

# Fort Edmonton Management Company

## Project Reimbursement Agreement

### Recommendation

That an agreement between the City of Edmonton and Fort Edmonton Management Company, for reimbursement of capital expenditures, for an amount not to exceed \$1,173,515 CAD (excluding GST), as outlined in Attachment 1 of the May 10, 2021, Integrated Infrastructure Services report IIS00515, be approved, and that the agreement be in form and content acceptable to the City Manager.

### Executive Summary

This report requests approval to enter into an agreement between the City of Edmonton and Fort Edmonton Management Corporation (FEMCo) for reimbursement of capital expenditures.

This is not a request for additional funding, as the current capital project budget has allocated funding for these costs. The proposed single source agreement exceeds the authority provided to the City Manager pursuant to section 43(a) of Bylaw 16620, the City Administration Bylaw.

This recommendation supports the City's project and asset management outcome of ensuring the City of Edmonton's assets are well managed and maintained.

### Report

The City is seeking approval to enter into a single source agreement with Fort Edmonton Management Company (FEMCo) for reimbursement of capital expenditures to support the Fort Edmonton Park Enhancement Project.

FEMCo has incurred costs directly relating to project requirements to ensure the new infrastructure elements are ready for operation, engaging with Indigenous groups for consultation in design, and providing FEMCo staff resources to support the ongoing construction on the site.

Under Administration's authority, the City has supported FEMCo by providing access to City operational resources and will acquire certain equipment necessary for FEMCo to maintain the new infrastructure.

Although FEMCo has an existing agreement with the City to manage and operate Fort Edmonton Park, this existing agreement does not allow for the procurement of, or payment for, capital assets.

**Budget/Financial Implications**

Council has approved expenditures of \$159.1M in profile 15-21-6973 Fort Edmonton Park Utilities and Enhancements. Of this amount, \$142.0M is funded with grants from other orders of government, \$10.0M from partnerships and \$7.1M of funding is provided from Pay-As-You-Go. Total expenditures considered under this agreement are \$1.2M, of which \$0.7M will be funded with Pay-As-You-Go, and \$0.5M from the Building Canada Fund. There is sufficient funding from these sources available within the profile and no adjustment to the budget is necessary at this time.

**Corporate Outcomes and Performance Management**

<b>Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
The City of Edmonton has sustainable and accessible infrastructure	Edmontonians' Assessment: Access to infrastructure, amenities, and services that improve quality of life (percent of survey respondents who agree/strongly agree)	68% (2017)	70% (2018)
<b>Corporate Outcome(s): Edmonton in a safe city.</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Edmonton is a safe city	Edmontonians' Assessment: Safe City (percent of survey respondents who agree/strongly agree)	66% (2017)	68% (2018)

**Risk Assessment**

<b>Risk Element</b>	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score (with current mitigations)</b>	<b>Current Mitigations</b>	<b>Potential Future Mitigations</b>
Commercial	Inability to open on time resulting in drop in revenue within the Park.	3 - possible	4 - severe	12 - medium	FEMCo uses their operational budget to procure some elements required for operation.	

Customer/ Citizens	Citizens frustration with the delay of the park opening.	3 - possible	1 - minor	3 - low	FEMCO using their operational budget to procure some elements required for operation in order to meet the scheduled opening date.	
Financial	Without an agreement payment to FEMCo's existing vendors would be delayed. This would result in the potential of schedule impacts, disputes or additional costs associated with outstanding payments.	4 - likely	4 - severe	16 - high	FEMCo uses their operational budget to pay vendors.	
Public Perception	Citizens have poor perception of the City and its ability to achieve objective of opening the facility for 2021 season.	3 - possible	1 - minor	3 - low	Fort Edmonton Park is providing consistent messaging regarding the opening of the Park for the season.	
Legal	In this situation, exemptions are not available under all trade agreements. As a result, approval of this single source agreement may not comply with all trade agreements.	1- unlikely	1- minor	2- low	n/a	Limit usage of single source agreements

**Attachments**

1. Agreement Term Sheet

**Others Reviewing this Report**

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services
- K. Fallis-Howell, Acting City Solicitor