A Comparison of the RFP Procurement Processes for the Revitalization of Regent Park

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EXECUTIVE SUMMARY:

A Comparison of the RFP Procurement Processes for the Revitalization of Regent Park

By: Michelle Nicholson

Regent Park, located in Toronto’s downtown east, was established in 1948 and was Canada’s first public housing project created through urban renewal. While initial reviews of the community were positive, conditions soon began to deteriorate and by the 1990s there were widespread calls for revitalization. Given a lack of public funding for such revitalization initiatives, it became apparent that a public-private partnership would be needed to transform the area into a mixed income community with a mixture of market and non-market housing.

A Request for Proposals (RFP) was released by the Ontario Housing Corporation (OHC) in 1997 to find a private sector partner to revitalize Regent Park. While a developer was selected, the project did not move forward as this arrangement fell apart in the negotiations stage. Responsibility for housing was downloaded from the province to municipalities in 2002 and Regent Park became the responsibility of the Toronto Community Housing Corporation (TCHC). In 2005, TCHC launched another attempt to revitalize Regent Park, releasing a Request for Qualifications (RFQ) in April, before generating a shortlist of developers to submit proposals to an RFP released in May. Similar to the 1997 RFP, this procurement process again selected a proponent. However, negotiations fell apart and the parties were unable to generate a project agreement, thus again revitalization efforts stalled. In December 2005, another RFP was released to the developers shortlisted from the initial 2005 RFQ and, from this RFP, a developer, Daniels Group, was selected and a project agreement was reached, allowing Regent Park to be revitalized. To date, Phase One has been completed including 416 RGI and 520 market
units of the eventual 2,083 RGI and over 3,000 market units. This report will address which factors affected the ability of the December 2005 RFP procurement process to generate a more favourable outcome, with the selection of a developer and the establishment of a project agreement, than was possible through the previous 1997 and May 2005 RFPs.

**Research Method and Evaluation Criteria**

A comparative case study, document analysis, and interviews were used to identify which factors affected the ability of the December 2005 RFP to generate a more favourable outcome, with the selection of a developer and the establishment of a project agreement, than the initial 1997 and May 2005 proposals. Risk, marketplace challenges, and operational challenges have all been identified as factors that can affect RFP outcome, and eight different evaluative criteria were used to analyze how each of these factors affected the outcome of the 1997, May 2005, and December 2005 RFPs. The following evaluative criteria were used to analyze what factors affected RFP outcome:

- **Risk Analysis**
  - Risk Register

- **Marketplace Challenges**
  - Level of Developer Interest
  - Project Scale
  - Media Attention and Project Reputation

- **Operational Challenges**
  - Selection of Procurement Model
  - Presence of Basic Solicitation Items
  - Length of Process
  - Contributions Required by the Bidder

**Analysis**

Each of the elements used to evaluate risk, marketplace challenges, and operational challenges were evaluated as either having a very negative, negative, neutral, positive, or very positive impact on the 1997, May 2005, and December 2005 RFPs. The elements were then also evaluated as being a significant factor, a contributing factor, or a minor factor.
affecting RFP outcome. The findings of the analysis are summarized in the table below:

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<tr>
<th>Factor</th>
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<td>Contributions Required by the Bidder</td>
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**Legend:**
- Very Negative
- Negative
- Neutral
- Positive
- Very Positive
Conclusions and Recommendations

Analysis of the 1997, May 2005, and December 2005 RFP procurement processes considered the impact of risk, marketplace challenges, and operational challenges on RFP outcome. Risk division was found to have a significant impact on RFP outcome, notably the public sector’s acquisition of the market risk improving private sector confidence in the project. Marketplace challenges were primarily found to be contributing factors to RFP outcome, with the exception of project scale which was found to have a significant impact. Operational challenges were found to have a minor impact on RFP outcome with the exception of the presence of basic solicitation items, as the inclusion of certain information such as market studies was found to have a significant impact. These findings cannot be generalized as Regent Park is unique due to its scale and location; however certain recommendations can help inform future RFP procurement processes for revitalizing deteriorated social housing projects in Canada through public-private partnerships:

1. When attempting to establish a public-private partnership to revitalize a deteriorated social housing project, it is recommended that the public and private sectors work together to establish a ‘true partnership’ between the public and private sectors, as demonstrated through the division of risk.
2. When packaging a project for redevelopment, obtaining the necessary planning approvals in advance can increase the attractiveness of the site and help to instill developer confidence in a project.
3. If a proposed project is a portion of a larger project that is to be developed in the future, the provision of plans for the future redevelopment of the greater project can instill confidence in developers for the market reception of the project.
4. When establishing the project scale, it is important to consider market conditions.
5. It is important that roles and responsibilities be clarified to ensure that all parties are clear on what is expected when establishing a project agreement.
6. When attempting to redevelop a deteriorated social housing project, the provision of comprehensive market information can play an important role to helping foster faith in the project.
7. It is important that RFQs and RFPs provide transparency in the evaluation process to provide confidence to the private sector that the selection of a proponent will be a fair and equitable process.
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CHAPTER 1: INTRODUCTION

1.1: Statement of the General Problem

Regent Park was Canada’s first public housing project created through urban renewal. Located in Toronto’s downtown east, Regent Park was established in 1948 when deteriorated homes in the Cabbagetown neighbourhood were replaced with a new social housing development through the process of urban renewal (See Figure 1 and Figure 2). While initial reviews of the community were positive, over time Regent Park began to epitomize the failures of urban renewal as poor urban design manifested itself into an environment of perpetual social blight and degradation (Sewell, 1993). By the 1990s, it had become apparent Regent Park was in need of revitalization.

