

LRT Governance Board - Semi Annual Report

Recommendation:

That the LRT Governance Board recommend to City Council:

That the LRT Governance Board semi-annual report, as outlined in the March 2, 2015, Transportation Services report CR_2092, be received for information.

Report Summary

This semi-annual report is the second joint report by the Chair and City Manager on the key decisions and progress made on the Valley Line LRT Project procurement pursuant to Bylaw 16766.

Report**Background**

The LRT Governance Board is a committee of City Council with a mandate for oversight of the Public - Private Partnership (P3) procurement stage of the Valley Line – Stage 1 Project. The LRT Governance Board (The Governance Board) was established by City Council in February 2012 through Bylaw 15659. In July 2014, Bylaw 16766 was approved by City Council, ensuring the continuation of the LRT Governance Board with a revised mandate, terms of reference and authorities.

The mandate of the Governance Board is to employ its expertise in the financing, design, construction, operations and maintenance aspects of light rail transit systems and P3 arrangements to approve the terms of the City's Request for Proposals, including the form and content of the P3 Project Agreement for the LRT Project.

The Governance Board is comprised of five members including:

- Al Maurer, Former City Manager, City of Edmonton (Chair)
- Tracey Ball, Former Executive Vice President & Chief Financial Officer, Canadian Western Bank
- Kate Chisholm, Senior Vice President, Legal, Regulatory & Government Relations, Capital Power Corporation
- Don Hickey, Vice President, Facility and Operations, University of Alberta (Vice-Chair)
- Ivan Ing, President and Special Advisor, Rocklynn Capital Inc.

The first meeting of the Governance Board was held on December 18, 2012. All Governance Board meetings are held in public. Bylaw 16766, agendas and meeting minutes can be accessed on-line at www.edmonton.ca.

LRT Governance Bylaw (16766), Part III, Board Powers, Duties and Functions, 11, requires that the Chair and City Manager jointly report to City Council semi-annually, or

as required, on key decisions and progress made on the LRT Project procurement.

This second semi-annual report fulfills the requirements outlined in LRT Governance Board Bylaw 16766, and covers the period from September 10, 2014, to December 31, 2014, which follows the end date of the first semi-annual under Bylaw 16766.

For 2015, two semi-annual reports will be prepared covering the periods January to June, and July to December, respectively.

Semi-Annual Review

During the period September 10, 2014, to December 31, 2014, the LRT Governance Board convened once, on December 16, 2014. The agenda included a review of the initial Semi-Annual Report under LRT Governance Board Bylaw 16766, the 2015 LRT Governance Board Meeting Schedule, Request for Proposal Activity, Request for Proposal Evaluation Procedures and Governance, and Valley Line Submission-1 (VLS-1) Evaluation Results.

Semi-Annual Report

The LRT Governance Board Semi-Annual Report, as outlined in the December 16, 2014, Transportation Services report CR_1545, was the first joint report by the Chair and City Manager on the key decisions and progress made on the Valley Line LRT Project procurement pursuant to Bylaw 16766.

The report, which was approved by the Governance Board at the December 16, 2014, meeting, covered the period January 1, 2014, to September 9, 2014, and focused on the Request for Qualifications (and shortlist approval), the issuance of the Request for Proposals, the Public Engagement Plan, Value for Money as a P3 project, and the preparation of the initial draft Project Agreement.

Further to a motion that was passed by City Council at the July 16, 2014, meeting, the initial Semi-Annual Report also included, as an attachment, a public report for the LRT Governance Board to include in its next semi-annual report to City Council. This attachment provided a summary of previous LRT Governance Board reports that could be released publicly, in accordance with the *Freedom of Information and Protection of Privacy Act*. Eighty-seven reports were summarized in this attachment.

2015 LRT Governance Board Meeting Schedule

At the September 9, 2014, LRT Governance Board meeting, a motion was passed requiring City Administration to provide a report at the subsequent LRT Governance Board meeting, recommending a schedule of LRT Governance Board meetings for 2015.

At the December 16, 2014, LRT Governance Board meeting, the following LRT Governance Board schedule of meetings was approved:

- March 2, 2015
- May 11, 2015
- July 9, 2015
- August 26, 2015
- November 18, 2015

Request for Proposal Activity

On September 10, 2014, the Request for Proposals was issued to all three shortlisted Proponents, including Instructions to Proponents and a draft Project Agreement. On September 22, 2014, subsequent to the issuance of the Request for Proposals, an Information Session was held for Proponents, with Technical Information sessions being held with Proponents between September 23 and September 25, 2014.

On October 9, 2014, a redacted version of the Valley Line LRT- Stage 1 Request for Proposals was posted online at www.edmonton.ca/valleyline as part of the City of Edmonton's ongoing efforts to ensure accountability, transparency and disclosure during the P3 procurement process.

On October 17, 2014, the successful Proponents were debriefed by members of the Project Team with regard to the Request for Qualifications, and subsequently submitted comments on the Request for Proposals documents on November 14, 2014.

During the last quarter of 2014, Proponents were requested to submit two early submissions related to the Request for Proposals as part of the Valley Line Submission: the first Sustainable Urban Integration submission (VLS-SUI-1) and the Light Rail Vehicle and Operations Plan (VLS-LRVOps). Each of these submissions were evaluated by members of the Project Team with feedback provided to the Proponents following the evaluation. The specific dates for each of these submissions and supplemental presentations was as follows:

- October 21, 2014 - Proponents submitted Valley Line Submission-1 (VLS-1)
- November 10, 2014 – Proponents submitted Valley Line Submission for Sustainable Urban Integration-1 (VLS-SUI-1)
- November 12 to November 14, 2014 - Valley Line Submission for Sustainable Urban Integration-1 (VLS-SUI-1) Proponent presentations
- November 24, 2014 – Proponents submitted Valley Line Submission for Light Rail Vehicles and Operations Plan (VLS-LRVOps)
- November 24 to November 26, 2014 – Valley Line Submission for Light Rail Vehicles and Operations Plan (VLS-LRVOps) Proponent presentations

As part of the Collaborative Process outlined in the Request for Proposals, the first round of Confidential Collaborative Meetings took place. Proponents met individually with members of the Project Team as follows:

- November 24 – 26, 2014 – Technical Confidential Collaborative Meetings
- December 2 – 4, 2014 – Financial / Commercial Confidential Collaborative Meetings
- December 15, 17 – 18, 2014 – Special Topic Confidential Collaborative Meetings

Proponents were required to provide comments on the draft Project Agreement and agendas for each of these meetings in advance of the meeting dates, to enable the Project Team to allocate resources in accordance with the subject matter requirements.

Other reports

Additional reports were presented at the December 16, 2014, Governance Board meeting, including Request for Proposal Evaluation Procedures and Governance, which was approved, and Valley Line Submission-1 Evaluation Results, which was received for information. Both reports remain private pursuant to sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

Other Activities

As part of the prior Request for Qualifications process, the Fairness Monitor monitored and assessed the Project Procurement Process to ensure it was conducted in a manner consistent with the terms of the Request for Qualifications, and that all Respondents were treated in a fair and consistent manner. The Fairness Monitor was also available for direct contact by the Respondents or interested parties during this period. The Fairness Monitor continues to attend all meetings subsequent to the Request for Qualifications process, on an ongoing basis, and has not, to date, been contacted by any Respondents, interested parties or the Proponents short-listed through the Request for Qualifications evaluation.

Effective September 30, 2014, LRT Governance Board member Tracey Ball, retired from her position as Executive Vice President and Chief Financial Officer, Canadian Western Bank.

Others Reviewing this Report

- K. Rozmahel, General Manager, Corporate Services