



# TORONTO STAFF REPORT

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May 13, 2004

To: Economic Development and Parks Committee

From: Commissioner, Economic Development, Culture and Tourism  
Chief Financial Officer & Treasurer

Subject: Pilot Project for Twenty-Five Information Pillars  
Request for Proposal No. 3012-03-7369

Purpose:

The purpose of this report is to advise on the results of Request for Proposal (RFP) No. 3012-03-7369 for the design, provision, installation, and maintenance of twenty-five (25) Information Pillars for Parks and Recreation Division, Economic Development, Culture and Tourism Department and, to obtain authorization to negotiate and enter into an agreement with the recommended proponent, Astral Media Outdoor L.P. for a term of up to five years as a pilot project initiative.

Financial Implications and Impact Statement :

The pilot project posposed in this report presents the potential for new revenue generation for both the Parks and Recreation Division and the Facilities and Real Estate, Corporate Services Department over the five-year contract period. The preferred proponent's initiative is projected to generate \$800,000 in payments to the City for the placement of 25 information pillars on City property over the five year period. Annual payments are projected at \$150,000 in the first year, increasing over the years with the final year payment estimated at \$170,000. Revenue would be split according to the location of the pillars and is projected to be approximately 85% for Parks and Recreation and 15% for Facilities and Real Estate.

In addition to direct payments, approximately \$1 million of in-kind advertising allocations are included in the proposal which would provide the City with placements on the vendors national media network, advertising on the pillar faces, tourist information services on the pillars and wayfinding devices in the pole structures. These in-kind opportunities would contribute tourism destination marketing and local tourism support which would not otherwise be available.

Recommendations:

It is recommended that:

- (1) Astral Media Outdoor L.P., the highest overall scoring proponent meeting the requirements, and their “Streetsmart 100 series” as the preferred design, be selected to provide for the design, provision, installation, and maintenance of twenty-five (25) Information Pillars for the pilot project initiative;
- (2) authority be given to the Commissioner of Economic Development, Culture and Tourism, Chief Financial Officer and Treasurer, and the City Solicitor to negotiate and enter into an agreement with Astral Media Outdoor L.P. to provide for the design, provision, siting, installation, and maintenance of twenty-five Information Pillars for a term of up to five years as a pilot project initiative in accordance with the terms and conditions set out in the RFP, and in a form and content acceptable to the City Solicitor;
- (3) staff conduct an evaluation in 2007, and submit a report to Council with recommendations on whether the project should be continued, expanded or terminated at the end of the contract period;
- (4) provided that there is a favourable review in accordance with Recommendation No. 3, and Council decides not to pursue a revised comprehensive street furniture program in 2009, and Council authorizes the continuation or expansion of the project, Astral Media Outdoor L.P. be granted the option of first right of refusal to extend the agreement for a further five years, excluding portions of land on the public rights-of-way, in accordance with the terms and conditions set out in the RFP;
- (5) the appropriate City officials be authorized to issue a permit for erecting information pillar(s) in Nathan Philips Square, and in accordance with the Toronto Municipal Code, Chapter 237, Article II;
- (6) this report be forwarded to the Policy and Finance Committee for consideration;
- (7) any revenue increase arising from implementation of this proposal be reported to the Budget Advisory Committee for consideration with the Parks and Recreation and Facilities and Real Estate 2005 Operating budgets; and
- (8) that the appropriate City officials be authorized and directed to take all actions necessary and execute all documents to give effect thereto.

Background:

City Council, at its meeting held on May 30, 31, and June 1, 2001 adopted a report of the Economic Development and Parks Committee, recommending that a Request for Proposals be issued for a third party outdoor advertising pilot project for twenty-five (25) information pillar locations to be distributed City-wide. Responsibility for the execution of this project was given to the Inter-departmental 3<sup>rd</sup> Party Outdoor Advertising Committee and after extensive consultation with key City staff, including Legal, Insurance & Risk Management, Finance, and Corporate Services, Request for Proposals No. 3012-03-7369 was prepared.

On October 17<sup>th</sup>, 2003, The City of Toronto through the Purchasing and Materials Management Division, officially invited interested firms to submit proposals for entering into an agreement for a term of up to five years as a pilot project initiative for the design, provision, installation, maintenance of twenty-five “information pillars,” defined as multi-sided ground signs that have panels for third party advertising. The information pillars must demonstrate design excellence, enhance the “public realm” and be located at approved sites in such a manner as to improve pedestrian flow and the visual character of the Streetscape. This initiative, increasingly common in other major urban centres world-wide, also addresses gaps that exist in the provision of tourist oriented way-finding signage as well as information dissemination in Toronto.

The successful proponent will be permitted to sell advertising space on the information pillars. The revenue from the advertising will be shared between the City and the successful proponent and monies derived from the City’s portion of signage revenue will be used for improvements to the immediate facility and surrounding community. In 2007, staff will conduct an evaluation of this pilot project and submit a report to Council with recommendations on whether the project should be continued, expanded or terminated at the end of the contract period.

This proposed pilot project represents a modest initiative to allow limited third party outdoor advertising on City-owned property. It will help to determine the potential of such advertising structures to provide effective venues for City-related public service messages and information, to obtain an accurate indication of the future revenue-generating potential of third party outdoor advertising and to allow Council to better address public concerns on maintaining the integrity and aesthetics of streetscapes, facilities and parks.

