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CO-ORDINATED STREET FURNITURE PROGRAM UPDATE

The Transportation Services Committee recommends the adoption of the recommendations contained in the following report, dated October 20, 2011, from the Commissioner of Transportation Services.

1. RECOMMENDATIONS

It is recommended that:

1. Staff be authorized to negotiate the extension of the existing agreements between the Region and both CBS Outdoor Canada and Pattison Outdoor Advertising for transit shelter advertising to December 31, 2013.
2. Staff be authorized to issue a revised Request for Proposal for the supply, installation, maintenance and associated revenue opportunities for co-ordinated transit street furniture with advertising for a 15-year term at the appropriate time and report back to Council to award the Request for Proposal; the Request for Proposal to include:
 - a) Adjusted suite of street furniture to include shelters, benches, bike racks and newspaper box organizers.
 - b) Reduced minimum quantity of street furniture supplied at no cost to the Region.
 - c) Maintain existing maintenance schedules on the street furniture.
 - d) Electrical connection costs be shared between the Region and the successful bidder.
3. The Regional Chair and Regional Clerk be authorized to sign the necessary agreements, subject to terms and conditions acceptable to the Commissioner of Transportation Services, and the approval of Legal Services as to form and content.

2. PURPOSE

This report updates Council on the status of the Co-ordinated Street Furniture Program, presents the results of an independent third-party review and recommends next steps. The program is intended to supply customer amenities, primarily at transit facilities, in conjunction with advertising placement opportunities.

3. BACKGROUND

Council has endorsed the design for the Co-ordinated Street Furniture Program

In May 2010, Council approved the design for the Co-ordinated Street Furniture Program and Waste-Recycling Receptacle Program. As part of the development of these programs, there was significant consultation, including;

- Request for information and interviews with media operators and manufacturers
- A business feasibility study prepared by a consultant retained by staff
- Street furniture design workshops
- Proponents meetings
- Seven staff reports to Council

The new shelter and bench design that has been approved by Council is depicted in Figure 1. Figure 2 depicts the bike rack and Figure 3 the newspaper box organizer.



Figure 1



Figure 2

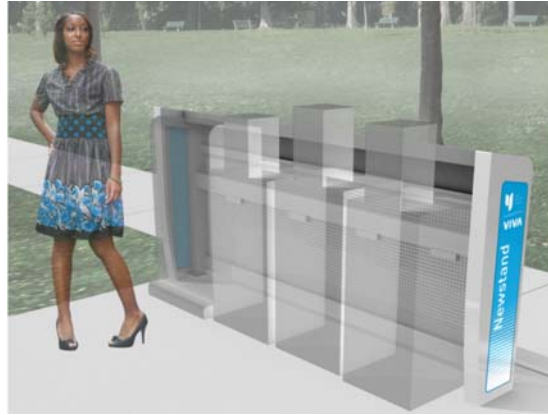


Figure 3

The scope of the programs had included the supply, installation, and maintenance of street furniture, some of which included advertising panels at transit facilities. The street furniture had included the following;

- Transit shelters
- Waste-recycling receptacles
- Benches
- Bicycle racks
- Newspaper box organizers
- Multi-publication structures
- Schedule display cases
- Community information kiosks

Since 2007, seven reports have been submitted to Council regarding the procurement process and content and the design approval for the street furniture and waste recycling receptacle programs

Seven reports have been submitted to Council regarding the Coordinated Street Furniture Program. The following highlights some of the key items of the reports:

- June 2007 – Staff authorized to issue Request For Proposals (RFP) for the supply, installation, maintenance and associated revenue opportunities for the coordinated street furniture with advertising at transit facilities for a 15-year term.
- October 2007 – Report submitted to Council in response to a letter received from Creative Outdoor Advertising who were and are currently under contract to the Region to provide waste recycling receptacles with advertising. Council requested that the RFP be adjusted to allow separate and combined bids for the waste recycling

receptacles and the other street furniture elements. The RFP was amended, released and subsequently closed. Following bid review, the RFP was cancelled in March 2008 as the submissions did not meet the Region's design and operational requirements.

- September 2008 – Council referred private report back to Transit Committee and requested that staff prepare a further report concerning visioning and design principles and the matter of a future RFP for street furniture to a future Committee meeting.
- March 2009 – Report was referred back to Committee.
- April 2009 – Report was referred back to staff to report back on options and methodologies for structuring the RFP for the Co-ordinated Transit Street Furniture program to allow for both a consolidated and split-bid submission.
- June 2009 - Council endorsed the Co-ordinated Street Furniture Urban Design Guidelines. Also, staff was authorized to issue a revised RFP for co-ordinated transit street furniture for a 15-year term that allows for both consolidated and split-bid submissions.
- May 2010 - Council approved the design for the Co-ordinated Street Furniture Program and Waste-Recycling Receptacle Program.

