

# **PED14002(e): Proposed Evaluation Criteria Framework and Scorecard for Pier 8 Development Opportunity RFP**


Presented to:  
**General Issues Committee of Council**

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# Pier 8 Land Solicitation Process: Timeline Recap

- **Nov. 2, 2016:** GIC Report 16-028 (PED 14002(c))
    - Authority granted to prepare RFQ and carry out through to shortlist of no more than 5 Prequalified Proponents
    - Requirement to return to GIC to consider RFP evaluation criteria
  - **Apr. 18, 2017:** RFQ launched
    - RFQ downloaded over 250 times
  - **July 10, 2017:** RFQ Submission Deadline
  - **July 10, 2017:** GIC to fulfill criteria approval requirement
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# Solicitation Process



- Key team members
- Track record
- Financial capacity
- How do values align with the City's?

- Detailed concept
- Visuals and drawings that reflect concept
- Financial business plan and pricing
- Demonstrate innovation and value-add that addresses City's priorities

- Final sales details
- Ground rules for relationship with City
- What-if scenarios

# Peer Reviews

- Looked at same peer examples from PED 14002(c):
  - City of Victoria, Dockside Lands
  - City of Vancouver, Southeast False Creek
  - National Capital Commission, Lebreton Flats
  - Waterfront Toronto, Bayside
- Lessons learned:
  - Potential trade-off between qualitative elements and financial bids
  - Implementation is as important as conceptual plan and financial bid
  - Design against scenarios where outcome can be manipulated
  - Wide scope of objectives, means criteria and scoring gets complicated / diluted      Keep RFP scope narrower to allow focus on priority objectives

# Guiding Principles

- Setting Sail prevails
  - Eight core planning principles
  - Affordability & Accessibility (public consultation)
- Winning on the margins
  - Provide opportunities to distinguish proposals
- Process-driven approach
  - Focus on what matters at this stage, don't spread points too thin
- Long-term positioning
  - Project time horizon will be long      strike a balance between short-term results and long-term strategy

# Proposed Evaluation Criteria Scorecard

Submission Requirements	Scoring (% of Total)
<b>Development Plan</b> <ul style="list-style-type: none"> <li>• Conceptual Master Plan &amp; Design Excellence</li> <li>• Residential Program (incl. Affordability)</li> <li>• Place-making</li> <li>• Environmental Sustainability</li> </ul>	30%
<b>Project Implementation</b> <ul style="list-style-type: none"> <li>• Phasing Plan</li> <li>• Financing Plan</li> <li>• Project Management Strategies</li> </ul>	15%
<b>Urban Innovation</b>	15%
<b>Financial Proposal</b> <ul style="list-style-type: none"> <li>• Fixed Payments</li> <li>• Contingent Payments</li> </ul>	40%

First Envelope Score

+

Second Envelope Score

=

Total Score

# Proposed Scorecard Rationale

- 60/40 split between qualitative and quantitative:
  - Balanced weighting between qualitative and quantitative criteria
  - No single component is worth more than half
  - In line with community feedback    tilt towards community benefits
- “Winning on the margin”
  - Urban Innovation becomes a focal point on City’s desired outcomes
  - Financial Proposal becomes a quantifiable way to create distinction
- “Two envelope”, benchmark threshold, total score
  - Standard Procurement approach    mitigates bias
  - Prevents a Proponent from “buying the deal” (i.e., presenting an excessively high price without also presenting a decent technical submission)