As directed by Council, potential locations for siting information pillars include City-owned lands such as civic squares, areas adjacent to community centres and street-level entrances to parks and ravines. The current criteria for locations, which emphasize public safety considerations, include maintaining the pedestrian and visual amenity of residential and business communities, maintaining the aesthetic quality, usability and accessibility of sidewalks, parks and public spaces as well as protecting important views and vistas. All signs and sign locations proposed under this program will be subject to all necessary municipal approvals. An interdepartmental staff team will assist the successful proponent in the co-ordination and securing of the necessary approvals, such as by-law amendments or variances, as required.

Comments:

Thirty-nine (39) firms from the City's bidders list were notified and invited to submit proposals. The RFP was also advertised on the City's internet website. The RFP was issued by the Purchasing & Materials Management Division on October 17, 2003 and closed on November 28, 2003. The City received three (3) submissions from the following firms:

1. Astral Media Outdoor L.P.
2. Eucan Urban Equipment of Canada, Inc.
3. Pattison Outdoor Advertising

The three (3) proposals received were evaluated by members of the Inter-departmental 3<sup>rd</sup> Party Outdoor Advertising Committee consisting of representatives from the Policy and Development, Parks and Recreation and Tourism Divisions of EDCT; the Transportation Division of WES; the Corporate Communications, and Facilities and Real Estate Divisions of Corporate Services; and the Urban Design Group of UDS.

The team evaluated the proposals, first individually and then as a group, in accordance with a set of pre-established criteria to determine which proponent(s) were the most responsible and responsive to the City's requirements.

The first stage of the evaluation examined the proponent's experience and competency to successfully carry out and manage what they are proposing, the design and technical merits of the proposed Information Pillars and a financial assessment of both the proposal and proponent. Originally, proponents were required to score a minimum of 75% in the first stage to qualify for further evaluation, although due to the small number of responses to the RFP, this requirement was waived and all three proponents were evaluated in both the first and second stages.

The second stage of the evaluation involved an interview process examining the proponent's presentation of their proposal, their performance during the interview and their ability to answer questions specific to their proposal. Upon completion of the second stage, the final scores ranged from 68 to 94 out of a possible 100.

The decision to interview the three proponents did not change the outcome of the evaluation process. Astral Media Outdoor L.P. was the highest scoring proponent in both the first and second stages of the evaluation process.

In addition to the guaranteed cash revenue of \$800,000 paid to the City over five years, which will be allocated to the budgets of Parks and Recreation and Facilities and Real Estate when the list of pillar locations is finalized, the Astral proposal offers a total of \$1,014,867.00 in associated in-kind value.

- This in-kind contribution includes \$500,000 in advertising allocation value for advertising City messages on the preferred proponent's entire national media network. For example, this could enable the City to promote Toronto as a tourism destination across Canada

including major markets such as Vancouver, and Montreal. This is the kind of promotion the City has desired to implement but has previously been limited due to budget constraints.

- Additionally, \$220,000 in advertising value over five years is included for City messaging on the information pillar faces, which could be used to promote City-wide events or programs.
- \$248,367 in additional monetary value is included for co-ordinating a tourist information dissemination service for the pillar system utilizing a map dispenser, LED enhancements to two pillars and provision of an interactive telephone/on-line/digital information service.
- A further \$46,500 in added value is included for the provision of three wayfinding finger pole structures.

The evaluation team concluded that the proposal submitted by Astral Media Outdoor L.P. demonstrates a good understanding of the objectives and the requirements for the design, provision, siting, installation, and maintenance of twenty-five Information Pillars as a pilot project, and further concludes that the Astral's "Streetsmart 100 series" is the preferred design.

The Fair Wage Office has reported that the recommended firm has indicated that they have reviewed and understand the Fair Wage Policy and labour trades requirements and have agreed to comply fully.

#### Conclusions:

This report requests authority to negotiate and enter into an agreement with Astral Media Outdoor L.P, the highest overall scoring proponent, to provide for the design, provision, installation, and maintenance of twenty-five Information Pillars for Parks and Recreation Division, EDCT for a contract of up to five years as a pilot project initiative, including the option of first right of refusal, excluding portions of land on the public rights-of-way, in the event that the project is continued or expanded.

This timing will allow the City to develop and finalize an overall strategy for the implementation of a coordinated street furnishings program. With the pilot nature of this initiative and the expiry of the contracts for transit shelters and recycling containers on road allowances occurring in 2007 and 2009 respectively, the City has a unique opportunity to harmonize and implement a coordinated street furnishings program and report thereon to Council next year.

Contacts:

Brenda Librecz,  
Acting General Manager,  
Parks and Recreation Division  
Tel.: (416) 397-4451  
Fax: (416) 392-8565  
Email: blibrec@toronto.ca

Lou Pagano, P.Eng.  
Director, Purchasing and Materials Management  
Finance Department  
Tel: (416) 392-7312  
Fax: (416) 392-0801  
Email: lpagano@toronto.ca

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Joe Halstead,  
Commissioner  
Economic Development, Culture and Tourism

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Joseph P. Pennachetti  
Chief Financial Officer and Treasurer