

Coquitlam Parks, Recreation & Culture Services Department Unsolicited P3 Proposals Policy

1. Policy

The City of Coquitlam Parks, Recreation and Culture Department is committed to achieving value for money in the development of infrastructure and the delivery of services while ensuring the City's priorities are met and the public interest is protected. By leveraging expertise and resources and offering alternate service delivery approaches, public private partnerships (P3s) can be an effective means of achieving City and department goals. The City is receptive to partnership ideas and will consider projects which serve to:

- deliver improved services and increased value through appropriate allocation of resources, risks, rewards and responsibilities between the City and private, non-profit or other public sector partners;
- enhance public benefits through clearly articulated and managed outcomes;
- leverage expertise and innovation opportunities through a consistent and transparent process;
- create certainty in terms of costs, schedule, quality and service delivery; and
- optimize the use of the asset and services over the life of the P3.

2. Reason for the Policy

The purpose of this Policy is to establish parameters for the submission and evaluation of unsolicited P3 proposals to ensure fairness and accountability throughout the process. The Policy provides process certainty and clarity for all stakeholders by ensuring a consistent framework for selection, evaluation and approval of a P3 Project.

3. Scope

This Policy governs the submission of **unsolicited** P3 proposals for the delivery of services and/or the funding, development, management and operation of public parks, recreation and culture facilities by the private, non-profit or public sectors and the Parks, Recreation and Culture Department's evaluation of such proposals.

Proposals outside this scope, such as ideas for public art, sponsorship, or donations are managed through other City policies or processes.

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4. Definitions

Public Private Partnership (P3):	A legal, contractual agreement between the City of Coquitlam and a private, non-profit, or public entity or individual to assist in the delivery of services or the funding, development, management and operation of public facilities, where the risks, responsibilities and rewards are shared by the partners.
Private Organization:	A sole proprietor, company or corporation in the pursuit of business, the promotion or sale of products and/or services for profit.
Non-Profit Organization:	A membership group registered as a Society.
Proposer:	The private, non-profit or public sector entity or individual who submits an Unsolicited Proposal.
Proponent:	The private, non-profit or public sector entity or individual who submits an Unsolicited Proposal in response to a formal City procurement process, such as a Request for Expressions of Interest or Request for Proposals.
Unsolicited Proposal:	In the absence of a formal request from the City, a proposal initiated and submitted by a private, non-profit or public sector entity or individual for consideration by the City.
Letter of Intent (LOI):	The first step in an Unsolicited Proposal process: a brief and concise document that describes the partnership idea and relevant information about the Proposer.
Formal Business Proposal:	The Proposal submitted by a private, non-profit or public sector entity or individual upon the City granting preliminary approval of the partnership idea.

5. Guiding Principles

The following principles guide the Department's consideration and selection of all P3 projects and inform the criteria for decision-making:

- 5.1 The project will provide tangible benefits to the community, which may include:
- Access to new facilities with state-of-the art design and features
 - Increased, unique or innovative program and service opportunities that reflect the PRC Master Plan priorities

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- Reduced resident tax impact

5.2 The project will protect the public interest through quality assurance in:

- Program and service delivery
- Affordability and public access
- Health and safety standards
- Staff training and development
- Risk management

5.3 The project will align with and advance the goals of the City, providing both tangible and intangible benefits, which may include:

- Delivery of significant capital projects in a timely manner
- Access to specialized skills, expertise, and innovations
- Increased revenue and/or reduced operating costs with reallocation of City funds to other departmental core services
- Shared, and possibly reduced, risks and responsibility in infrastructure development and management
- Increased efficiency and effectiveness in service delivery
- Economic development and local employment

5.4 The P3 evaluation process will be transparent and accountable through:

- In-depth cost/benefit analysis of Unsolicited Proposals
- Thorough assessment of risks and risk management processes
- Careful scrutiny of Proposers to ensure the best value is afforded to the City and community

6. Process

While the City of Coquitlam encourages new ideas and innovative approaches to service delivery and infrastructure development, all Unsolicited Proposals will be evaluated through a consistent and accountable process. The feasibility and potential benefits of the partnership idea will be carefully assessed and if deemed to have merit, must be approved by the appropriate authority in order for the City to proceed with entering into a P3 arrangement. All Unsolicited Proposals will be considered by staff and evaluated based on the criteria detailed in this Policy.

