

Mr. Joseph Pennachetti  
City Manager, City of Toronto  
Toronto City Hall  
100 Queen Street West  
Toronto, Ontario M5H 2N2

Redacted Confidential Attachment 1 to Item EX32.5  
made public on June 12, 2013

May 7, 2013

**Report on TPLC's 2011 Consulting Fees**

Dear Mr. Pennachetti:

At the City Council meeting on October 30, 31 and November 1, 2012, City Council requested that *the City Manager, in consultation with the Chair of the Toronto Port Lands Company Board, report back to the Executive Committee on the nature, costs, and results of consulting work completed in 2011.*

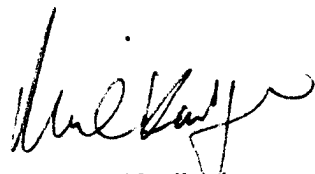
Consultants work in the audited 2011 financial statements relate to professional fees expense including: legal fees, environmental monitoring costs, accounting/ auditing fees, project/ property consulting costs and deferred project costs for a total of \$1,163,286.28. As TPLC is an active, operating property management company, the consultants' work of \$1,163,286.28 represents 3.78% of total operating expenditures for the company in 2011.

TPLC has provided a listing of the above-noted expenditures in the following categories (please refer to the attached appendices):

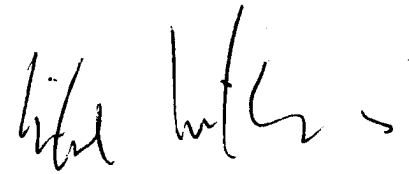
- Appendix A: Legal Fees
- Appendix B: Environmental Monitoring
- Appendix C: Accounting & Auditing Fees
- Appendix D: Project/ Property Consulting

The costs of consulting work reflect expenses for work performed in 2011 as reflected in the audited financial statements for the fiscal year ended December 31, 2011. These expenses are shown excluding GST as the company is eligible for input tax credits. Where work has been performed but not yet paid, the cost of the work has been recorded as an accrued expense for the 2011 audited fiscal year.

Respectfully submitted,



Michael Kraljevic  
President & CEO



Mike Williams  
Chairman of the Board of Directors

**Redacted Confidential Attachment 1 to Item EX32.5  
made public on June 12, 2013**

## **Appendix A: Legal Fees**

TPLC's policy on procuring legal services is based on a situational, strategic analysis considering the firm's expertise and efficiencies with respect to timeliness and cost. TPLC's CEO and TPLC's General Counsel weigh the above factors and select the appropriate law firm. For example, a law firm may already have a material connection to the new work from its past involvement which would realize benefits in efficiencies with respect to timeliness, cost and desired outcome.

An informal roster of law firms has been developed over the years and most have discounts on legal work negotiated several years ago. Another firm may be chosen if a specific expertise was required as in some of the litigation files.

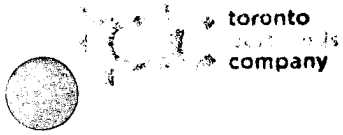
The cost of the legal fees in 2011 was \$351,368.00 representing 1.14% of the total operating expenditures for the company in 2011. A detailed listing is attached.

