

Attachment 1

Coordinated Street Furniture Program Overview

Background – Project Origin

The City has launched a number of inter-related efforts under the umbrella of the Clean and Beautiful City to strengthen, celebrate and ultimately, elevate the quality of our public spaces. Among these efforts, the expiry of the current transit shelter and waste/recycling bin contracts in 2007 and 2009, respectively, present Toronto with an exceptional opportunity to make significant improvements to the look, feel and image of our streetscapes and City through the development of a coordinated street furniture program.

Initiation: The first formal step in leading to the realization of this goal occurred in October 2004 when Council, in considering the Works Committee Clause, “Publication Box Strategy – Beautiful City Initiative”, among other things, requested staff:

“to compile a comprehensive work plan to advance a coordinated street furniture program, taking into account the expiry of the current transit shelter agreement in 2007, such program to:

- (i) encompass transit shelters, litter/recycling bins, benches and other components in addition to publication boxes;
- (ii) introduce, as a primary consideration, a high quality of civic design to effectively harmonize and mitigate the current clutter and disparate design elements, allow for pedestrian traffic flow and safety, and provide for functional, durable elements in an economically viable manner; and
- (iii) be submitted to the Works Committee and the Planning and Transportation Committee within the context of the Beautiful City work program.”

Work Plan: The subsequent report, “Coordinated Street Furniture Program”, was submitted to both Committees as directed, and Council, at its meeting of July 2005 authorized a strategy including a draft work plan outline calling for an RFP to be issued later in 2006. Council specifically requested that the Chief Planner and General Manager of Transportation Services report to the Works Committee in the first half of 2006 on:

- (a) progress achieved through the public and stakeholder consultation process;
- (b) the status of the Design and Policies Guidelines document;
- (c) the status of the Request for Proposals (RFP) document; and
- (d) end of life replacement being mandatory.

The input provided through this phase substantially shaped the direction and parameters of the RFP.

Design Principles and RFP Direction: City Council, at its meetings of June and July 2006, considered comprehensive staff reports and endorsed the strategy for developing the RFP comprising a design framework and fundamental terms of reference and contract elements. Council's decisions addressed and set direction on the following key aspects:

1. Design Principles – “Design Matters”.
2. Scope of Project – elements included in RFP.
3. Contract Structure – funding approach, role of advertising, number of contracts, term.
4. RFP Evaluation Principles.

Context

The following definition of “coordinated street furniture” was advanced to frame work on the project:

“the harmonization of design, form, scale, materials and placement of street amenities in a functional and accessible manner, including for persons with disabilities, in an attempt to reduce clutter, beautify city streets and to give Toronto an identifiable streetscape.”

The key themes to be emphasized, which are inter-related and reinforced in the RFP are: design, functionality and placement.

The coordinated street furniture program can be viewed as something of a catalyst within the cumulative efforts of the Clean and Beautiful City initiative in achieving the City's overall goals for enhancing the public realm. It is landmark step, but cannot by itself, within the range of specific elements to be included, completely change the landscape. It will set the design bar at a high level and establish a tone and direction for future decisions related to the streetscapes. It will be supportive of, but not supercede substantive programs like the City Planning Division's Civic Improvement Program, Avenues or BIA initiatives.

Consultation

An intensive, multi-pronged consultation and outreach program was conducted by the project team to generate interest and excitement for the improvement of Toronto's streetscapes, to seek advice and concerns, and ultimately led to the development of guiding principles and policy parameters for the RFP.

The consultation was highlighted by a number of key events: four public workshops, one held in each district of the City; two charrettes for the design community, co-hosted with the Design Exchange; and a Council authorized process (February, 2006) for seeking

input from potential vendors. The Roundtable on a Beautiful City and its subcommittee were also consulted (four occasions in total). Advice was also received from numerous interested stakeholders representing pedestrian, cycling, persons with disabilities, the BIAs, publication box owners and utilities. A number of communications strategies were employed for the project, including newspaper ads, a project website that received over 5,600 visits and public survey. Numerous newspaper and other media articles have featured the project.