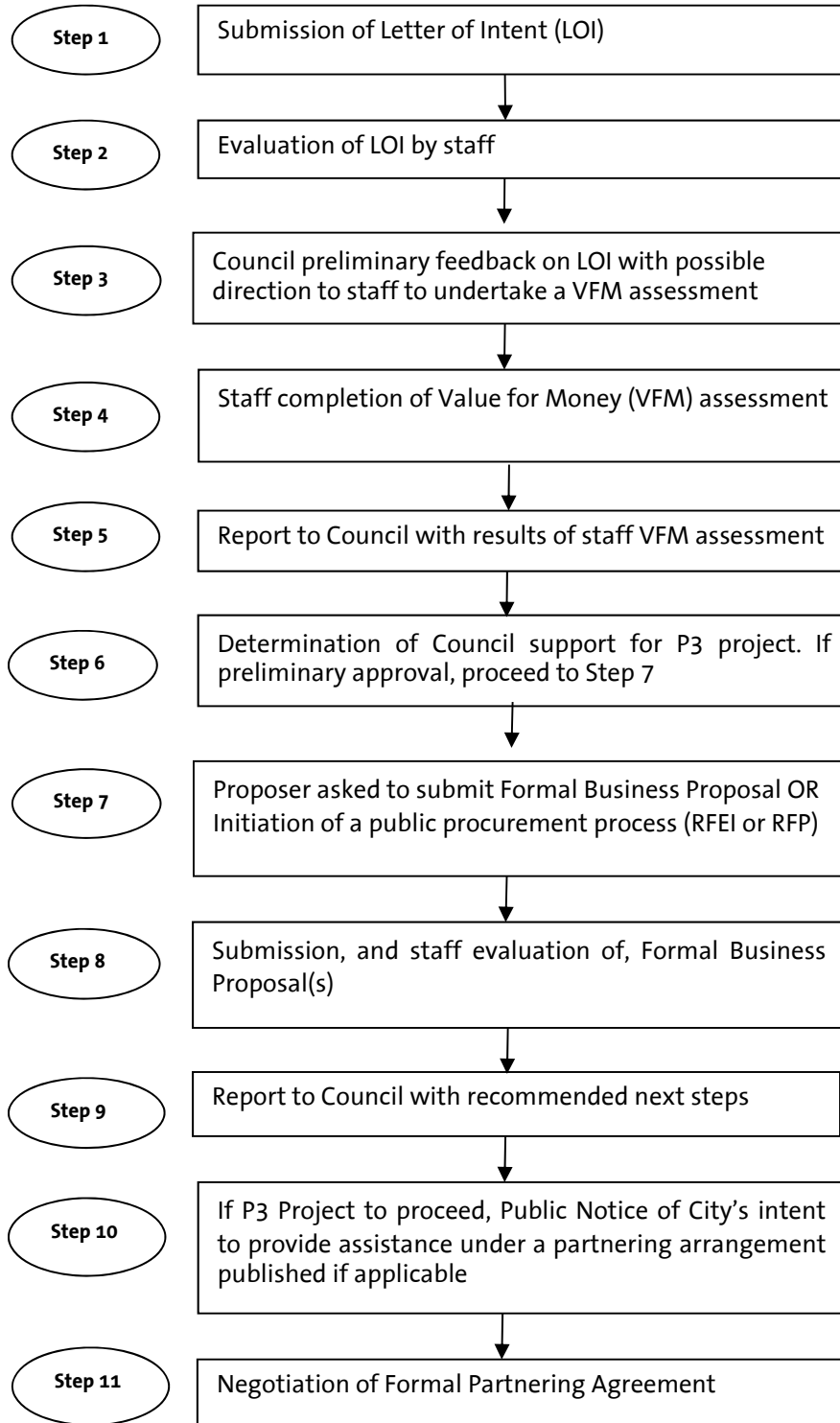
6.1 Unsolicited Proposals Review Process

The process for an Unsolicited Proposal differs from that of a City solicited project primarily in terms of the origin of the partnership idea and its initial submission and review.

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The following steps and mechanisms by which the City considers Unsolicited P3 Proposals (details in Appendix 1):



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6.2 Required Information

The process requires a two-part proposal that consists of an initial Letter of Intent and a subsequent Formal Business Proposal. As specified in **Appendices 2 and 3**, the Letter of Intent and the Formal Business Proposal shall each contain specified information on the Proposer's qualifications and experience, project characteristics, project financing, and project benefit, value and compatibility with City needs and priorities.

NOTE:

Unsolicited Proposals received which do not contain sufficient detail and are merely requesting negotiation of the details of an arrangement will not be considered.

6.3 Challenge Process

Transparency and value for money are underlying principles of this Policy. The City reserves the right to undertake a public procurement process (e.g. Request for Expressions of Interest or Request for Proposals) with respect to P3 projects approved-in-principle by Council. In such cases, the City will release a RFEI or RFP inviting others to submit proposals in response to the potential partnership opportunity (Step 7).