Figure 1: Regent Park in the context of Toronto
In an effort to facilitate revitalization with limited funds, the Ontario Housing Corporation (OHC) put forward a Request for Proposals (RFP) to the private sector to establish a public-private partnership for the redevelopment of Regent Park into a new mixed-income community, mixing both market and subsidized housing (OHC, 1997). While a proponent was selected from the RFP, a project agreement was not reached as the selected proponent and OHC were unable to strike a deal during the negotiations stage. In 2005, a new RFP procurement process began under Toronto Community Housing Corporation (TCHC) with the release of a Request for Qualifications (RFQ) in April 2005 to find a developer to redevelop Regent Park. A shortlist of proponents was selected from this RFQ and these developers were invited to submit more detailed proposals to a May 2005 RFP. However, similar to the 1997 RFP, while a proponent was selected from the May 2005 RFP, the developer withdrew during the negotiations stage and the RFP was unable to produce a project agreement. A third RFP was released in December 2005 to the
shortlisted proponents from the 2005 RFQ, and this RFP generated sufficient private sector interest to redevelop Regent Park into a mixed-income community containing both market and subsidized housing (See Appendix A for a Chronology of the Regent Park Revitalization; See Figure 3). This study, A Comparison of the RFP procurement processes for the revitalization of Regent Park, seeks to identify the factors in the RFP procurement process that contributed to the difference in outcomes between the three RFPs.

Figure 3: Regent Park before revitalization (left) and revitalized Regent Park (right)

1.2: Research Question

This study will seek to address which factors affected the ability of the December 2005 RFP procurement process for the redevelopment of Regent Park to generate a more favourable outcome, with the selection of a developer and the establishment of a project agreement, than the initial 1997 and May 2005 RFP procurement processes. Factors inherent to and exogenous of the RFP will be examined to determine the differing outcomes between the three documents, attempting to answer the questions:
- Were there structural differences inherent to the RFPs that led to one procurement process generating a more positive response than the others?

- What were the impact of exogenous factors on the RFP procurement process, such as market conditions and public perceptions of the project?

1.3: Scope of Work

The project will focus on analysis of factors contributing to the difference in outcomes between the 1997, May 2005 and December 2005 RFPs for Regent Park. This report will not address the design of the redevelopment or the social factors affecting residents but will, instead, focus on the RFP procurement process and the political and economic conditions that impacted the more positive reception of the December 2005 RFP than the initial offerings.

1.4: Structure of the Report

This report is comprised of nine chapters, categorized into three sections. Section One of the report consists of Chapters 1, 2, 3, and 4 and is intended to introduce the research question, offer background information, and provide information on the research methodology. Chapter 1 provides an introduction and an overview of the research question that is to be answered in the study. Chapters 2 and 3 supply background information to help contextualize the information presented in the study, with Chapter 2 providing information on public-private partnerships, and Chapter 3 providing a history of Regent Park and its revitalization. Chapter 4 details the methodology used to answer the research question.

Section Two of the report includes Chapters 5, 6, and 7. These chapters analyze the findings from the study. This section is divided into three separate chapters, each
evaluating a different aspect of the proposal, with Chapter 5 evaluating the proposed
division of risk between the public and private sectors in the RFPs, Chapter 6 analyzing the
marketplace challenges faced by each of the RFPs, and Chapter 7 considering the impact of
operational challenges on each of the RFPs.

Section Three of the report consists of Chapter 8. This section offers conclusions
from the analysis described in Section Two, and makes recommendations to inform the
RFP procurement processes for the redevelopment of other deteriorating social housing
projects in Canada through public-private partnerships. This section also identifies
limitations to the study and recommends areas for future research.
CHAPTER 2: BACKGROUND ON PUBLIC-PRIVATE PARTNERSHIPS

2.1: History of Public-Private Partnerships

The Regent Park redevelopment provides an example of a public-private partnership, a form of redevelopment that involves a partnership between the public sector and the private sector where both partners, as separate entities, come together for some form of resource mobilization (Beauregard, 1998). Public-private partnerships became a popular practice following cutbacks in federal funding to municipalities in the 1970s. With these cutbacks, cities were forced to find alternative methods to fund redevelopment (Sagalyn, 1990). As municipalities were reluctant to increase taxes fearing a decline in political popularity, the public sector increasingly began to enter into partnerships with the private sector to afford new developments.

