

WATERFRONTToronto

MEMORANDUM

To: Quayside Committee of Waterfront Board of Directors
From: Kristina Verner
Cc: William Fleissig, Meg Davis, Marisa Piattelli, Ian Beverley, Kevin Newson, Erik Cunnington
Date: December 7, 2017
Re: CONFIDENTIAL: Quayside Innovation and Funding Partner RFP Outreach & Market Sounding

On March 17, 2017 Waterfront Toronto released the Quayside Innovation and Funding Partner Request for Proposal (“RFP”) to the market through local, national and international channels. The Partner was selected through a competitive RFP process which was guided by a Steering Committee, Process Manager and Fairness Advisor.

During the year leading up to the creation of the RFP, market research, including market sounding interviews were conducted. These two-hour sessions with individual companies and organizations included a standardized presentation on the vision and objectives of the Quayside project, as well as a structured dialogue to understand the market’s enthusiasm for this innovative approach. Meetings were held with over 50 companies or institutions. A comprehensive list has been included as **Appendix ‘A’**.

As part of the broader outreach, Waterfront Toronto also hosted the “Going to Scale Summit” on November 11, 2016 to further validate the key findings and approaches from the market soundings for the Quayside Innovation & Funding Partner RFP. Organizations in attendance at the Going to Scale Summit have been provided in **Appendix ‘B’**. To ensure that all parties had access to the same information as it evolved during the market sounding process, Waterfront Toronto representatives provided an updated presentation prior to the blackout period for those companies and organizations that had been interviewed during the earliest stages of the market sounding process and had expressed an interest to be informed of the process.

After drafting and legal review of the document, the RFP was released on March 17, 2017. At this point a strict procurement black-out period was in effect for the duration of the procurement process. This blackout ensured that the Corporation’s procurement process was fair, open and transparent to all Proponents, there was no communication between the Corporation, its consultants or contractors and the Proponents apart from the RFP procurement contact (the “Process Manager”) noted in the RFP document during the blackout period.

The RFP was broadly disseminated and promoted through a variety of methods, including MERX (Canada's electronic tendering service). Additional promotional methods selected were intended to gain as broad and international a distribution and circulation as possible, including:

- Canada News Wire (Canadian Comprehensive Technology Package): National distribution;
- Intelligent Community Forum Canada Newsletter – Distribution to 1,400+ tech companies and economic development professionals across Canada;
- MIPIM (largest global real estate trade show held in Europe): presentations to international audiences, including keynote plenary;
- UK Property Forum: distribution to over 60,000 members; and,

- LinkedIn: targeted campaign to an international audience (including UK, UAE, France, Germany, Netherlands, Singapore, Hong Kong). Total impressions of approximately 61,500.
- Waterfront Toronto: promoted across all digital and social media channels.

In addition, there was significant media coverage of the RFP release including:

- The Globe and Mail
- BNN (Business News Network)
- Bloomberg Canada News
- Metro News
- Daily Commercial News

An optional meeting for potential bidders on March 30, 2017 which included the companies below. This is not a comprehensive list as six companies in attendance requested that their identities not be disclosed by way of returning a signed Opt-Out letter.

- AECOM
- China State Construction
- Consulate of Sweden (Toronto)
- Entuitive
- Great Gulf
- White Arkitekter Anna Kerr
- IBM Canada Innovation Office
- Plan Group
- Smith + Andersen
- Stand Development & Consulting, Inc.

Process

The Partner was selected through a Request for Proposal (RFP) with a Best and Final Offer (BAFO) process. This multi-stage process, provides flexibility of multiple discussions through Commercially Confidential meetings and negotiations. A summary timeline of key dates of the process has been included as **Appendix 'C'**.

In addition to the Evaluation Committee, the process was overseen by a Steering Committee comprised of Waterfront Toronto Board of Directors and executive team representatives, as well as external subject matter experts with deep experience in sustainability, resilience, urban innovation, entrepreneurship and urban planning.

The major steps in this RFP process were as follows:

1. Issuance of RFP to market (local, national and international)
2. Initial Submissions by Proponents
3. Evaluation and shortlist (3 to 5 based on rank order) by Waterfront Toronto, with input from subject matter experts that were procured and engaged by Waterfront Toronto
4. Approval of shortlist by Steering Committee
5. Interviews/Commercially Confidential Meetings and Negotiations (4 rounds for each shortlisted proponent)
6. Issuance of final submission requirements
7. Submission of Best and Final Offers (BAFO) by Proponents
8. Evaluation and selection of successful Proponent by Waterfront Toronto, with input from subject matter experts that were procured and engaged by Waterfront Toronto
9. Approval of successful Proponent by Steering Committee
10. Approval by Waterfront Toronto Board

Waterfront Toronto received six submissions to RFP# 2017-13. One of the submissions was not compliant with the requirements and was disqualified from the process. The five remaining submissions received were from the following firms:

[REDACTED]

After a rigorous evaluation process by the Evaluation Team and external subject matter experts and due diligence review by the Steering Committee, the following firms were invited to continue to the second stage in the process:

[REDACTED]

Please note that all proponents had requested that through the process their information be kept confidential. However, the RFP provided for the release of this information as requested, to our government stakeholders.