Council provided direction to staff to allow for consolidated and split-bid submissions for the street furniture and waste-recycling receptacle programs

In keeping with Council's direction to allow for consolidated and split-bid submissions, two Requests for Proposals were issued in September 2010:

- P-10-67A: Supply, Installation and Maintenance of Co-ordinated Street Furniture and Advertising at York Region Transit Facilities.
- P-10-67B: Supply, Installation and Maintenance of Waste-Recycling Receptacles and Advertising at York Region Transit Facilities.

The RFPs closed in early February 2011 and an evaluation team comprised of representatives from York Region's Roads, Asset Management and Transit branches performed the evaluations in the weeks following. A Fairness Monitor was included in this process to ensure it was conducted in a fair, open and transparent manner.

The single bid submission for the Co-ordinated Street Furniture RFP was disqualified by the Region's Bid Review Committee and one compliant submission was received for the Waste-Recycling Receptacle RFP

A single bid submission was received for the Co-ordinated Street Furniture RFP. This bid was disqualified by the Region's Bid Review Committee due to qualifications on submission.

There was only one bid submission for the Waste-Recycling RFP. The results of this RFP are the subject of a separate report to Council.

4. ANALYSIS AND OPTIONS

A third-party independent review of the overall Co-ordinated Street Furniture has been conducted

In May 2011, the Region retained IBI Group to perform an independent review of the overall Co-ordinated Street Furniture Program and to identify reasons for the failure of the Co-ordinated Street Furniture RFP. The review included:

- Discussions with vendors and manufacturers.
- Review of other recent street furniture programs.
- A review of the RFP documents, including design drawings.
- An economic/financial review to determine the capital and operating costs that could be supported by advertising revenue.
- A review of combining and splitting the RFP for the waste recycling receptacles and the street furniture programs.

Co-ordinated Street Furniture Programs overall have been impacted by the recent economic situation

Since the award of the City of Toronto Co-ordinated Street Furniture Program in 2007, a number of municipalities have attempted to implement similar programs with varying success. Based on IBI's discussion with vendors and municipalities, it is evident that the recent economic situation has impacted advertising revenues and they are no longer able to support the same level of maintenance and capital investment on new agreements. Table 1 below summarizes the results of some recent street furniture programs.

Table 1
Summary of Recent Street Furniture Programs

Municipality	Procurement Year	Result	Next Step(s)
York Region	2011	• One non-compliant bid received (Street Furniture) • One compliant bid received (waste-recycling)	• The subject of this report
Durham Region	2011	• No bids received	• Continue with existing agreement(s)
Durham Region	2010	• All bids non-compliant	• Continue with existing agreement(s) • Issue revised RFP

City of Ottawa	2010	• One non-compliant bid received, RFP cancelled	• Continue with existing agreement(s) • Revised RFP being considered
City of Surrey	2009	• Award to Pattison Outdoor	• No further action required

Some street furniture elements should be eliminated and the quantities of all street furniture should be reduced

The capital requirements of the past RFP were too high and not feasible with the advertising revenue that could be generated. In order to improve the feasibility of the Co-ordinated Street Furniture Program, the street furniture elements to be supplied at no cost to the Region through the contract requires adjustment. Community information kiosks, multi-publication structures and schedule display cases should be removed as they are costly to manufacture and maintain and/or do not generate any revenue. The street furniture elements proposed for deletion are shown on *Attachment 1* and can be purchased separately by the Region when required in the future, subject to budget availability. In addition, the quantity of street furniture items that are to be provided to the Region at no cost should be reduced in order to be in line with the advertising revenue that can be generated in the Region.

The Council-endorsed design can be maintained but opportunities for value engineering should be considered

The design of the co-ordinated street furniture followed a comprehensive process which included consultation with a wide range of stakeholders, including:

- Public
- Local municipalities
- Manufacturers
- Media operators
- York Region Rapid Transit Corporation
- Regional staff

The design was endorsed by Council in May 2010 and it is intended that the program move forward with the existing design concept. In order to reduce the capital cost of the street furniture, the design should be value-engineered while maintaining the aesthetic and functional intent. These design refinements will include modifications to ensure that the street furniture can be installed on existing concrete pads.

The failed RFP also included a number of maintenance enhancements including increased frequency of transit shelter cleaning from bi-weekly to weekly. Feedback from industry indicates that weekly transit shelter cleaning is generally not required and is

cost-prohibitive. In the future, maintenance requirements will be adjusted to be in line with current contracts.

