMENDATION

1. That City Council authorize the Deputy City Manager of Corporate Services to proceed with procurement and contractual offer for a Project Manager, Architectural/Owner's Engineer Advisor and Fairness Advisor to advise the City on the P3 planning and procurement of a replacement for Mosaic Stadium.
2. That the City Solicitor be instructed to prepare the necessary agreements for execution by the City Clerk.

CONCLUSION

City Council, at the December 19, 2011, instructed the Administration to pursue the development of a process to establish a Design/Build/Finance/Maintain (DBFM) Public Private Partnership (P3) procurement approach to construct and maintain the replacement for Mosaic Stadium, with the final plan provided to City Council for final consideration. As such, to develop and deliver the P3 procurement approach for the replacement of Mosaic Stadium, Administration requires

external project management, and architectural and engineering services to provide advice and technical expertise. In addition to these services, a Fairness Advisor, to any and all interested parties, will provide for a procurement process that is conducted in accordance with the pre-established process and evaluation criteria and generally accepted public procurement practices.

City Administration will endeavour to minimize the cost for advisory services during the preliminary work performed to create a P3 procurement process. A final plan for a P3 procurement approach will be brought back to Council for final consideration. The successful proponents will be expected to continue their engagement throughout the P3 procurement process, assuming City Council approves the P3 process to proceed.

BACKGROUND

The Regina Revitalization Initiative was announced April 19, 2011 by Mayor Pat Fiacco and formally initiated by City Council May 30, 2011. It was discussed at that time that a process was to be developed to define a vision for the lands and a shared understanding of the outcomes of the project, which would see residential, commercial and retail development including a multi-purpose entertainment centre (the Entertainment Centre) to replace Mosaic Stadium.

On June 17, 2011, a formal business unit was created within the City Manager's office. Internal staff has been seconded to support the project and an internal Steering Committee has been created to guide the various project elements.

Based on the need to establish a clear future direction for the project, the Administration and external consultants, held a visioning session with members of City Council. The Mayor and Councillors provided feedback to the consultants about the underlying principles for the project and their willingness to be "bold" in relation to the concept of sustainability. City Council approved the Vision and Guiding Principles on August 22, 2011.

With the Vision and Guiding Principles providing more clearly defined outcomes for the community, Administration has developed and continues to implement a long term project plan. On December 19, 2011, based on the results of the P3 Market Sounding process and delivery model assessment that was conducted by Deloitte on behalf of the City, Council approved Administration pursue the development of a process to establish a DBFM P3 procurement approach to construct and operate the replacement for Mosaic Stadium.

In the development of the procurement approach, Administration requires expert project management and technical advice to assist in the development of the procurement process for the design and construction of the replacement of Mosaic Stadium through a P3 arrangement. As well, a Fairness Advisor is required to ensure the replacement of Mosaic Stadium DBFM P3 procurement process is conducted in accordance with the pre-established process and evaluation criteria.

DISCUSSION

To develop and deliver the P3 procurement approach for the replacement of Mosaic Stadium, Administration requires external project management, architectural and engineering services to provide advice and technical expertise. In addition to these services, a Fairness Advisor is required to ensure the procurement process is conducted in accordance with the pre-established process and evaluation criteria.

Project Manager

The Project Manager is responsible for delivering the project and oversees the entire transaction process and manages work tasks and work teams. The Project Manager is supported by the RRI business unit, City staff, and external consultants.

The Project Manager will assist City administration in:

1. Managing and coordinating a DBFM P3 procurement process for the development of a replacement for Mosaic Stadium;
2. Managing and coordinating a team of internal and external professionals engaged in the P3 process to achieve project objectives and deliverables;
3. Developing and finalizing a master schedule and take all actions necessary to achieve all milestones on schedule;
4. Working with the City's communications team to manage and coordinate the internal and external communications for the project including chairing and organizing project meetings, and supporting stakeholder consultations, community meetings and media events;
5. Working with project team members, ensure the timely completion of all required procurement documentation including Request for Qualifications (RFQ) and Request for Proposals (RFP) documents, evaluation methodologies, master P3 agreements, and performance specifications;
6. Reviewing submissions and coordinating the provision of expert advice about the feasibility of proposals;
7. Working with the City's legal team and its advisors to support the creation of a master P3 agreement with the successful proponent; including the creation of a performance criteria matrix;
8. Representing the City and coordinating the provision of expert advice during the design and construction of the facility; and
9. Coordinating the provision of expert advice regarding ongoing project management needs after the construction of the facility.