Four rounds of Commercially Confidential Meetings were held with each of the shortlisted proponents to advance their understanding of the project and clarify their final offer. These meetings were overseen by the Process Manager as well as the Fairness Advisor. All proponents were offered the same access to Waterfront Toronto's team, in terms of frequency and duration, to seek information and clarify elements of their submission. Commercially Confidential Meetings #1, #2 and #4 had were structured as seven-hour sessions for each team and had a consistent agenda that reflected the RFP objectives and submission requirements. Commercially Confidential Meeting #3 was in the form of site visits to precedent project sites where each team was offered two eight-hour blocks of time to program that would demonstrate their team's capacity and approaches that would advance the Quayside project. The projects showcased demonstrated the firm and/or individual team member's expertise as it related to Quayside, including innovation capacity, competence in planning and operationalizing highly complex projects, and partnership experience. All costs associated with these site visits were paid by Waterfront Toronto. These site visits were attended by two members of the Evaluation Committee, two members of the Steering Committee, and the Director of Procurement who observed all the presentations and prepared a formal report to the Fairness Advisor.

All phases of this RFP process are overseen by the Process Manager and an independent Fairness Advisor, the Hon. Coulter Osborne, Q.C.. In addition, Waterfront Toronto retained Dentons to provide procurement legal advisory services throughout the process. A report from the Fairness Advisor has been provided in Appendix 'D'.

Appendix 'A'
Market Sounding Participants

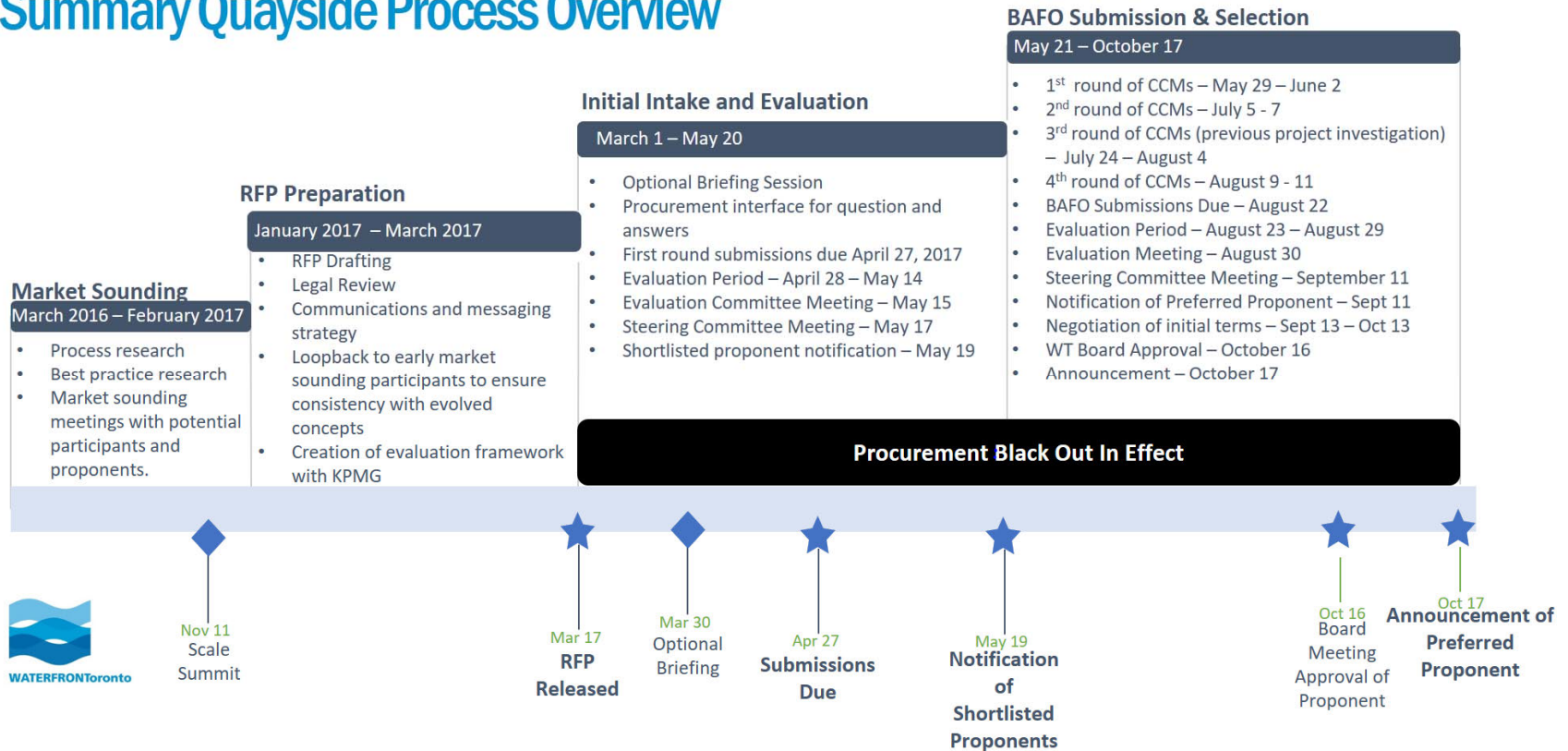
1. 3C
2. AECOM
3. Bell Canada/Bell Mobility/Cerco Cable
4. Bouygues Group
5. Business Sweden
(with Volvo, Novabus and Envac)
6. Castlepoint Numa
7. Chubu Electrical, Japan
8. Cisco Systems Canada
9. Colas Canada
10. Consulate of the Netherlands/Deltares
Group
11. CTA Cleantech
12. DREAM
13. Echelon Corporation
14. Ellis Don
15. EnWave
16. First Gulf/Great Gulf
17. GE Canada
18. George Brown College
19. Globalive Capital
20. Hatch
21. Hines Development
22. IBM Canada
23. Integral Group
24. InstarAGF
25. MaRS Discovery District
26. Mattamy Homes
27. Menkes Development
28. Mentis Services
29. Minto Developments
30. OCADU
31. OMERS
32. OMERS Ventures
33. OneEleven
34. Ontario Centres of Excellence
35. Oxford Properties
36. Realstar
37. Sidewalk Labs
38. Siemens AG
39. Siemens Canada
40. Siemens Financial Services
41. Stantec
42. Termobuild
43. Thales
44. Toronto Hydro
45. Trillium Housing
46. Windmill Developments
47. Altus Group
48. McKinsey Canada
49. Boston Consulting Group
50. View Glass
51. Daniels Corporation
52. Kilmer Group