A broadly based Steering Committee comprised of City Divisional and Board/Commission executives has met and been kept apprised to oversee the project and ensure the wide range of related activities and interests are captured, and briefings for Councillors were also held.

“Design Matters”

This phrase captures the essence of the coordinated street furniture approach and frames every action being taken toward the successful delivery of the program. Over time, numerous new street furniture elements have been introduced to Toronto’s streetscape as demand for amenities continues to grow. While there have been notable individual successes, the elements have generally not been designed in a cohesive fashion, nor has their placement in conjunction with one another or in relation to their surroundings always been well executed.

The emphasis of this project is on procuring a family of product(s) that encompass cohesive, flexible, functional and durable high quality design that reflects Toronto’s identity. Equally important is the need to focus on pedestrian circulation and safety considerations; in other words, the ongoing deployment and placement of various elements must complement and work effectively in the context of the various and often diverse forms of physical environment that Toronto encompasses.

While it is the intent to achieve a family of street furniture that maintains a common design thread, in response to neighbourhood and BIA input, flexibility for customization is also desired. Features were incorporated in the RFP to facilitate BIA or neighbourhood distinctiveness and potential to complement public art initiatives.

In keeping with Council’s clear direction that “the RFP be formulated in such a way as to allow a matrix that gives design, beauty and functionality primary consideration”, Council endorsed the document, “**Vibrant Streets: Toronto’s Coordinated Street Furniture Program Design and Policy Guidelines, August 2006**”, which forms an appendix to the RFP and establishes over-arching design and placement principles for the project.

Scope

Elements endorsed by City Council and specified in the RFP are identified, with quantities over the term of a contract (shown in brackets):

- (a) *Transit Shelters* (5,000 new - replace 3,000 existing; 2,000 new locations; retain 1,000 existing new design);
- (b) *Litter/Recycling Receptacles* (12,500 - replace 3,800 stainless steel, 2,700 city bins; 6,000 new locations);
- (c) *Benches* (2,000 – replace 1,000 advertising benches; 1,000 other locations);
- (d) *Multi-Publication Structures* (500 multi-box; 2,000 fencing/attaching bar/enclosure);
- (e) *Information/Wayfinding Structures* (120);
- (f) *Posting/Neighbourhood Information Kiosks* (500 pillar; 2,000 board/pole type);
- (g) *Public Washrooms* (20); and
- (h) *Bicycle parking units* (1,000)

The elements and quantities were developed with the Divisions responsible for delivering the respective aspects of the program. The elements of washrooms, posting kiosks and bicycle parking units were added as a result of Committee and Council deliberations.

City-wide Program: It is important to note that this is a City-wide initiative, to be deployed in all neighbourhoods. The expectation is that over 20,000 street furniture elements would be provided over the term of this program. Initial projections suggest that the first 10-12 years would see an intensive rollout of new elements.

Design Links: Encompassing all of the varied and complex ideas and items that were raised in improving the streetscapes (undergrounding wires, decorative paving, tree planting standards, signs on private property, etc.) directly within a street furniture RFP would have made the project unwieldy, compromise its feasibility and jeopardize its substantial benefits. However, there is a need to link other street amenities (bollards, subway portals, tree grates, utility poles, etc.) in the context of the selected street furniture design. The design template established through the RFP will provide the cue for this next tier of commonly installed City infrastructure. To achieve this objective, the successful Vendor is required to make a monetary contribution in the amount of \$100,000 to fund a design study of the development of appropriate design linkages.

RFP/Contract Structure and Advertising Issues

In deciding what financial (funding) model to pursue and what procurement (contract form and term) approach would most effectively achieve the goals and objectives of the street furniture program and serve the City's best interests, the following key questions were addressed:

- (i) Should the program be funded on the basis of advertising revenue or should Council reprioritize programs to dedicate some other funding source;

- (ii) If the decision is based on an advertising funded model, should multiple contracts be tendered or should one large contract be tendered covering all aspects of the specified street furniture elements for the entire City; and
- (iii) What is an appropriate term (length) of contract.