Architectural, Owner's Engineer and Technical Advisors

In general, the Architectural/Owner's Engineer Advisory services for the development for the replacement of Mosaic Stadium will assist City administration in:

1. Developing a procurement process for the design and construction of the replacement of Mosaic Stadium through a P3 arrangement;
2. Establishing the conceptual stadium design requirements to ensure the RFQ and RFP process and requirements are clear and effective. Reviewing submissions and provision of expert advice about the feasibility of the proposals;

3. The creation of a master P3 agreement with the successful proponent including the creation of a performance criteria matrix; and
4. The provision of expert advice during the design and construction of the facility.

In addition to the above, the Architectural Advisor will provide expert advice regarding urban design requirements. Whereas the Owner's Engineer will provide expert advice regarding ongoing project management needs after the construction of the facility.

Fairness Advisor

Use of a Fairness Advisors is not common practice in Saskatchewan and has not previously been used by the City of Regina. Leading practice in other Canadian jurisdictions is to use such oversight as best practice when dealing with large, complex procurements. The Fairness Advisor's role is to ensure the Mosaic Stadium replacement DBFM P3 procurement process is conducted in accordance with the pre-established process and evaluation criteria. The Fairness Advisor will oversee the procurement process to ensure that it is fair and provide an independent opinion by observing and reviewing the transaction process. The Fairness Advisor must act independently of the City of Regina and will report their advice and requirements directly to the Steering Committee. The Fairness Advisor's process will include, but is not limited to, the following:

1. Review any transaction documents at the Advisor's discretion, including invitation documents and their addenda, the process framework and evaluation worksheets;
2. Attend meetings where evaluation findings and recommendations are formally presented and monitor the fairness of such proceedings and the findings made there, and attend and monitor any other meetings related to the fairness of the process at the Advisor's discretion;
3. Participate in meetings in person and by telephone as scheduled, identify priority fairness-related issues, critical path constraints, and manage his/her assignment in a timely and cost-effective manner;
4. Deliver reports to the Steering Committee at the completion of the RFQ and RFP stages; and
5. Provide proactive input at the earliest stage possible with respect to potential fairness issues, if it were not for such input, might give cause to a finding of a breach of fairness.

The proposed positions will provide expert advice and management in addition to the City of Regina current services throughout the procurement process. Once the procurement process is complete, the Project Manager and Owner's Engineer will continue through to the final construction of the stadium.

Prior to Council's approval of a final plan for a P3 procurement approach, City Administration will endeavour to minimize the cost for advisory services.

RECOMMENDATION IMPLICATIONS

Financial Implications

The activities required to bring a P3 procurement plan to Council will be funded within the current budget. The funding for future advice and support relates to the implementation of a P3 procurement will be detailed as part of a future P3 procurement plan report to City Council.

Environmental Implications

None related to this report.

Strategic Implications

Contracting a professional team of experts to assist the Mosaic Stadium replacement business unit team will result in a well designed and implemented P3 approach by developing a procurement process for the design and construction of the replacement of Mosaic Stadium through a P3 arrangement.

Other Implications

The approval to proceed with procurement of these professional services is being requested prior Council's approval of a P3 final plan to proceed with the Mosaic Stadium replacement.

Accessibility Implications

None related to this report.

COMMUNICATIONS

Upon Council approval to proceed with the RFPs, the regular City of Regina procurement process will be used to post and procure these professional services.

DELEGATED AUTHORITY

The recommendations in this report require Council approval.

Respectfully submitted,

EXECUTIVE COMMITTEE



Joni Swidnicki, Secretary

