

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 8
OF THE REGIONAL
COMMISSIONER OF TRANSPORTATION AND WORKS**

**For Consideration by
The Council of The Regional Municipality of York
on December 6, 2001**

1**RAPID TRANSIT PUBLIC-PRIVATE PARTNERSHIP****1. RECOMMENDATION**

It is recommended that:

1. A Steering Committee comprised of the Regional Chair, the Mayors of Markham, Richmond Hill and Vaughan and the Chair of the Transit Committee be established to direct the joint Regional/Area Municipal work aimed at establishing a Public-Private Partnership (PPP) for the implementation of the Regional Rapid Transit network as outlined in this report.

2. PURPOSE

The purpose of this report is to:

- Request the establishment of a Steering Committee of elected officials to provide direction for the project, and to act as facilitators and expeditors in addressing the issues that may be encountered in carrying out the project.
- To inform Council of the work plan which aims to establish a Rapid Transit PPP by next spring

3. BACKGROUND

Two committees have been established to promote rapid transit improvements within York Region, with membership as follows:

- Spadina-York Subway Extension Committee
 - Vaughan Mayor and Councillors
 - Regional Chair

- Senior staff from Vaughan and York Region
- City of Toronto Councillors
- York University
- Yonge Street Subway Implementation Co-ordination Committee
 - Markham, Vaughan and Richmond Hill Mayors and Councillors
 - Regional Chair
 - Senior staff from Markham, Vaughan, Richmond Hill and York Region

The two committees have met jointly on a number of occasions to discuss the advancement of rapid transit initiatives in York Region.

The committees have expressed interest in pursuing options for a public/private venture. In May, 2001, Regional Council authorized staff to place an advertisement in the appropriate commercial newspapers requesting expressions of interest from the private sector to plan, finance and implement a rapid transit system for York Region. In September 2001, Regional Council approved the award of a consultant assignment to KPMG to assist in evaluating the expressions of interest and to help steer the process towards selecting a private sector partner. In October 2001, Regional Council authorized the Commissioner of Transportation and Works to issue a Request for Qualifications from potential private sector partners. This was followed by further discussion on various process options for establishing a PPP. On the basis of this discussion, a decision was made to proceed with the release of the RFQ immediately so as to allow the formation of the PPP at the earliest opportunity, by next Spring.

4. ANALYSIS AND OPTIONS

4.1 Request for Expression of Interest

In response to the Region's advertisement in the Globe and Mail and the Commercial News, eight expressions of interest were submitted. These expressions of interest identified that the private sector is interested in assisting the Region in the development of a Rapid Transit System. However, the submissions received were very general in nature as the advertisement placed by the Region lacked the specifics necessary for the private sector to identify precisely the type of partnership that the Region is seeking.

4.2 Request for Qualifications

Based on a review of the process to date, KPMG has recommended that a more formal Request for Qualifications stage be included in the process before seeking detailed proposals from the private sector. The purpose of the Request for Qualifications (RFQ) will be to provide the private sector with a better understanding of the exact nature of the partnership being sought. The RFQ will also require the potential private sector consortia to identify all qualifications necessary for the planning, financing and implementation of a York Region rapid transit system. The RFQ stage will be open to all potential bidders for the York Region Rapid Transit System.

4.3 Request for Proposals

Following receipt of responses to the RFQ, they will be evaluated against a fixed set of criteria to determine a short list of consortia. The short list will then be invited to submit detailed proposals. After the evaluation of the RFQ submissions, a further report will be submitted to Council identifying the recommended short list of consortia as well as details on the actual Request for Proposals.

4.4 Proposed Schedule

The establishment of a PPP for a Rapid Transit System is highly complex. A schedule for establishment of the PPP has been determined and involves the following key target milestones:

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|----------------------------------|-------------------|
| • Release of RFQ | November 30, 2001 |
| • Receipt of RFQ Submissions | December 21, 2001 |
| • Shortlist of Bidders Selected | January 9, 2002 |
| • Release of RFP | January 22, 2002 |
| • Receipt of RFP Submissions | February 28, 2002 |
| • Preferred Partner Selected | March 14, 2002 |
| • Finalize Partnership Agreement | March 31, 2002 |

4.5 Scope

The scope of work to be carried out by the PPP includes implementation of the following elements of the Regional rapid transit network:

- Yonge Street Corridor, north to Newmarket
- Entire length of the Highway 7 Corridor
- Three north-south corridors connecting the Highway 7 Corridor with the TTC rapid transit network. The three corridors are Yonge Street, Vaughan Corporate Centre and Markham Centre.

The role of the private sector partner may include the following: Plan, Design, Finance, Construct and Operate.

4.6 Steering Committee

The schedule given above is ambitious. The Project is quite complex and numerous decisions will have to be made quickly to adhere to this schedule. Many of the decisions to be made will require the involvement of Regional Chair, the mayors of the affected urban municipalities and the Chair of the Transit Committee. It will also be necessary for the project team to establish effective and efficient communication links with senior Provincial and Federal officials. For all these reasons, it is proposed that a Steering Committee be established to provide direction as well as to act as a facilitator/expeditor to ensure that the Project stays on schedule. It is suggested that the Steering Committee consist of the Regional Chair, Mayors of Markham, Richmond Hill and Vaughan and the Chair of the Transit Committee.

5. FINANCIAL IMPLICATIONS

Release of the RFQ does not have any financial implications for the Region. The financial implications, if any, of proceeding to the RFP stage will be known after the RFQs have been evaluated and a short list of proponents has been prepared. Staff will prepare a report at that time outlining these implications. Similarly, when the proposals are received and the successful proponent is selected, the financial implications of establishing a PPP will be quantified.

6. LOCAL MUNICIPAL IMPACT

The City of Vaughan and Towns of Markham and Richmond Hill have participated in the work carried out to date on this project. This report also recommends the establishment of a Steering Committee, which includes the Mayors of all of the three affected local municipalities.

7. CONCLUSION

The proposed release of the RFQ signals a major step in the Region's effort to establish a Public-Private Partnership for the implementation of the Regional Rapid Transit Network. The ultimate goal of the PPP approach is to achieve an early implementation of an innovative, attractive and successful rapid transit network in the Region at minimum cost to its residents.

This report has been reviewed by the Senior Management Group.

Regional Council at its meeting on December 6, 2001, adopted the foregoing Clause with the following amendment:

Recommendation 1 be amended to provide that the Steering Committee be comprised of the Regional Chair, the Mayors of Markham, Richmond Hill and Vaughan and the Chair of the Transit Committee, or their designates.)

Respectfully submitted,

Newmarket, Ontario
December 3, 2001

K. Schipper
Commissioner of
Transportation and Works

(Report No. 8 of the Commissioner of Transportation was adopted, as amended, by Regional Council at its meeting on December 6, 2001.)