Public-private partnerships are triumphed as allowing the public dollar to spread further through cost sharing agreements than if the public sector acted independently (Sagalyn, 1990). They offer the opportunity for the public sector to achieve public benefits they could otherwise not afford, and also allow the private sector to benefit from access to public land, security, and resources making previously infeasible projects feasible (Dowall 1990; Guy et al., 2002). According to Dowall (1985), “Negotiated public-private partnerships seek to enlarge the pie by structuring deals where the total gain for both parties is larger than if they operated independently” (74). Another benefit of public-private partnerships noted by Sagalyn (1990), is the competitive edge that can be added to public projects through inclusion of the private sector. Sagalyn (1990) claims that part of the reason for the failure of urban renewal was the lack of competitive edge and, that by partnering with the private sector for developments, the public sector is able to gain this
edge. The ability of public-private partnerships to generate favourable outcomes has been well documented through many case studies, including Boston's linkage policy (Dreier and Ehrlich, 1991), the redevelopment of the Manhattan waterfront into Battery Park City (Gordon, 1997a), and the renewal of Times Square (Sagalyn, 2001). Despite this storied successes, public-private partnerships are not without criticism.

Critics identify how the public sector often risks being out-negotiated by the more experienced private sector developers (Dowall, 1985; Gordon, 1997b; Sagalyn, 2007). Also, the inability of the public sector to properly analyze and anticipate the risks associated with a proposed development has been noted (Dowall, 1990; Friedan and Sagalyn, 1991). A lack of transparency and accountability has also been identified (Gordon, 1997b; Sagalyn, 2007; Sagalyn, 1990; Frieden and Sagalyn, 1991; Grant-Long, 2005). While considerable literature exists on public-private partnerships, limited research pertains specifically to the RFP procurement process.

2.2: Procurement of Public-Private Partnerships

While the outcomes of public-private partnerships have been well documented, few studies had addressed the procurement process necessary for the public sector to select a private sector partner and establish a project agreement to allow a project to move forward. McKellar and Gordon (2007) provide an overview of the literature on RFPs, identifying risk, market challenges, and operational challenges as integral to facilitating the desired private sector response to the RFP process and also offer eight lessons for the RFP process for surplus land disposal. Stainback (2000) provides information on procurement models and outlines timelines and best practice recommendations for RFP development. Procurement models are also discussed by Guy et al. (2002) who consider how the division
of larger projects into smaller offerings can generate a greater interest from the private sector as it then allows for smaller developers to be involved in the process.

Appropriate division of project risk is a crucial aspect of RFP development (McKellar and Gordon, 2007). The failure of the public sector to properly anticipate risks associated with a project is identified as a problem that often detracts from the benefits they gain through public-private partnerships (Dowall 1990; Frieden and Sagalyn, 1991; Van Ham and Koppenjan, 2001; Sagalyn, 2007). McKellar and Gordon (2007) discuss how ideally risk allocation should have each partner responsible for the risks that they are best able to handle. The lack of research pertaining to the RFP procurement process to establish public-private partnerships indicates an area for future research.

2.3: Public-Private Partnerships in Housing Development in Canada

When the 1997 attempt to revitalize Regent Park into a mixed-income community through a public-private partnership was attempted, there were no recent projects in Canada that acted as precedents. However, between the 1997 RFP and the 2005 RFPs, this model was attempted in other Canadian housing developments, notably Woodward’s and Don Mount Court, which offered precedents for Regent Park. While both developments were smaller than Regent Park, their location in deteriorated areas of major Canadian cities helped to provide examples to inform the revitalization of Regent Park.

2.3.1: Woodward’s

Woodward’s provided an example of the use of a public-private partnership for development of a mixed-income community in Canada. Similar to Regent Park, Woodward’s was located in a notoriously deteriorated area of a major Canadian city, located in the heart of Vancouver’s Downtown East Side (See Figure 4). Woodward’s was a
CHAPTER 2: BACKGROUND ON PUBLIC-PRIVATE PARTNERSHIPS

former department store that closed in 1993 after over 100 years of operation (Enright, 2010). The building remained vacant and became occupied by squatters until it was purchased by the City of Vancouver in 2003 with the intent of developing it into Vancouver’s first development combining both market and non-market housing (Ibid.).

In 2003, public consultation began to establish the vision and guiding principles for the Woodward’s development, with a focus on early public involvement (Ibid.). In 2004, the City of Vancouver began their procurement process to find a private partner for the redevelopment, inviting developers to submit proposals. The proposal presented to developers was for the City to trade land to the private sector for the construction of market and non-market housing, with the developer to transfer the non-market housing to the City upon completion as a form of compensation with the condition of building a minimum 100 non-market housing units (Flanigan, 2010). Despite some initial reluctance, the City garnered submissions from 12 developers. This was shortlisted to four developers before the selection of Westbank Projects Corporation and Petersen Investment Group as the proponents (Ibid.). In the end, the development incorporated 536 market units and 200 non-market units (Macdonald, 2010). Despite the early reluctance of developers to be involved in the project, the success of the project was unprecedented with all market units selling out on the first day (Flanigan, 2010) (See Figure 5). While the housing market in Vancouver is stronger than in Toronto, the positive outcome of the development of a mixed-income community in a notoriously deteriorated area through a public-private partnership offers important similarities to the Regent Park redevelopment.
**2.3.2: Don Mount Court**

Don Mount Court was the first Canadian example of the revitalization of a public housing project into a mixed income community using a public-private partnership (TCHC, 2012a). The revitalization was conducted by TCHC and was intended as a trial project for
the model that would serve to inform the future redevelopment of the larger TCHC-owned property Regent Park (See Figure 6). Following the earlier failed attempts to redevelop Regent Park by OHC, TCHC decided to test the concept of the redevelopment of a public housing project into a mixed income community through a public-private partnership, both to test the ability of the strategy to generate a positive outcome and also to offer confidence to developers who may be interested in redeveloping Regent Park.