In certain instances the City may determine that a public procurement process is not necessary. This could be due to the uniqueness of the opportunity and the nature of the partnership, and evidence that the arrangement will provide good value for money. Where applicable, the City will be required to publish its intention to enter into a P3 prior to doing so, as per the requirements of the *Community Charter*. The notice will include the name of the recipient and the nature, term and extent of the proposed assistance being provided as part of the partnering arrangement.

6.4 Evaluation Criteria

The Letter of Intent, and subsequent Formal Business Proposal (if applicable) submitted by a Proponent during the Challenge Process noted above, will be evaluated using the following criteria and any additional criteria specified in a public procurement process document:

- Does the proposed project address a community need or service gap and is the project consistent with City's capital priorities, Strategic Plan and the PRC Master Plan?
- Does the proposed project serve more than one target group and encourage multi-purpose uses?
- Does the proposed project address the public's interests in regard to access, affordability, customer service, hours of operation and variety of programming?
- What is the level of support and/or likelihood of support for the partnership from the community and proposed users of the service or project proposed?
- Does the proposed project clearly designate the roles, responsibilities, risks and rewards of/for each partner?

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- What are the anticipated short and long-term costs to the City in resources, including workload and capital and/or operating and maintenance budget impacts?
- Is the project economically sustainable and have the costs been systematically analyzed?
- Are the level of entitlements and rights of the Proposer supported by economic value consistent with such partner's contribution to the partnership in resources and risks?
- Does the proposed project include a level of quality consistent with standards established by the City for projects of a similar nature?
- Can the output of the service be measured and valued in a manner that allows the City to easily determine compliance with the purpose and terms of the partnership?
- Is the Proposer qualified to carry out the proposed project?
- Does the City have the capacity to effectively oversee the partnership, including design and construction of the project and on-going activities of the partnership?

6.5 City's Right to Withdraw from Process

The City reserves the right to withdraw from the process and terminate any further discussions without any compensation to the Proposer or any related consultants, companies, individuals, agencies, vendors, etc. for any time or costs incurred.

6.6 Disclosure of Information and *Freedom of Information and Protection of Privacy Act*

The City is subject to the Provincial *Freedom of Information and Protection of Privacy Act*. Most information submitted to the City in connection with transaction of official business is public information subject to disclosure upon written request. All information provided to the City will be handled in accordance with the Act and the requirements of the Act while in the City's possession. All documents submitted by a Proposer should be regarded as public records and subject to disclosure, unless the information is accepted from the requirements of the Act (i.e. trade secrets and propriety information).

Proposers are encouraged to submit trade secrets, financial records and propriety or other confidential information which may be exempt from disclosure under the *Freedom of Information and Protection of Privacy Act* enclosed in a separate, sealed envelope marked "confidential".

6.7 Evaluation of the Partnership

Monitoring of the partnership will be ongoing with regular evaluations based on the following criteria:

1. Alignment with the City
 - The partnership is consistent with current City goals, priorities and plans;
 - The facility/service/partner organization has a good reputation in the community;

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- There is a positive working relationship between the partner organization and the City.
2. Management and/or Governance
 - The partner organization is in good standing, in compliance with its Constitution and Bylaws, if applicable, and all legal requirements;
 - The organization has developed and implemented key policies based on best practices;
 - The Board and Managers have the skills and capacity to lead effectively.
 3. Operation
 - The partner organization exhibits good financial planning showing operating and capital reserves for future sustainability;
 - The organization complies with the partnership agreement;
 - The organization has proven its ability to identify and solve problems effectively;
 - The facilities are well maintained and operated.
 4. Outcomes
 - The partner organization sets, meets, and reports on annual goals which may relate to participation and access, staff development, service delivery, operational systems, revenue, and other key indicators and targets identified in the business plan.

7. Authority

Authority for this Policy was granted by the City of Coquitlam Council on December 4, 2017.

8. Effective Date

December 4, 2017.

9. Review

This policy shall be reviewed as required in response to developments in information technologies, legal instruments, and City of Coquitlam administrative practices.