Legal fees	Property / Project Name	Vendor	Description	Amount (\$)
	Downtown Group	Robins Appleby & Taub	Four invoices regarding insolvency of Downtown Group in 2011.	37,048.80
	Strategic advice	Gowlings	Two invoices related to strategic advice on environmental matters.	34,608.03
	Filmport	Robins Appleby & Taub	Three invoices regarding title opinion for Filmport-designated lands.	29,139.48
	Portlands Environmental Assessment	Gowlings	Two invoices related to legal review for port lands environmental assessment options.	28,270.68
	Filmport	WeirFoulds LLP (Barristers & Solicitors)	Five invoices regarding severance applications for Filmport-designated lands.	23,565.78
	General Matters Enwave ESA	Robins Appleby & Taub Gowlings	Twelve invoices related to various tenant-related issues. One invoice related to review of the Enwave energy services agreement.	16,309.83 12,472.90
	General Matters	Robins Appleby & Taub	Seven invoices related to various tenant-related issues.	12,159.94
	General Matters Wayne Richards	WeirFoulds LLP (Barristers & Solicitors) Robins Appleby & Taub	Four invoices related to various tenant-related issues. Two invoices related to the statement of claim against former tenant, Wayne Richards.	9,415.70 9,170.29
	TPLC Miscellaneous Legal Fees	WeirFoulds LLP (Barristers & Solicitors)	TPLC Miscellaneous Legal Fees	8,234.00
	Official Plan Amendment	WeirFoulds LLP (Barristers & Solicitors)	Five invoices related to Official Plan Amendment.	8,219.44

CCAA Proceedings re: Donohue Recycling Inc.	Robins Appleby Taub	Seven invoices related to CCAA Proceedings re: Donohue Recycling Inc.	5,452.10
Corus Quay Development project	Robins Appleby Taub	Various matters related to the Corus Quay Development project.	2,489.00
Application fees	Treasurer City of Toronto	Application fee for severance applications	1,495.00
Corus Quay Development project	Fraser Milner Casgrain llp	Various matters related to the Corus Quay Development project.	1,151.75
Trademarks	Sim & McBurney	Renewal of corporate trademarks	1,035.00
TPLC Miscellaneous Legal Fees	Lenczner Slight Royce Smith Griffin	TPLC Miscellaneous Legal Fees	708.70
Cyberbahn- corporate	AMEX	Cyberbahn- corporate	561.00
TPLC Miscellaneous Legal Fees	Fraser Milner Casgrain llp	TPLC Miscellaneous Legal Fees	350.00
General Matters	Fraser Milner Casgrain llp	General Matters	300.90
Business name registration	Provincial Government	Business name registration	271.00
TPLC Miscellaneous Legal Fees	City of Toronto (Legal Services)	TPLC Miscellaneous Legal Fees	71.30
<b>TOTAL LEGAL FEES</b>			<b>351,368</b>

CONFIDENTIAL





## **Appendix B: Environmental Monitoring**

TPLC selects a service provider via a request for proposal (competitive bid) or obtains quotes from its pre-qualified roster of firms. TPLC has a roster of consultants whose services include environmental engineering and environmental planning.

In 2005, TEDCO, now operating as TPLC, issued a request for qualifications ("RFQ") and established a professional services roster to procure the various types of services outlined below:

- **Category #01: Environmental Engineering Services**
  - a. Environmental/ geotechnical engineering investigation and inspection
  - b. Hydrogeology and geosciences services
  - c. Site, environmental, and risk assessments/ audits
  
- **Category #02: Municipal and Transportation Services**
  - a. Municipal engineering
  - b. Storm water Management/ Water Resources Engineering
  - c. Transportation Engineering and Planning
  
- **Category #3: Construction**
  - a. Construction Project Management & Inspection Services
  - b. Structural engineering analysis, rehabilitation/ restoration, repair/ inspections and Building investigations
  - c. Professional Land Survey and Drafting services
  
- **Category #04: Environmental Planning, Brownfield Redevelopment Analysis, and General Planning Services**
  - a. Environmental Planning process (OMB, Expert Testimony, Facilitation and Public Consultation)
  - b. General Brownfields Redevelopment and Planning Services (Land use planning policy and zoning bylaw services, secondary / community planning services, site planning, etc.)

**Redacted Confidential Attachment 1 to Item EX32.5  
made public on June 12, 2013**

In 2010, TPLC updated its environmental engineering services roster (Category #01 above) via a new RFQ. Under the shared services model for years 2009 to 2011, Build Toronto Inc. and TPLC also developed additional rosters (eg architectural services) via RFQ's which were available for shared use as the companies were evolving.