Similar to Regent Park, the project was located in the east end of downtown Toronto. Don Mount Court was a public housing project built in 1968 and, like Regent Park, was in critical condition with several units deemed uninhabitable, and a negative reputation of crime and violence (TCHC, 2012b). The project was smaller than what was anticipated for Regent Park, with the redevelopment to have 232 RGI units and 255 market units, with existing tenants guaranteed an RGI unit. The tendering process for the redevelopment began in December 2002 with a shortlist of five developers selected in early 2003 before the selection of the development team of Intracorp Developments and Marion-Hill Development Corporation to conduct the redevelopment (Ibid). TCHC developed a subsidiary, Don Mount Court Redevelopment Corporation to oversee the process (Ibid). By October 2004, existing tenants had been relocated and redevelopment had begun. Currently, Phase One and Phase Two have been redeveloped and the project has been declared a rousing success (Ibid) (See Figure 7).
Figure 6: Location of Don Mount Court

Figure 7: Design of the Don Mount Court redevelopment
CHAPTER 3: BACKGROUND ON REGENT PARK

3.1: History of Regent Park and the Need for Revitalization

Regent Park was built in 1948, as part of an urban renewal effort to remove overcrowded, dilapidated housing from the Cabbagetown area and provide residents with affordable, well-constructed units that were available at a rent geared to their income. The area that would become Regent Park was viewed as a “slum”, and it was considered that, “The city could not afford the luxury of slums and the Regent Park Project would be a first step in slum clearance” (Rose 1958, 59). Regent Park was constructed with the goal of creating “adequate housing” which it was thought would result in benefits for the city at large (Rose, 1958). This was based on a 1932 report by Lieutenant-Governor Herbert Bruce, the Bruce Report, that called for a tearing down and fresh start to many of the city’s residential areas that were considered slums (Sewell 1993, 66). Urban renewal was a popular city planning phenomena from the late 1940s to 1970s that focused on the idea that eliminating areas of poor quality housing and redeveloping them with new housing would eliminate the associated social problems, and Regent Park provided one of Canada’s first examples of such a process. Albert Rose (1958) recognized it as, “This was the first project of this scale, perhaps the first ‘modern’ public housing programme in Canada, and a unique phenomena for the city of Toronto” (73).

Regent Park was designed as a “garden city” with housing surrounding large green spaces with no through streets (TCHC, 2012c). Initially, this revitalization was praised as a success, with Albert Rose (1957) claiming, “The citizens of Toronto have benefits substantially because several thousand citizens have benefited from a transformation in their environment, resulting in a transformation in their way of life” (222-223). John Sewell
(1993) recounts how many of the displaced tenants from Cabbagetown were pleased with the results when they returned to Regent Park, as “In place of a home in often deplorable condition at a rent that took a large portion of the family income, they were moved into a large new apartment with rent based on income” (72). This early success led to the use of a similar model for redevelopment in other downtown neighbourhoods, including Moss Park and Alexandra Park (Sewell, 1993). However, Regent Park later transformed into a place of decline, as the initial “garden city” urban design that did not incorporate through streets was supportive of crime due to reduced “eyes on the street” and the quality of the housing stock fell into disrepair with many units deemed uninhabitable. In 1994, despite a waiting list of 22,000 people for public housing in Metro Toronto, over 150 units were vacant in Regent Park (Barber, 1995). According to Margaret Philp (1997) of the Globe and Mail, “Fifty years later, with buildings decaying and neighbourhood crime rampant, the development that sprawls over several city blocks is now regarded as one of Toronto’s most disastrous failures in urban and social planning”.

3.2: Redevelopment of Regent Park

By the 1990s, much of the housing stock in Regent Park was in a state of disrepair and the area had a negative stigmatization as a place of violence and crime. It became evident that something had to be done to revitalize Regent Park. Due to the lack of public funding to undertake such a development, the OHC turned to the establishment of a public-private partnership to oversee the redevelopment of Regent Park. An RFP was distributed by OHC in 1997 to attempt to find a developer to act as a private sector partner in the redevelopment of Regent Park. This attempt failed to find a proponent and, following an attempt by OHC to revive the proposal in 1999, the responsibility for Regent Park was
transferred to TCHC. TCHC presented its first RFP to developers in May 2005 and, while this RFP failed to secure a developer, a second RFP in December 2005 finally generated a favourable outcome and resulted in the selection of a developer.

