

Summary of Risks and Agreement Inclusions or Processes to Mitigate

The primary risks to having third party operators of municipal recreation facilities are outlined in detail in the Recreation Master Plan. These risks are detailed in the first two columns of the chart below. Steps taken to mitigate each risk is identified in the third and fourth columns. As part of continuous improvement, Recreation staff has identified additional measures to improve risk mitigation when new agreements are being executed. These additional measures are identified in the last column and have been developed in collaboration with Legal and Risk Services and from the initial findings from the Corporate Real Estate Leases and Licenses Audit Report.

Risks identified	Details	Mitigation Steps Taken	Details	Mitigation Steps to be verified/incorporated at commencement/renewal
Not all risks can be transferred	<ul style="list-style-type: none"> • Residents will look to the municipality to resolve disputes, address complaints to service delivery, or step in if the operator chooses to withdraw services • The City may be included in any legal action where an operator is operating the City facility • If operator chooses to discontinue operation of facility, City is responsible for continuity of services without budget and/or operator may have received advanced payment 	Selection process	<ul style="list-style-type: none"> • Only consider already established community groups and organizations, and where possible, with a single operator of multiple services at a facility • Organizations must demonstrate they have the expertise and financial/human resources to operate a facility, manage funding, and provide oversight to the services being offered • Internal procedures are defined to ensure fair selection and allocation of resources, including following the Procurement Policy Bylaw when applicable for selection of service providers 	<ul style="list-style-type: none"> • Ensure all Funding Agreements require submission of reports and financial documentation by the operator at regular intervals and prior to provision of funding advance • Ensure Funding Agreements address consequences of default including return funding • Ensure all Funding Agreements require sufficient advance notice to be provided by operator prior to discontinuing operation
		Levels of agreements for facility operation	<ul style="list-style-type: none"> • There are different levels of facility operation and different agreements available, with minimum 	<ul style="list-style-type: none"> • Provision of comprehensive care and control training for operators prior to issuing keys and periodic checks by

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			<p>requirements for operators based on the level of risk associated</p> <ul style="list-style-type: none"> • Wherever possible, organizations are provided with access and agreements that are the lowest risk possible (i.e., facility permit with keyholder agreement instead of a full facility operating agreement) 	<p>City staff to ensure compliance with procedures</p>
		Involvement of legal and risk services	<ul style="list-style-type: none"> • Staff from legal service and risk management assist with drafting agreements, including any templates for recreation staff to use with groups (i.e., keyholder access) • Advice provided for incorporation of standard clauses into agreements, based on level of risk and agreement type • Identification of insurance requirements by risk management staff and indemnification of the City in all Agreements 	<ul style="list-style-type: none"> • Ensure review of indemnification language in all operator agreements by Risk Management staff to ensure operational risks are transferred from the City to operators • Ensure review of proposed insurance coverages by Risk Management staff to ensure adequate risk financing is in place to respond to a claim
		Authority for execution	<ul style="list-style-type: none"> • Agreements are only executed when necessary authority has been obtained and by those with authority to do so 	<ul style="list-style-type: none"> • Legal Services approval as to Form will recite relevant authority
Organization operates outside of standard	<ul style="list-style-type: none"> • Organizations have different approaches to handling business processes, 	Procedures and documents	<ul style="list-style-type: none"> • Agreements, Handbooks and supporting documents are used to clearly outline relationships with groups, including which party is 	<ul style="list-style-type: none"> • Ensuring handbooks are vetted by Legal/Risk Management staff, as well as

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City business processes or fees	<ul style="list-style-type: none"> • branding, or offering different services • Sometimes the operator requires additional membership fees to fully participate in programs 		<ul style="list-style-type: none"> • responsible for each part of a facility’s operation • Standard Operating Procedures ensure that Legal/Risk Management services are engaged for all new agreements, • Staff dedicated to the coordination of agreements being created 	<ul style="list-style-type: none"> • other City stakeholders (e.g., Parks, Facilities, etc.) • Provision of relevant City policies, procedures, by-laws, etc. (e.g., RZone, Smoking, Food Handling, etc.) operators
		Minimum requirements for community access	<ul style="list-style-type: none"> • Agreements include requirement for the operator to provide low/no cost facility access for a minimum number of hours to other organizations/residents 	<ul style="list-style-type: none"> • Ensure data respecting community access is being accurately tracked
Agreements require City staff management and oversight	<ul style="list-style-type: none"> • Agreements need to be effectively managed and complied with by all parties to be successful • May be perception that preferential treatment or benefits are being provided to one organization over another 	Ongoing reporting requirements	<ul style="list-style-type: none"> • Reporting is required for service levels delivered, including number of programs, participants served, and/or annual financials • If minimum operator requirements are not being met, follow up will occur by management with alternative service providers considered 	<ul style="list-style-type: none"> • Ensure submission of reporting is timely and reviewed with the operator to identify opportunities for improvement • Ensure complaints are addressed and instances of default/non-compliance with the Agreement by operator is promptly documented and remedied, failing which termination of operator will be actioned
		Regular renewal of agreements	<ul style="list-style-type: none"> • A complete list of all operator agreements is maintained, including renewal dates and recreation manager responsible 	<ul style="list-style-type: none"> • Ensure Agreements are executed in a timely manner and are in place prior to the operator accessing the facility

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		and monitoring	<ul style="list-style-type: none"> • Where possible, Agreements are renewed in advance of the expiry date using updated clauses and terms • Staff dedicated to the coordination of agreements executed; this staff will be objective and removed from the relationship manager role to ensure unbiased oversight, that the correct agreement is used, and proper authority obtained • Upon renewal of operator agreements, a scan is conducted to ensure there are no other suitable operators who should be considered 	<ul style="list-style-type: none"> • or commencing operation or receiving funding • Ensure accurate Certificate of Insurance (“COI”) has been received by the City prior to the operator accessing the facility or commencing operation • 30 days prior to expiry of current COI, Recreation staff will be responsible for obtaining a new COI
		Continuous improvement	<ul style="list-style-type: none"> • Agreement inclusions and requirements for operators are continually being revisited, with opportunities to reduce the city’s risk identified frequently and implemented • When organizations have responsibility for community development and engagement, they will collaborate with the community to develop local goals and actions to meet 	<ul style="list-style-type: none"> • Ensure new Agreements contain most current Agreement language