# Next Steps

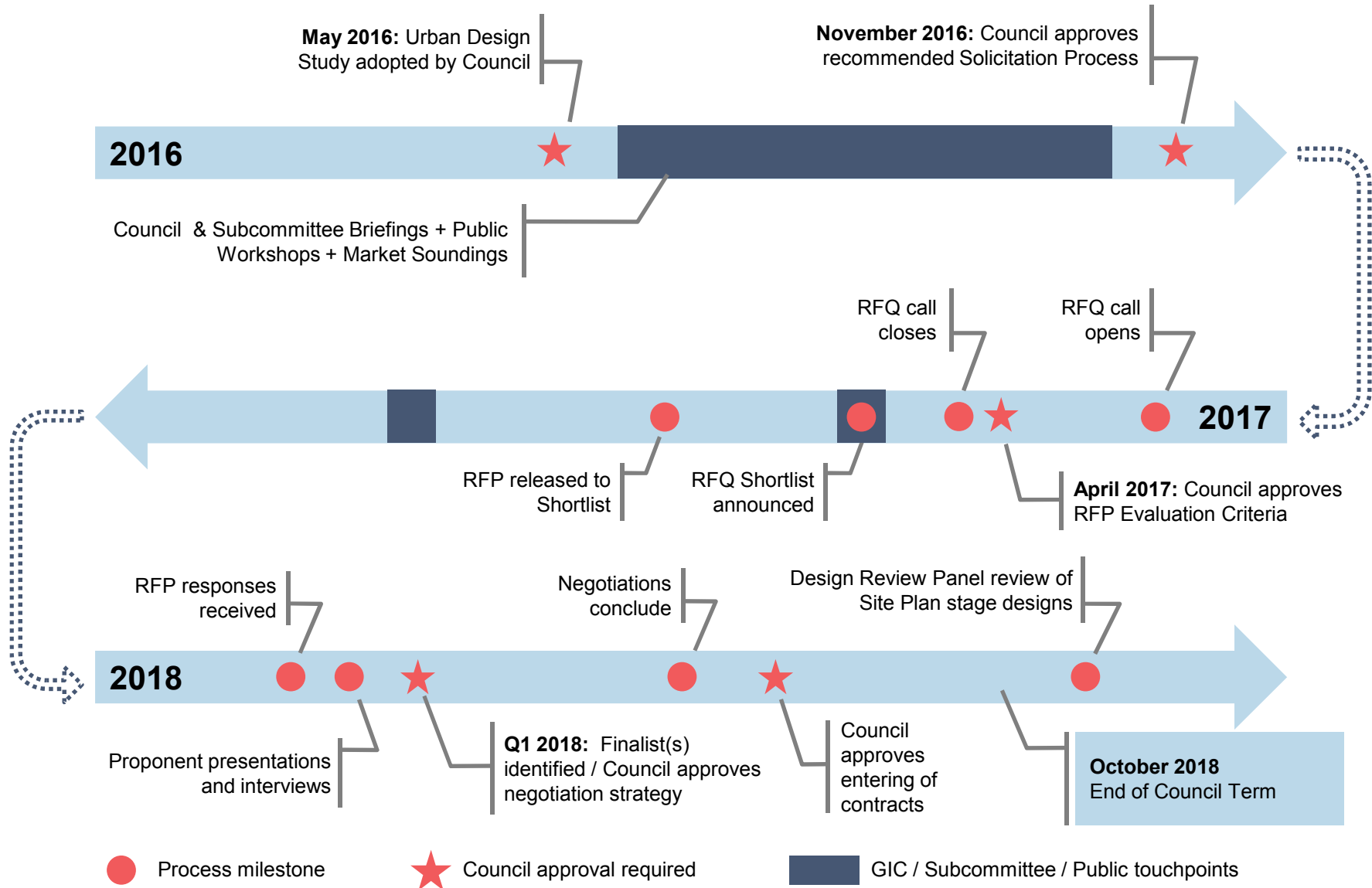
- Authorize staff to move forward with RFP
  - Endorse scorecard prior to announcing Prequalified Proponents
- Develop RFP document
  - Linkages to City's vision, policies, past community input
  - Submission requirements, evaluation criteria, scoring methodology in line with this PED14002(e) approval
- Distribute RFP and Prequalified Proponents briefing
  - Updated status of land development, capital works, environmental, etc.
  - Commercially Confidential Meetings and clarification of ground rules
  - Base assumptions dictated by City
- Info Report re: deal structure considerations



# Deal Structure Considerations

- Financial bid may be on a fixed or contingent basis (or combination), which balances City's desires to maximize long-term financial value, maintain control throughout the development horizon, and fiscally plan around future revenue sources
- Variables considered will include
  - Land ownership / parcel draw-downs
  - Pricing calculation methodologies
  - Timing / time-value-of-money
- Staff will return to GIC/Council to provide information on prospective deal structures prior to requesting approval to negotiate with Preferred Proponent

# Sequence of Events & Approvals - Original



# Sequence of Events & Approvals - Recast