3.2.1: 1997 RFP

By 1997 it had become apparent that conditions in Regent Park were in need of repair. In February 1997, the Ontario Housing Corporation (OHC) unveiled a proposal to revitalize a portion of Regent Park, with preliminary talks beginning through a working group led by former City of Toronto mayor John Sewell (Abbate, 1997) (See Figure 8 for proposed site). An RFP to redevelop Regent Park was issued in May with proposals due in July and interviews to be conducted in August with a shortlisted selection of candidates (1997 RFP). While the OHC did not provide a master plan for the redevelopment of the site, they provided some recommended guidelines for how redevelopment could be undertaken based on recommendations from the Regent Park working group. In November, developer Arcadia Group was selected as the proponent (Philp, 1997). During the negotiations of a project agreement, John Basil, the CEO for Arcadia Group, died. Negotiations resumed after his widow took over as CEO but the negotiations were unable to reach a project agreement. Interviewees blamed this failure on issues of financial feasibility for implementing the proposal as proposed and a lack of initiative on the part of the OHC to redevelop Regent Park. At the time of the proposal, it appeared that housing would soon be downloaded to municipalities and Regent Park would no longer be the responsibility of OHC, reducing the incentive for the OHC to revitalize Regent Park. Following this failed attempt to find a proponent through the 1997 RFP, plans stalled for the revitalization of Regent Park.
3.2.2: Proposed 1999 RFP

In 1999, the OHC gave consideration to reviving the 1997 RFP and attempting to redevelop Regent Park (Krivel, 1999). However, this RFP did not move forward and select a proponent as at that time the downloading of housing to municipalities appeared imminent, limiting motivation for OHC to direct resources to revitalizing Regent Park. Housing was eventually offloaded from the OHC to municipalities on January 1, 2001 when, under Bill 128, municipalities became responsible for the provincial housing stock. Overnight, the City of Toronto acquired 29,404 housing units, including Regent Park, bringing its total housing responsibility to 95,400 units and making it Canada's largest landlord (Moloney, 2000). The housing stock acquired averaged 32 years old and was in need of major repairs, the cost and extent of which were unknown (Ibid.).

3.2.3: May 2005 RFP

In 2002, Toronto Community Housing Corporation (TCHC) unveiled a new initiative for the revitalization of Regent Park. This included a master plan that was intended to guide redevelopment. Under the master plan, it was proposed that the number of units be
doubled and the area be transformed into a mixed-income community, similar to the existing St. Lawrence Neighbourhood. Revitalization was expected to occur in six phases over a period of 15 to 20 years (Gavin, 2002) (See Figure 9). The plan was driven by community involvement, with community involvement beginning with the plan's inception. TCHC, led by its CEO Derek Ballantyne, made an effort to go out to the community and promote engagement, bringing the idea that change was possible and that TCHC would follow through with their commitment. All current residents of Regent Park were also guaranteed a place in the revitalized Regent Park. Ballantyne acted as a champion of the project, and helped to garner public support throughout the community and was instrumental in creating the momentum for the project to move forward. The plan gained much critical acclaim with the Regent Park Revitalization Plan winning the Canadian Institute of Planners 2003 Award of Excellence (CIP, 2012). Renowned urbanist Jane Jacobs claimed, “I think it’s an excellent plan with every promise of success” (Blackwell, 2002). However, excellent planning and good public support cannot alone facilitate a project, as TCHC struggled to find a private partner to undertake the redevelopment.

Figure 9: Regent Park phasing map

Source: City of Toronto, 2012
An RFQ was released in April 2005 to find a proponent to act as a private sector partner for Phase One of the redevelopment (TCHC, 2005a) (See Figure 10). A shortlist of five developers were selected from this RFQ, including: Tridel, Cresford Development Corporation, Daniels Group, Concert Properties, and Menkes Developments, and an RFP was released to this shortlist of developers in May (Toronto Star, 2005). In September, TCHC announced that Cresford was selected as the developer for the Phase One of Regent Park (Lewington, 2005). However, in November, negotiations fell through between Cresford and TCHC and a project agreement was not established (Lu, 2005). Negotiations fell apart as Cresford was unable to produce the development at the price indicated in the proposal. Cresford’s proposal relied on government funding and this funding proved difficult to secure. Cresford sought to make the deal contingent on securing government funding but TCHC rejected this offer as the addition of this condition would be unfair to the other applicants. Following the breakdown of negotiations with Cresford, TCHC decided to move forward to seek another proponent to move the development forward.

**Figure 10: Proposed Phase One for Regent Park revitalization in TCHC May 2005 RFP**

![Proposed Phase One for Regent Park](Source: TCHC, 2005)
3.2.4: December 2005 RFP

Following the inability of the May 2005 RFP to find a proponent to be the private partner for Phase One of the Regent Park revitalization, a second RFP was released in December 2005 to the prequalified developers shortlisted from the initial 2005 RFQ (Figure 11). Ballantyne continued to act as a champion for the project, and despite the inability of the May RFP to generate a proponent, Ballantyne pushed TCHC to continue with the project and select a developer. The structure of the proposed agreement differed from the May 2005 RFP and, unlike the May 2005 RFP, it was stated in this proposal that the selected proponent would have the option to proceed with redeveloping Phase Two of Regent Park in the future (TCHC, 2005c; Lu, 2005b). Daniels Group was selected as the winning proponent in March 2006 and a project agreement was reached (Lewington, 2006; Maloney, 2006; Kelly, 2006). Through this December 2005 RFP, TCHC was able to generate a favourable outcome and find a private sector partner for the redevelopment of Regent Park.