In some instances the work is awarded to a service provider without a competitive bid process (eg. emergency work/ urgency, unique knowledge of consultant, cost efficiencies or minimal dollar value), a single or sole source rationale is provided before an invoice is paid.

The cost of environmental monitoring in 2011 was \$293,406.75 representing 0.95% of the total operating expenditures for the company in 2011. A detailed listing is attached.

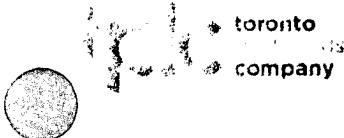
CONFIDENTIAL

Appendix B Analysis of Environmental Monitoring Expenses FY 2011				
Property	Vendor	Description	Amount	
51 Commissioners	Vertex Environmental Inc.	Four invoices related to design build of 51 Commissioners Groundwater Treatment System Operation and Maintenance. Completed in 2011. Procured by competitive bid.	68,460.66	
150 Cherry	Cannington	One invoice related to 150 Cherry RCYC-Spill Emergency Response and Remediation Contracting. Single sourced due to urgency resulting from MOE directive. Clean up performed in September and October.	49,501.47	
Port Lands AWI	Stantec Consulting Ltd (SCL)	Three invoices related to Area Wide Initiative Groundwater Sampling and Analysis Program. Procured from TPLC roster. Ongoing monitoring program.	39,745.51	
150 Cherry	Stantec Consulting Ltd (SCL)	Three invoices related to 150 Cherry RCYC-Spill Emergency Response and Remediation Monitoring. Single sourced due to urgency resulting from MOE directive. Clean up performed in September and October.	35,349.62	
51 Commissioners	Shaw Creek inc	Ten invoices related to 51 Commissioners Groundwater Treatment System Operation and Upgrades. Single sourced due to sub-contractor role to main contractor procured from TPLC roster. Represents ongoing monthly inspections of water treatment system.	38,673.89	
Port Lands AWI	Golder Associates	Two invoices related to Area Wide Initiative. Environmental works at 252 Unwin Ave, 595 Commissioners St., 75 Commissioners St., 600 Unwin Ave. from March to June. Procured by competitive bid.	32,385.22	
252&600Unwin & 75&595 Commissioners	Conestoga-Rovers Associates	Four invoices related to Certificate of Property Use Compliance Monitoring from March to December to perform various tasks including project review, ground water monitoring, site audit - barrier inspection, and cap inspection and monitoring. Procured from TPLC roster.	23,642.02	
Port Lands	AMEC Earth & Environmental	One invoice for Port Lands Annual Asbestos Survey performed at various locations. Work performed from March to May. Procured from competitive bid.	15,225.00	

Corus	exp. Services Inc.	Four invoices related to Corus Certificate of Property Use Compliance Indoor Air Sample (performed on a semi-annual basis) & Ground Water Monitoring (performed on a quarterly basis). Procured from TPLC roster.	13,840.00
275 Unwin Ave	Conestoga-Rovers Associates	Two invoices related to 275 Unwin Certificate of Property Use Compliance Inspections for work carried out from June to December. Procured from competitive bid.	12,700.00
		[REDACTED]	
Port Lands	Furcon Environmental	One invoice for Asbestos Abatement 55,100 Unwin, 80Comm. Procured from competitive bid.	3,850.00
51 Commissioners	Belstone Electric Ltd	One invoice for 51 Commissioners Disconnect Power for Groundwater Treatment System Upgrades. Single sourced due to small value of work.	560.00
115 Unwin		Charge Back to Waterfront Toronto for 115 Unwin Water Treatment Expense	-14,737.50
150 Cherry		Charge Back to Toronto Port Authority for 150 Cherry-RCYC-Spill	-95,319.35
	<b>Total</b>		<b>293,406.75</b>

CONFIDENTIAL





**Redacted Confidential Attachment 1 to Item EX32.5  
made public on June 12, 2013**

**Appendix C: Accounting and Auditing Services**

TPLC has been included in the City's RFP process for audit services and the winning proponent, PricewaterhouseCoopers, has performed an external audit and specific advisory services.