Appendix B
Attendees at the November 11, 2016 Scale Summit

Ambience Data
Autodesk
BASF Canada
Blackstone Energy
Brookfield Institute for Innovation + Entrepreneurship
CHAR Technologies Ltd.
Cisco Systems
City of Toronto, Office of the Mayor
EllisDon Corporation
EllisDon Corporation
George Brown College
Government of Ontario, The Office of the Premier
Hill + Knowlton Strategies
IBM Canada
Innovation Policy Lab, Munk School of Global Affairs
MaRS Discovery District
McKinsey & Company
Mentis Services
OCAD University
OneEleven
Ontario Centres of Excellence
Ryerson University
Siemens Canada
The Pivotal Point
Toronto Region Board of Trade
Tower Labs
University of Toronto
View Inc.
WaterTAP
WatrHub Inc.
Windmill Development Group

Appendix 'C'
Summary of Key Process Milestones

Summary Quayside Process Overview



Appendix D
Legal Opinion & Fairness Report
Regarding RFP 2017-13

- Letter from the Hon. Coulter Osborne, Q.C., Fairness Advisor

October 11, 2017

Kevin Newson
Director of Procurement
Waterfront Toronto
20 Bay St, Suite 1310
Toronto, ON
M5J2N8

Dear Mr. Newson,

Re: RFP 2017-13

I was appointed Fairness Advisor in connection with the above noted RFP. Looking generally, my mandate was to ensure that all aspects of this project were fair, open, transparent, and equitable. In the course of the evolution of the RFP I attended meetings with three identified proponents as well as meetings of the Evaluation Team and the Steering Committee, both of which were established through the RFP.

The Evaluation Team met with the three proponents at the proponents' business premises. I did not attend those meetings. I am, however, satisfied from a review of reports that I received subsequent to those meetings that the meetings were agreed to by the proponents and were neutral in their context.

I have reviewed the RFP documents. I am satisfied that the provisions of the RFP documents are neutral in the sense that they confer no particular advantage, or detriment, to any proponent or potential proponent.

As the RFP process unfolded I received no complaints or expressions of concern from any of the identified proponents, or any potential proponent which in the end determined not to submit a proposal.

The course charted by the RFP documents in this somewhat unusual project was followed. This included the evaluation of proposals by the Evaluation Team. The evaluation process conferred no benefit on any one of the proponents to the exclusion of the others. Having reviewed the scoring, I note that the result was not what any reasonable person could conclude was close.

To summarize, the RFP documents are fair in that they are clear and confer no particular advantage on anyone. Nor do they confer a disadvantage to any proponent or potential proponent.

The meetings with the proponents also confer no advantage or disadvantage to any of the proponents, or potential proponents.

The evaluation of the proposals submitted followed the provisions of the RFP and, in my view, was fair in all respects.

If anything further is required, please let me know.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Coulter A. Osborne". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Coulter A. Osborne