Figure 11: Proposed Phase One for Regent Park revitalization in TCHC December 2005 RFP

Source: TCHC, 2005
3.3: Construction of Regent Park and Progress to the Present

Tenants of Phase One were temporarily relocated at the end of 2005 and the redevelopment of Regent Park began on February 13, 2006, with the first swing by City of Toronto’s Mayor David Miller symbolizing the beginning of redevelopment (Peeling, 2006). The development has proceeded, and to date Phase One has been completed and construction of Phase Two has begun with Daniels remaining as the private sector partner (Peeling, 2006). The market reception of the development has been strong as the two market condominium buildings constructed as part of Phase One, One Cole and One Park West, have sold out. The first market condominium building of Phase Two, Paintbox, has also sold out (Daniels, 2012; Belford, 2009). To date, 416 of the 820 Regent Park households displaced as part of the redevelopment have returned to new units in Regent Park in Phase One, with TCHC continuing its commitment to Regent Park tenants that, “If you have been relocated because of the revitalisation, you have a right to return to a new unit being built as part of the revitalization” (TCHC, 2012d). To date, 519 market units have also been constructed as part of Phase One (Figure 13). Full build out of the entire Regent Park revitalization is to have 2,083 RGI units, 700 affordable rental units, and over 3,000 market units (TCHC, 2012e).

Figure 12: Regent Park Revitalization 2012

Source: Michelle Nicholson, 2012
CHAPTER 4: METHODOLOGY

4.1: Introduction

A methodology was established to analyze the three Regent Park RFP procurement processes, establishing a framework for comparison. This Chapter outlines the methodology used for the analysis of the RFPs.

4.2: Research Question

The project sought to address what factors affected the third RFP for Regent Park generating a more favourable outcome, with higher quality offerings than the initial proposals. Factors inherent to and exogenous of the RFP were examined to determine the reasons behind the differing outcomes between the three documents, attempting to answer the questions:

- Were there structural differences inherent to the RFPs that led to one proposal generating a more positive response than the other?
- What were the impact of exogenous factors on the RFP process, such as market conditions and public perceptions of the project?

The methods used in this study were an attempt to answer this research question.

4.3: Theoretical Framework

The Regent Park redevelopment provides an example of a public-private partnership, a form of redevelopment that involves a partnership between the public and private sectors where both partners, as separate entities, come together for some form of resource mobilization (Beauregard, 1998). While considerable literature exists on public-private partnerships, limited research pertains specifically to the RFP procurement
process. The methods of analysis used in the literature of public-private partnerships and the RFP procurement process have informed methods used in this study.

The use of case studies is a common method employed to analyze public-private partnerships. Several descriptive case studies exist detailing the development of high-profile public-private partnerships, notably Gordon and Battery Park City, NYC (1997), and Sagalyn and Times Square, NYC (2001). Comparative case studies are also commonly used to evaluate public-private partnerships, notably Cevero (2007) and his analysis of public-private partnerships and transit-oriented developments in Washington, DC and Atlanta, Georgia; Gordon (1997) who analyzes four waterfront redevelopment projects in New York, London, Boston, and Toronto; and Siemiatycki (2010) who considered three case studies of infrastructure partnerships. The selection of a comparative case study was used for this study, as it was hypothesized that differences existed between the three Regent Park RFP procurement processes which led to their differing outcomes, and thus a comparative case study offered a method to test this hypothesized contrast (Yin 2009, 61).

Information on the RFP procurement process was primarily drawn from McKellar and Gordon (2007), Stainback (2000), Partnerships BC (2011), and Guy et al. (2002) to help inform the methodology. McKellar and Gordon (2007) provide an overview of the literature on RFPs, identifying risk, market challenges, and operational challenges as integral to facilitating the desired private sector response to the RFP process. It was these classifications that inspired the selection of the evaluation criteria for this study of risk, market challenges, and operational challenges.

Analysis of risk division and the failure to anticipate risks is identified as a potential problem among public-private partnerships by McKellar and Gordon (2007), Dowall
(1990), Frieden and Sagalyn (1991), and Sagalyn (2007). Information on how to properly identify and analyze risks associated with RFPs was gathered from Partnerships British Columbia (2006), which led to the use of a Risk Register as a tool to evaluate risk.

Analysis of market challenges was based on the potential market challenges outlined by Gordon and McKellar (2007) to evaluate RFPs and the criteria established by Partnerships British Columbia (2011) to assess public-private partnerships in British Columbia. Both describe how exogenous factors can influence RFP success.

Analysis of operational challenges was primarily based on the recommendations provided by Stainback (2000) for the development of procurement models. Stainback (2000) provided timelines and best practice recommendations. The recommendations by Guy et al. (2002) for the structuring of procurement models were also considered. Analysis of operational challenges helped to analyze if there were any structural differences impacting RFP outcome.

This overview of literature provided the foundation for the selection of the data sources and evaluative criteria for the study.