The cost of the accounting advisory and auditing services expensed in 2011 was \$93,635.00 representing 0.3% of the total operating expenditures for the company in 2011.



## **Appendix D: Project/ Property Consulting**

TPLC selects a service provider via a request for proposal (competitive bid) or obtains quotes from its pre-qualified roster of firms. In 2005, TPLC established a roster to procure various types of services as identified under Appendix B.

In 2010, TPLC updated its environmental engineering services roster (Category #01 above) via a new RFQ. Under the shared services model for years 2009 to 2011, Build Toronto Inc. and TPLC also developed additional rosters (eg architectural services) via RFQ's which were available for shared use as the companies were evolving.

In some instances the work is awarded to a service provider without a competitive bid process (eg. emergency work/ urgency, unique knowledge of consultant, cost efficiencies or minimal dollar value), a single or sole source rationale is provided before an invoice is paid.

The cost of the project/ property consulting fees in 2011 was \$424,876.85 representing 1.38% of the total operating expenditures for the company in 2011. A detailed listing is attached.

Property / Project Name	Vendor	Description	Amount (\$)
Property Tax Consulting	Altus Group	Ten invoices covering general realty tax assessments and ongoing appeal work for all port land properties. Single sourced due to unique knowledge and experience in the area and carriage of ongoing realty tax appeals. Work is performed throughout the year on different properties at various times.	30,278.48
Portlands Conceptual Design	Civic Arts	One invoice for preliminary planning exploration of potential projects for the port lands including review of Hearn, Pinewood and regional retail potential. Work performed from June to August. Single sourced due to knowledge of area and international experience which provides unique insights.	25,000.00
Port Lands Master Plan	Sweeny Sterling Finlayson & Co. Architects Inc.	One invoice related to review of preliminary land use options and background materials. Work performed from June to August. Single sourced due to unique demonstrated market advantage with intimate knowledge of the area and experience; past contractor of record for Waterfront Toronto and TEDCO.	25,000.00
Environmental Assessment Review	Stantec Consulting Ltd (SCL)	Two invoices related to EA (review and update preliminary conceptual plan) in July and August. Procured from TPLC roster.	24,117.35
MOE Consultation	Stantec Consulting Ltd (SCL)	One invoice related to Ministry of Environment consultation on the port lands environmental assessment. Work completed in August. Procured from TPLC roster.	23,213.00
TPLC Transportation / Advisory Services	LEA Consulting	Four invoices regarding transportation consulting advisory services covering July to December. Procured from TPLC roster.	22,169.00

Marketing & Communications	Flanagan & Associates	Four invoices for media monitoring & communications advisory covering period Oct to Dec. Obtained 3 quotes.	21,550.00
440 Unwin, Portlands transportation & Municipal plans	MMM Group Limited	Four invoices regarding review and advisory of past plans and proposals impacting Unwin Avenue, port lands transportation and municipal plans for work performed from February to July. Procured from TPLC roster.	19,744.45
Marketing & Communications	Lirica	Three invoices for marketing and communication services performed in April, May and August. Single sourced due to previous experience with TPLC generates greater cost efficiencies and timeliness of result.	14,963.00
51 Com Environmental Audit	Vertex	One invoice for environmental audit at 51 Commissioners street initiated in 2010 and finalized in 2011. Procured by competitive bid.	11,160.00
294 Unwin - Redpath Warehouse Proposal	Venchiarutti Gagliardi Architect Inc	Five invoices for architectural services from September to November regarding preparation of conceptual site plan at 294 Unwin Avenue. Procured by roster and lowest agreed upon unit price.	11,021.20
Resolution of ongoing old realty tax appeals	Wynville - Erse Associates Inc	Four invoices related to resolution of ongoing old realty tax appeals. Assignment completed in July. Single sourced due to unique knowledge of file being former TEDCO CEO.	10,937.50
Portlands Flood Protection Cost Estimate	Stantec Consulting Ltd (SCL)	Three invoices related to portlands flood protection cost estimate. Work performed mostly in-May, final completion in August. Procured from TPLC roster	10,893.46
EA Review	Stantec Consulting Ltd (SCL)	Three invoices related to review of environmental assessment documentation and work completed in March. Procured from TPLC roster.	7,803.00
		[REDACTED]	
TIEG Application - Pinewood	MMM Group Limited	Two invoices regarding TIEG application approvals (Pinewood) covering Feb thru June. Procured from TPLC roster.	7,610.00

Marketing & Communications	Bradley Lee	Marketing & Communication Services performed from Sept 9th to Sept. 21st. Single sourced due to urgency.	6,937.50
Communications	Romyr Consultants Corporation	One invoice regarding development of a communication strategy. Single sourced due to urgency.	6,000.00
Conceptual Site Plan at 20 Leslie Street	Venchiarutti Gagliardi Architect Inc	Two invoices for architectural services regarding preparation of conceptual site plan at 20 Leslie Street. Procured by roster and lowest agreed upon unit price.	5,921.50
595 Commissioners - Schematic design for concrete user	Du Toit	One invoice to carry out the schematic design stage of 595 Commissioners Street for concrete user. Single sourced due to contractor's specific knowledge of concrete user.	5,678.00
Communications Training	Jeff Ansell & Associates	One invoice for media strategies training program. Procured from obtaining 3 quotes for work.	5,600.00
Rose Corp/Option Land	Sweeny Sterling Finlayson & Co. Architects Inc.	One invoice for Urban design and land use planning services regarding Rose Option lands. Work performed from June to August. Single sourced due to strategic expertise with property.	5,200.00
Drawings & meeting attendance	Stantec Consulting Ltd (SCL)	Two invoices related to EA drawings & meeting attendance. Procured from TPLC roster.	4,781.04
Midland & St Clair	RV Anderson	One invoice regarding review of profit-sharing agreement with Monarch. Procured from TPLC roster.	2,835.00
80 Commissioners	Venchiarutti Gagliardi Architect Inc	Three invoices for architectural services regarding preparation of conceptual site plan at 80 Commissioners Street. Procured by roster and lowest agreed upon unit price.	2,334.63
440 Unwin Ave	Venchiarutti Gagliardi Architect Inc	One invoice for architectural services regarding preparation of conceptual site plan at 440 Unwin Avenue. Procured by roster and lowest agreed upon unit price	2,120.71
Design charette	Sweeny Sterling Finlayson & Co. Architects Inc.	One invoice for architectural services for participation in a design charette of the port lands to preserve employment and tenants. Invited to participate due to unique knowledge and experience in the area.	2,000.00
Engineering services	RV Anderson	One invoice for engineering services for servicing investigations at 320 & 348 Unwin. Procured from roster.	1,832.43

Employment Opportunities Strategy	Metropolitan Knowledge International	One invoice related to Employment Opportunities Strategy study commenced in 2010 and cost share with City of Toronto. Competitively bid in 2010.	1,083.50
<b>TOTAL Property Consulting fees 2011</b>			<b>347,881.05</b>

CONFIDENTIAL



Appendix D Listing of FY 2011	Listing Costs in Other Deferred Costs	Description	Amount(\$)
Property [REDACTED]	Vendor [REDACTED]	[REDACTED]	[REDACTED]
150 Cherry	GFL Environmental East Corporation	Four invoices related to Emergency re RCYC Spill. Clean up performed in September and October. Single sourced due to urgency/ emergency nature.	10,468.25
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3670 St. Clair Ave.	RV Anderson	Two invoices related to Midland & St. Clair: Engineering Services. Procured from TPLC roster.	2,274.00
		Total Consulting costs in Other Deferred Costs	76,995.80