Due to unknown site conditions, the cost for the electrical connections for future transit shelters with advertising should be shared between the Region and the successful bidder

Both municipalities and vendors have noted that the requirement for the contractor to provide electrical connections at their expense is a factor that has too many unknown variables. In order to share this risk, IBI has recommended that the future street furniture RFP, the contractor administer the work and the Region share the cost. In order to manage costs, both parties will agree on the installation locations based on the anticipated return on investment from advertising revenues.

Extending the existing shelter advertising agreements will continue to meet operational and maintenance needs as well as provide revenue to the Region

As per Council approval, the existing shelter advertising agreements with CBS Outdoor Canada and Pattison Outdoor Advertising have been extended on the same terms and conditions, on a month-to-month basis. These extensions have been in place since April 2008 and they provide operating and maintenance services as well as revenue to the Region. There is benefit to extending the existing contracts to December 31, 2013, based on the following:

- Recent street furniture procurement programs by other municipalities have failed and existing contracts have been extended.
- Time is needed to produce a new Street Furniture RFP document, proceed with a competitive bid process and allow the successful bidder to set up.
- The existing contractors are providing satisfactory service and meeting the terms and conditions of the contract.
- Sale of advertising by the contractor has greater challenges if the existing contract is extended on a month-to-month basis.
- There is opportunity for added value to the Region by the existing contractors if the contract is extended.

The proposed contract extensions for shelter advertising would allow for the prototyping of the new street furniture at no cost to the Region

CBS Outdoor Canada maintains 772 of the 796 shelters in the Region. Pattison Outdoor maintains the remaining 24 shelters in the Aurora area. Staff has consulted with CBS about a potential extension to the contract and they have agreed in principle to value engineer, refine the design and prototype the following street furniture elements at no cost to the Region should they be given the contract extension to December 2013.

- Transit shelters
- Benches
- Bicycle racks
- Newspaper box organizers

Street furniture will be also be procured through a tender process to meet current replacement and expansion needs

The design refinements for the transit shelters will include minor changes which will ensure that they can be installed on existing concrete pads where available. Overall, the proposed prototyping process will give the Region an opportunity to evaluate the street furniture and refine the designs in order to allow the Region to begin procuring the new furniture as part of capital replacement and expansion program tenders and eventually as part of a Co-ordinated Street Furniture Advertising RFP.

Link to Key Council-approved Plans

Vision 2026 Towards a Sustainable Region – Creating Vibrant Urban and Rural Communities by promoting high-quality urban design.

From Vision to Results: 2011 to 2015 Strategic Plan

Priority Area – Focus Growth along Regional Centres and Corridors

Optimize the transportation capacity and services in Regional Centres and Corridors.

5. FINANCIAL IMPLICATIONS

Existing contracts provide service needs as well as net annual revenue of approximately \$370,000 to the Region

The two current shelter advertising agreements provide operating and maintenance services at no cost to the Region as well as approximately \$420,000 in revenue per year. Weekly cleaning of all Viva stations is completed by CBS Outdoor at a cost of approximately \$50,000 per year to the Region.

Prototypes of the street furniture will be completed at no cost to the Region

The design refinements and prototyping of the new street furniture will be completed at no cost to the Region if the proposed extension to December 31, 2013, is granted to the existing contractors.

6. LOCAL MUNICIPAL IMPACT

The local municipalities will be included in the review and evaluation of the prototypes and will be consulted regarding future opportunities to install transit street furniture at designated transit facilities on road allowances under local municipal jurisdiction.

Existing street furniture will be maintained and new co-ordinated street furniture will be installed to assist with the organization of amenities within the municipal right-of-way while providing a safe, clean, and comfortable environment for the transit rider, thereby improving the appeal of the public transit system.

7. CONCLUSION

The RFP for the Co-ordinated Street Furniture Program has been unsuccessful and there was only a single submission for the RFP for the Waste-Recycling Program. Based on an independent third-party review, there is a need to refine the terms and conditions in a new RFP document to attract bidders. In order to move forward with the Council-endorsed street furniture design, there is opportunity to extend the existing shelter advertising contracts which includes an opportunity to refine the design and prototype the co-ordinated street furniture, as well as meeting operational and maintenance requirements of the existing shelters.

For more information on this report, please contact Rick Takagi, Manager, Capital Assets at Ext. 5624.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)

Co-ordinated Street Furniture Program Update Attachment 1

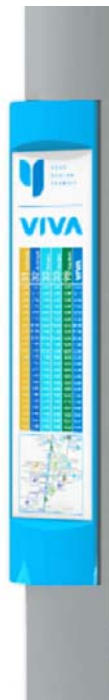
The following Street Furniture elements are proposed to be excluded from a future Street Furniture RFP document due to financial limitations. The Region has the option to purchase the units if required through a separate process.



Multi-Publication Structures



Community Information Kiosks



Schedule display cases