Costs and Revenues: An order of magnitude overview of costs to supply and sustain a viable, high quality street furniture program, as well as revenue expectations from this form of advertising, was provided for Council's consideration.

In addition, the City would expect to share in revenue generated from the project. As a guide, the current transit shelter agreement called for an up front, lump sum payment and an annual payment of the greater of 27% of advertising revenue or a minimum amount (\$5 million in 2006). The litter bin contract had resulted in the payment to the City of about \$1 million annually.

Advertising: An advertising-funded approach for the specified street furniture elements will ensure the economic viability of the program. In this way, the City will achieve benefits in terms of a greater number of elements, of better quality, much sooner than would otherwise be possible, with maintenance and upkeep paid, in addition to a revenue stream to the City. The existing transit shelter contract, as well as experience in the major cities world-wide we have encountered strongly suggests that a high quality coordinated street furniture program is entirely compatible with an advertising model. In view of concerns advanced very passionately and concertedly in some quarters that any advertising in the street is not appropriate, Council directed that advertising permissions should be accompanied by clearly defined controls:

- design must demonstrate functionality and appropriateness for its intended use and be driven by the needs of users and the public, with advertising integrated into the design and placement of street furniture, not vice-versa;
- the primary advertising format would permit illuminated ad panels on larger elements – transit shelters, washrooms, info pillars – and the City, working in collaboration with the Vendor, will retain final sign-off on advertising panel at a given location. Further, not all elements would contain advertising (similar to existing transit shelter inventory where only about half contain ads);
- a secondary advertising format be permitted – smaller, non-illuminated posters – to serve smaller local businesses;
- no more than one ad element be displayed at a given location, or “cluster” of street furniture and minimum separation guidelines between ad elements, generally based on transit stop spacing (no multiple billboards at a given location);
- no advertising on smaller stand alone elements;

- public service advertising and accommodation of some BIA advertising be provided;
- total advertising space on all street furniture to be less than current levels; and
- no other advertising be allowed on any other element not expressly included in this program and no future pilots involving advertising within the public road allowance for the duration of the contract, with the exception of programs for new street furniture opportunities which cannot be undertaken by the Vendor at fair value to the City.

One Contract: It is highly advisable to pursue an integrated approach – from design, manufacture, installation, maintenance and administration – to achieve the greatest efficiencies in street furniture. Based on review of different approaches, from multi-contracts in various forms to one contract, Council directed that a single contract, to meet the City’s needs is the most effective.

- ensures against separate vendors’ needs to place furniture in a manner to facilitate competing ads (placement orientation, coordination of elements and number of ads);
- design quality and compatibility questionable with multiple vendors; modularity would be far more difficult to achieve; would not secure a cohesive design standard;
- one contract ensures all required elements would be provided and all areas of the City are covered;
- the City’s advertising asset would be compromised and de-valued if the entire City is not encompassed and available for buyers (past history of consolidation of the transit shelter contracts over the years);
- multiple contracts would not necessarily translate to separate vendors;
- scope of the program, in terms of number of elements, does not change if multiple contracts issued, but management with different vendors would be far more complex – would require separate inventories, monitoring, reporting process, coordination, etc.;
- management and administration is streamlined significantly. Varying levels of service compliance would be avoided; and
- one contract approach would not preclude smaller firms joining into consortiums to bid on the project.

In essence, tendering multiple contracts could well perpetuate the same unsatisfactory conditions and circumstances experienced today with the uncoordinated placement of discrete elements of varying design, quality and compatibility.

20 Year Term: The main goal of the City is to achieve an overall improvement of the public realm through the provision of a high quality street furniture program under contractual terms and conditions to its benefit. It is equally true that any partner in this endeavour will be compelled to generate a sustainable rate of return on its investment, and the investment being sought by the City is substantial. The RFP issued by the City must encompass an economically viable package in order to elicit reasonable bids. Preliminary sensitivity testing, based on scope of program, rate of installation, capital and operating cost, City revenue share, inflation and discount rate scenarios, was conducted.