10. Approval History

Date Approved/Revised	Approved By	Resolution Number
December 4, 2017	City Council	625

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11. Other Related Policies or Procedures

City of Coquitlam *Procurement Guidelines*

12. Policy Status

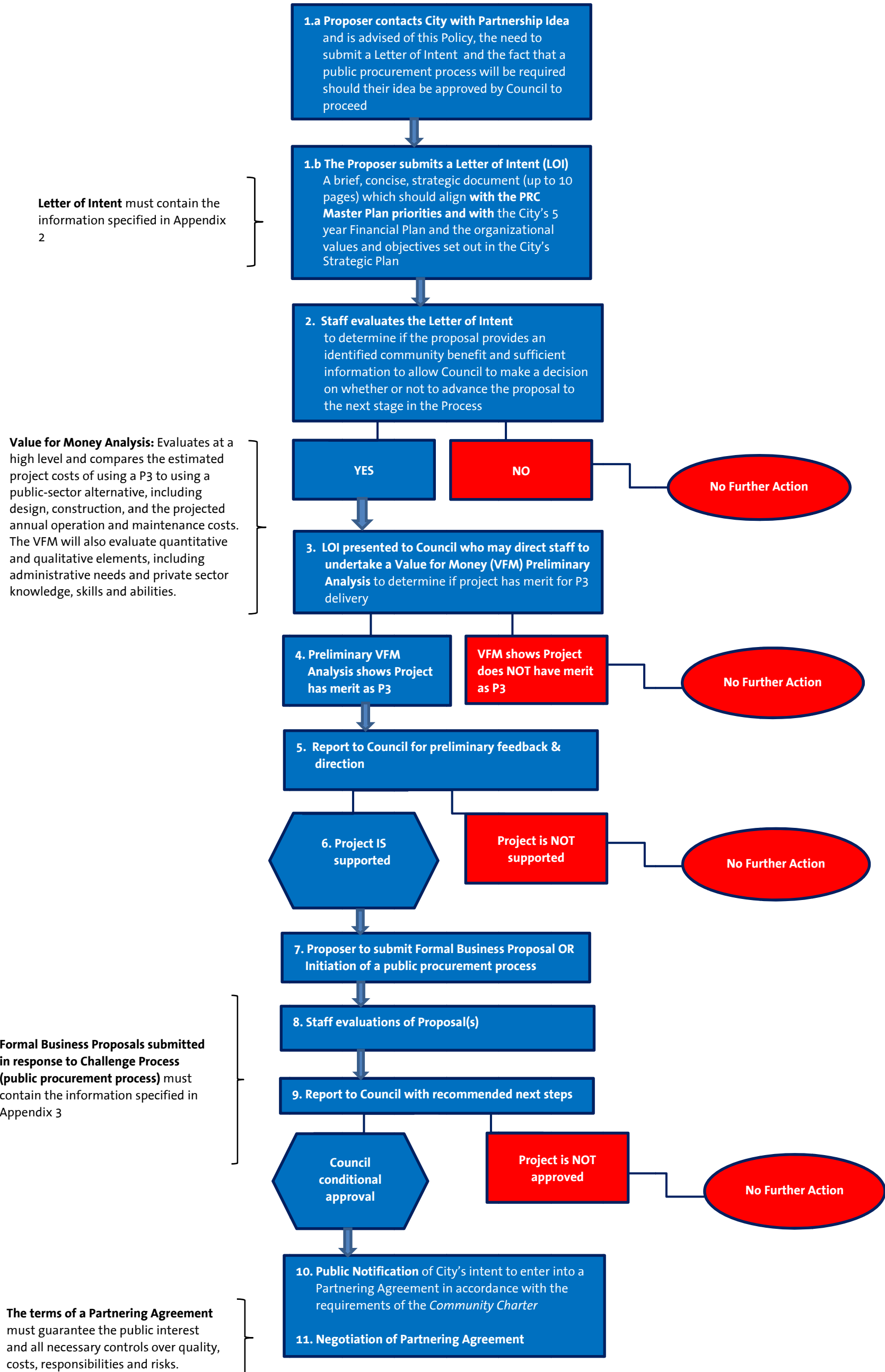
This policy is:

- Available on request to the public
- Not available on request to the public

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APPENDIX 1

Unsolicited Proposals Review Process



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APPENDIX 2

Letter of Intent – Required Information

The Proposer must submit for the City’s review a **Letter of Intent (LOI)** not exceeding ten (10) pages and including the following information:

- Legal Name and Address of the Proposer(s)
- Organizational status (i.e. commercial, non-profit, public)
- Management Framework (i.e. Shareholders, Board of Directors, staff, key personnel, etc.)
- A statement regarding the Proposer’s qualifications to successfully carry out the project
- Proposer’s mission/mandate and objectives
- High-level details regarding the proposed facility construction project and/or service, rationale for the P3 arrangement and identification of how the project resolves a capacity issue and/or serves a currently unmet community need, and aligns with the goals and objectives set out in the City Strategic and Financial Plans, and PRC Master Plan.
- A preliminary sketch or plan showing the size and layout of the proposed facility (if applicable)
- A description of both the benefits and impacts to the City and community
- The proposed uses and the target market of the facility, including individuals, rental groups, and clubs, as well as any anticipated businesses, tenants or sub-leases
- The hours of operation and public access
- A preliminary business plan including an overview of the proposed business model, the estimated operating costs, expected attendance, proposed fees and expected revenues, and the contribution being requested from the City (i.e. land, cash, in-kind services)
- Expectations regarding the roles and responsibilities of both partners (some of which may be covered through the provision of other information required as part of the LOI)
- Expectations regarding the operation and maintenance of the facility
- A high-level risk assessment and identification of how risks would be allocated and managed
- Projected time period for the life of the P3 arrangement

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APPENDIX 3

Formal Business Proposal – Required Information

Should Council provide preliminary support for an unsolicited P3 project proposal, the Proposer must then submit a **Formal Business Proposal (FBP)**, which must include the following information:

- Legal Name and Address of the Proposer(s)
- Organizational status (i.e. commercial, non-profit, public) and Management Framework (i.e. Shareholders, Board of Directors, Staff, key personnel, etc.)
- A statement regarding the Proposer’s **qualifications** to successfully carry out the Project, including:
 - information evidencing the Proposer’s thorough understanding of the complexities of the project
 - management and operational expertise sufficient to complete the project in a timely and professional manner and/or deliver services to the community
 - any relevant experience carrying out projects and/or delivering services of a similar nature
- A **market and competitive analysis** supporting the revenue assumptions and economic viability of the proposed project, including forecasts of supply and demand
- For Proposals that involve an improvement to real property or an existing facility, a **design and construction plan**, including:
 - identification of the location(s) of the facility(ies) and services
 - identification of any regulatory requirements related to land use, OCP or zoning
 - a conceptual design including, at a minimum, the following:
 - (a) Conceptual renderings from which the City can deduce the nature and general character of the improvement and its relationship to the subject property and surrounding improvements
 - (b) A conceptual site plan encompassing the subject property and portions contiguous from which the City can deduce the landscaping and urban design concepts of the improvement, major pedestrian entrances and proposed outdoor areas, and a circulation plan (for walking, cycling and motor vehicles)
 - (c) A preliminary facility program describing the improvement’s mix of uses, estimating square footage for each use and addressing the likely parking needs

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- (d) Preliminary exterior building elevations illustrating massing, openings and related building elements
 - a Project Schedule identifying all stages of the project development from design to completion
 - permit requirements
 - power requirements
- A **management plan**, including:
 - operations
 - maintenance
 - compliance with existing regulations
 - staffing
 - training of staff
 - accounting, reporting and auditing procedures
 - proposed relationship with local government staff
- A **business plan**, including:
 - partnership structure
 - duration of the proposed partnership
 - ownership of assets during and after the partnership term
 - any terms of payment
 - maintenance costs
 - reserves that need to be kept by the private or non-profit partner (e.g. maintenance reserve)
 - risk management, including that of force majeure
 - risk transfer from the local government to the private sector partner
- A **financial plan**, including:
 - detailed cost schedule related to design and construction plan (if applicable)
 - financial structure
 - sources of funding
 - expectation of resources from the municipal government (e.g. land, cash, in-kind services, facility operations)
 - how any improvements, upgrades and modifications will be financed
 - pro forma financial statements
 - for infrastructure or service delivery partnerships where user fees will be a source of revenue, a detailed year-by-year description of future user fees
 - definition of an “acceptable rate of return”
 - expected return to the proposed private or non-profit sector partner
 - letters not more than ninety days old from authorized representatives of regulated financial institutions evidencing the existence of liquid assets or suitable

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unencumbered lines of credit sufficient to finance all reasonably anticipated development activities

- **Tax expectations**, including, where applicable:
 - tax deductions
 - capital cost allowance
 - transfer to the public sector partner
 - Goods and Services tax
 - land transfer tax
 - property and business tax
- **Legal arrangements**, including:
 - legal structure of the partnership between firms or persons in a consortium
 - proposed legal structure between potential partner and local government
 - special terms and conditions that will be required
 - compensation if project is cancelled by local government
 - compensation if project is cancelled by potential partner
 - dispute resolution mechanisms
 - indemnities
- A description of the **community impact** of the proposed project, including:
 - the project's anticipated financial benefit to the City, including tax revenues and overall economic impact
 - estimates of the number of jobs for area residents to be generated by the project
 - a description of the project's non-financial benefits to the City
 - a plan for community consultation or engagement with respect to the project/services
 - any additional information considered important with regards to community benefits
- Details regarding plans for **performance measurement and reporting**