4.4: Data Sources

Data sources used included a comparative case study, document analysis, and interviews. The use of three data sources allows for triangulation, whereby the construct validity of the findings is enhanced by the use of multiple methods, accounting for the deficits of any particular method being used (Yin, 2009). The use of each data source is outlined as follows:
4.4.1: Comparative Case Study

The project involved a comparative case study, as the three RFPs for Regent Park were compared to help inform the reasons behind the differing outcomes. While all three cases were for the same site, they were separated temporally and thus offered the opportunity for a comparative case study. A comparative case study provided the ideal model to compare and contrast the RFPs to determine what led to the improved market reception for the December 2005 RFP, as it was hypothesized that a contrast existed between these RFPs and the use of a comparative case study provided a method to test this hypothesized contrast (Yin 2009, 61).

4.4.2: Document Analysis

Document analysis was conducted on the three RFP procurement processes and of the news media surrounding the RFPs. Document analysis was conducted on the three RFPs, one being the 1997 Ontario Housing Corporation Request for Proposals for Interest in Developing a Public-private Partnership to Redevelop the North East Quadrant of North Regent Park, and the second being the initial RFQ by Toronto Community Housing (TCH) in April 2005 - Regent Park Revitalization Project: Request for Qualifications to Develop Blocks 11, 12, and 13 of Phase One and subsequent RFP in May 2005– Regent Park Revitalization Project – Request for Proposals to Develop Blocks 11, 12, and 13 of Phase One, with the third being the December 2005 TCH RFP – Regent Park Revitalization Project – Design, Build, and Marketing Request for Proposals that was issued to the pre-qualified developers selected through the April 2005 RFQ. Document analysis of the RFPs focused on the structure and the criteria involved in each RFP, to determine any differences between the proposals that may have been linked to the differing outcomes.
News media was analyzed by using content clouds to analyze articles from the Toronto Star, National Post and the Globe and Mail. Analysis of news media focused on determining the public perceptions of the projects at the time of the RFPs and on gathering information about the political and economic context at the time of the RFPs.

4.4.3: Interviews

Interviews were conducted with three key stakeholders who were involved in the project to help further contextualize the information gathered in the document analysis, and also to provide additional insights into the project that could not be gathered from document analysis. Interview participants were gathered based on a snowball sampling procedure, beginning with faculty connections and previous School of Urban and Regional Planning alumni. Interviews were semi-structured containing a mixture of generalized key questions for all participants, and specific questions developed for each stakeholder based on their differing expertise.

The use of these sources of information were intended to provide insight into the reasons for the failure of the initial two RFPs for Regent Park and what led to the positive outcome of the third RFP. From this analysis, lessons were derived that may help to inform the broader literature for constructing RFPs and to provide recommendations for procurement structures for the future phases of development at Regent Park. A set of evaluative criteria was employed to analyze the information provided by the data sources.

Evaluation Criteria

The RFPs were compared based on selected evaluative criteria to inform analysis of the reasons for better response from the private sector of the later Regent Park RFP. The RFP procurement processes were evaluated based on risk analysis, marketplace challenges,
and operational challenges, all of which are attributed to impacting the outcome of an RFP (McKellar and Gordon, 2007). Examination of risk was based on the use of a risk register to analyze the division of project risk (Partnerships British Columbia, 2011). Marketplace challenges were evaluated based on interest in the project, project scale, marketplace conditions, and media attention and project reputation. Analysis of operational challenges involved consideration regarding the selection of procurement model, presence of basic solicitation items, process length, and the extent of contributions required by the public and private sectors. The information gathered through document analysis and interviews informed this analysis. A chart summarizing the evaluation criteria and how it was measured is found in Figure 13.

**Figure 13: Proposed Evaluation Criteria**

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>INTENT</th>
<th>MEASUREMENT</th>
<th>REFERENCE</th>
<th>DATA SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Register</td>
<td>Analyze if risk division is appropriate based on what risks each partner is best able to handle</td>
<td>Records and identifies risks to each partner and evaluates them.</td>
<td>Partnerships British Columbia (2006), <em>An Introduction to Risk Management in a Public-private Partnership</em>, 4</td>
<td>Document analysis of RFPs. Interviews with key stakeholders.</td>
</tr>
<tr>
<td>Marketplace Challenges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Developer Interest</td>
<td>To determine the level of interest in the project. A strong response is important for project success.</td>
<td>Number of responses.</td>
<td>McKellar and Gordon, 2007, 7.</td>
<td>Interviews with key stakeholders.</td>
</tr>
<tr>
<td>Topic</td>
<td>Description</td>
<td>Source</td>
<td>Methodology</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Project Scale</td>
<td>Determine if the project was a single large-scale project or broken into several smaller pieces which allow smaller developers to bid.</td>
<td>Was the RFP for a single large-scale project or did it provide the opportunity for several smaller projects?</td>
<td>McKellar and Gordon, 2007, 7.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document analysis of RFP. Interviews with key stakeholders.</td>
<td></td>
</tr>
<tr>
<td>Market Conditions</td>
<td>Determine if the market demand for a given form of construction in an area is strong, if it is not strong extra incentives may be required to encourage developers to bid.</td>
<td>Evaluate the market conditions for residential construction in the area of Regent Park at the time of the RFPs.</td>
<td>Stainback, 2000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document analysis of Toronto Real Estate Board (TREB) publications. Interviews with key stakeholders.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Newspaper articles from various Toronto papers. Interviews with key stakeholders.</td>
<td></td>
</tr>
<tr>
<td>Operational Challenges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of Procurement Model</td>
<td>Evaluate if procurement model is appropriate for context</td>
<td>Base evaluation on model of procurement and positives and negatives of that method as presented by Stainback.</td>
<td>Stainback, 2000, 82-110.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document analysis of RFP documents. Interviews with key stakeholders.</td>
<td></td>
</tr>
<tr>
<td>Presence of Basic Solicitation Items</td>
<td>Certain information must be present in the document to generate private sector interest.</td>
<td>Stainback’s list of basic solicitation items</td>
<td>Stainback, 2000, 80-81.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document analysis of RFP documents.</td>
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</tbody>
</table>

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Once evaluated, each criterion was rated as having either a very negative, negative, neutral, positive, or very positive impact on each RFP outcome. Each criterion was also rated based on its overall level of significance to the outcome of the RFPs, and was classified as being either a minor factor, contributing factor, or significant factor to RFP outcome (See Figure 14).
Figure 14: Sample evaluation chart

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact on Outcome</th>
<th>Level of Significance to Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997</td>
<td>May 2005</td>
</tr>
<tr>
<td>Risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Marketplace Challenges</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Developer Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Scale</td>
<td></td>
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<tr>
<td>Market Conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Attention and Project Reputation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Operational Challenges</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of Procurement Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presence of Basic Solicitation Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Length</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions Required by the Bidder</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- Very Negative
- Negative
- Neutral
- Positive
- Very Positive
4.5: Risk

The division of risk sharing has been identified as one of the most important components established in the RFP process. Ideally, risks should be shared between the public and private sectors; with each sector responsible for the risks they are best able to control. Certain risks, notably political risk, provision of a public service, environmental assessments, and aboriginal claims cannot easily be transferred to the private sector (McKellar and Gordon 2007, 3). However, other risks can potentially be assigned to the private sector including design risk, construction risk, financial risk, market risk, and operational risk (McKellar and Gordon, 2007, 4).

Analyzing Risk - The use of a risk register is a common tool used to evaluate the risk division and the nature of the risks associated with projects (Partnerships British Columbia, 2006, 4). A risk register records, identifies, and evaluates the risks for each partner. The structure of a risk register varies, however an example of a risk register can be found in Appendix A. Risk registers were completed for all three RFPs and findings were compared to determine the impact of risk allocation on the outcome of the RFP. Information for the risk register was gathered through document analysis of the RFPs and interviews with key stakeholders.

4.6: Marketplace Challenges

Marketplace challenges can be another factor that influences the outcome of an RFP. Potential market challenges include: level of interest, project scale, market conditions, and media attention (McKellar and Gordon, 2007). The three Regent Park RFPs were evaluated based on the following criteria to determine the impact of market challenges on the Regent Park RFPs:
**Level of Developer Interest** - The level of developer interest in an RFP is a critical factor for ensuring the success of the project. A strong response to an RFP is necessary to ensure the selection of an appropriate developer (McKellar and Gordon, 2007). The level of developer interest can be a function of existing market conditions, but can also be representative of the structuring of the RFP in its ability to appeal to the private sector (McKellar and Gordon, 2007). The level of interest was measured by the number of proposals received for each RFP and the perceived strength of the market during that period of time. This information was gathered through interviews with key stakeholders.

**Project Scale** - The scale of a project shapes the RFP process, as the public sector must decide whether to break the project into several smaller projects on which developers can bid or have developers bid on a single large project (McKellar and Gordon, 2007). The use of a single large project may limit the number of developers who are able to apply for the project, as applications would be limited to those large developers with the necessary financial resources to undertake a large-scale project. Breaking the project into several smaller portions allows a wider range of developers to apply, providing smaller developers with less financial resources with the opportunity to bid for a portion of the project (Guy et al., 2002). The scale of the project was measured based on if the project was presented as one package or divided up into smaller offerings. This information was gathered through analysis of the RFPs. Interviews with key stakeholders also provided insight into the impact of project scale on RFP outcome.

**Market Conditions** - Analysis of market conditions is critical as if the market demand for a given form of construction in an area is strong, it will attract a higher level of developer interest, while if the market demand is poor more incentives will be required by the public.
sector to attract private developers (Stainback 2000). This information was gathered from Toronto Real Estate Board (TREB) publications and also from interviews with key stakeholders.

**Media Attention and Project Reputation** - The media attention surrounding a project can also influence its outcome, as it is indicative of public perceptions toward a project (Partnerships British Columbia, 2011). If the media reception is negative, it can limit the appeal for developers to bid for the project while, if reception is positive, it can increase competition among developers hoping to undertake a popular project (McKellar and Gordon, 2007; Stainback, 2000). Content clouds were used as a form of discourse analysis to analyze local media attention and measure the media portrayal of the project and public perception for the three RFPs (Cidell, 2010). Discourse analysis using content clouds was based off the methods established by Cidell (2010).

**4.7: Operational Challenges**

Several operational challenges associated with the RFP’s structure can also influence project outcome. Potential operational challenges include the selection of the appropriate procurement model, presence of basic solicitation items in RFP document, the length of the process, and the extent of contributions required by bidders (McKellar and Gordon, 2007, Stainback 2000). These factors can impact the ability of the RFP to attract appropriate bidders and encourage them to partake in the RFP process. