Minutes – Executive Policy Committee – May 22, 2020

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 21, 2020

Item No. 2 Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five (5) Years under the Terms of Bid Opportunity No.577-2004, Materials Management Reference No. 98-2020

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That the City undertake single source negotiations for, and award, enter into, execute and deliver a five year extension of an existing service contract with the St. Vital Minor Hockey Association for the operation of the St. Vital Centennial Arena at 580 St. Anne's Road for the period from August 1, 2020 to July 31, 2025 in the estimated amount of $2,017,337.00 plus applicable taxes and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the extension to the existing service contract and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 21, 2020

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Mayes,

That the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On May 21, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five (5) Years under the Terms of Bid Opportunity No.577-2004, Materials Management Reference No. 98-2020

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	J. Kiernan	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The existing Service Contract for the operation of St. Vital Centennial Arena with St. Vital Minor Hockey Association (SVMHA) is scheduled to expire on July 31, 2020. This contract will replace the expiring contract until July 31, 2025.

The SVMHA expressed interest to extend the contract for an additional five (5) year period from August 1, 2020 to July 31, 2025.

The previous arena service contract that was awarded to the SVMHA has been performed to the satisfaction of the Public Service.

The award of this contract will not result in the redeployment of CUPE staff.

The Recommendations included in this Report complies with the requirements of the various trade agreements and the City's Materials Management Policy.

RECOMMENDATIONS

1. That the City undertake single source negotiations for, and award, enter into, execute and deliver a five year extension of an existing service contract with the St. Vital Minor Hockey Association for the operation of the St. Vital Centennial Arena at 580 St. Anne's Road for the period from August 1, 2020 to July 31, 2025 in the estimated amount of $2,017,337.00 plus applicable taxes and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the extension to the existing service contract and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to extend this contract for an additional five (5) years on a single source basis.

IMPLICATIONS OF THE RECOMMENDATIONS

The contract annual cost is a base management payment of $125,000 plus an incentive fee of 90% of all revenue collected, less the initial $125,000. Revenue, based on historical averages, is estimated at $2,113,340 over the five (5) years of the contract and is provided for in the Community Services Department budget. The cost of the contract extension over five (5) years is estimated at $2,017,337, excluding GST, and is provided for in the current operating budget of Municipal Accommodations Division. As such, based on historical revenue, the resulting net benefit to the City of Winnipeg is approximately $96,000 over the term of the contract.

HISTORY/DISCUSSION

On June 29, 2005, Council approved the award of service contract (RFP 577-2004) for the operation of the St. Vital Centennial Arena to the SVMHA for a five (5) year period (August 1, 2005 to July 31, 2010). At that time, Council approved “that the Chief Administrative Officer be delegated the authority to extend the contract for an additional five (5) years if it is determined to be in the best interests of the City”. In October 2010, the service contract was extended under the same conditions for an additional five (5) years from August 1, 2010 to July 31, 2015.

Upon expiry of the extension on July 31, 2015, the Manager of Materials Management granted single source approval to extend the existing agreement to November 30, 2015.

On March 3, 2016, the SVMHA had provided confirmation that they wish to extend the agreement under the same terms and conditions as RFP 577-2004 for an additional five (5) year term.

On July 13, 2016, Council approved that single source negotiations and award of the existing service contract with the St. Vital Minor Hockey Association for the operation of the St. Vital Centennial Arena at 580 St. Anne’s Road be extended for an additional five (5) years for the period from August 1, 2015 to July 31, 2020 pursuant to B4.1 (b) of the Materials Management Policy where the supply is made by a public sector body, and the consideration is fair and reasonable.

On March 11, 2020, the SVMHA had provided confirmation that they wish to extend the agreement under the same terms and conditions as RFP 577-2004 for an additional five (5) year term.

St. Vital Minor Hockey Association has the experience and resources to complete the work of this contract and has performed this contract to the satisfaction of the Public Service.

The St. Vital Minor Hockey Association (SVMHA) is a CRA registered charity; therefore, single source negotiations are permitted under B4.1 (b) of the Materials Management Policy and the various trade agreements, being The Canadian Free Trade Agreement (2016) (“CFTA”); the New West Partnership Trade Agreement (“NWPTA”); and the Comprehensive Economic and Trade Agreement (2017) (“CETA”). Similar exceptions to B4.1 (b) of the Materials Management Policy are contained in Part V, Section C, 2 (b) of NWPTA; Article 504.11 (i) (v) of CFTA; and Article 19.3 (2) (d) of CETA.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 22, 2020

Project Name:

First Year of Program **2020**

Single Source Negotiation and Award of Service Contract Extension for the Operation of the St. Vital Centennial Arena at 580 St. Anne's Road for an Additional Five (5) Years under the Terms of Bid Opportunity No.577-2004, Materials Management Reference No. 98-2020

	2020	2021	2022	2023	2024
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 403,467	$ 403,467	$ 403,467	$ 403,467	$ 403,467
Less: Incremental Revenue/Recovery	422,668	422,668	422,668	422,668	422,668
Net Cost/(Benefit)	$ (19,201)	$ (19,201)	$ (19,201)	$ (19,201)	$ (19,201)
Less: Existing Budget Amounts	(19,201)	(19,201)	(19,201)	(19,201)	(19,201)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent those to be incurred by Muncipal Accommodations over the 5-year term of the agreement while revenues consist of that to be realized over the same period by the Community Services Department; both assumed to be incurred/realized in equal amount per annum. Over the term of the agreement, incremental revenue of approximately $96,000 is estimated to be realized by the City.

"Original signed by"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Community Services Department
Legal Services Department (as to legal issues)
Materials Management Division, Corporate Finance Department

OURWINNIPEG POLICY ALIGNMENT

Section 01-5 Recreation

- **Direction 2:** Work with Community Partners to Provide Services that are responsive to the Community's Recreation and Leisure needs.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Municipal Accommodations
Prepared by:	Glen Stefanyshen, Superintendent of Building, Asset Operations and Energy Management
Date:	April 22, 2020