- the RFP called for a significant quantity of street furniture elements with significant associated capital and maintenance costs. Installation of elements will extend over the entire term, and be intense for at least the first 12 years;
- these first number of years of a contract will be extremely capital intensive and the upfront investment will not be recouped for a considerable period;
- in view of the scale of the program, a contract of this length is required to attract the investment necessary to achieve high quality design, manufacture, the scope of elements, sustained maintenance and revenue stream to the City;
- a term of less than 20 years or the imposition of uncertain, open-ended or arbitrary contract provisions in favour of the City will introduce significant risk to the City and undermine our ability to achieve the goals of the project and attract viable bids;
- other cities with comprehensive coordinated street furniture programs have opted for contracts of this length (New York, Los Angeles, Vancouver, Boston); and
- a contract of this length is not unprecedented in Toronto; the majority of pre-amalgamation transit shelter contracts, which were all of a far smaller scope with significantly less capital, maintenance and revenue sharing commitments were a 15-year term, and many extended well beyond 20 years.

Contractual Protections: With a long term contract, the projection of future needs becomes less precise, and there is certainly a need to build in reasonable provisions to accommodate changing circumstances and protections to ensure contractual obligations are satisfied on an ongoing basis. The following are a sample of the types of provisions

that are largely contained in the City's existing contracts, or in other cities' contracts, and were addressed in the RFP:

- proposed street furniture demonstrates adaptability to accommodate technological advancements that may emerge over time;
- contingencies for future large-scale City initiatives;
- if specified quantities of given elements are not achieved, allow substitution of other elements or predetermined payments to City; similarly if more elements are required, set fair purchase parameters;
- provisions at mid-point of term for design review and adjustments;
- requirement for performance security;
- upfront financial payment;
- comprehensive insurance requirements;
- various remedies for contract breach, default, non-compliance, insolvency, bankruptcy, assignment, including appropriate penalty clauses up to and including contract termination (it is noted that over the years the former municipalities successfully dealt under these types of terms in their transit shelter contracts, with many such contingencies including bankruptcy of the company, the company being sold, the agreement being assigned (sold), corporate reorganization and consolidation in the industry);
- upon termination or expiry, ownership of the street furniture elements at the City's option, revert to the City, including entitlement to all designs and specifications; and
- prior to expiry, the City at its option may buy out the contract at fair market value pursuant to a process and terms to be established.

RFP Evaluation

In compiling the RFP, scoring and evaluation criteria were established for prospective respondents that were as specific as possible, recognizing that some degree of creativity and innovation was to be encouraged. This was essential in minimizing risk, ensuring a fair, defensible procurement process and satisfying the City's design and financial objectives. The proposals for the major elements were considered against the criteria set out in the evaluation matrix. The relative weighting of each category, based on the directions set by Council, clearly emphasizes design and functional aspects and not simply the financial package. These categories were as follows:

- Design (40 points)
- Technical/Functionality/Maintenance (20 points)
- Financial (30 points)
- Qualifications (10 points)

A key consideration in evaluating the design submissions was the selection, as directed by Council, of an independent jury composed of professionals with competencies and qualifications in relevant design disciplines. A Professional Advisor was also retained to organize the activities of the Design Jury. Teams comprising staff from the relevant City Divisions, complemented by outside expertise as necessary, evaluated the Financial, Technical and Qualifications aspects of the RFP submissions and collectively represent the Selection Committee.

It is noted that this entire RFP process was monitored by a Fairness Commissioner, former Justice Coulter A. Osborne.

Timing:

The project remains on a timeline that ensures an Agreement and operating arrangements are in place prior to the expiry of the current transit shelter Agreement on August 31, 2007.

Conclusions:

The guiding directions and design principles approved by Council in June and July 2006, and subsequently incorporated in the RFP, will ensure the City efficiently and effectively realizes its goals for a coordinated street furniture program within the broader realm of advancing vibrant streets. In parallel with the RFP process, an organizational/administrative support infrastructure and associated resources to manage the complex array of activities must be developed. Clear lines of responsibility to ensure proper deployment, placement and ongoing oversight of the program must be established through appropriate organizational responses and a multi-discipline approach.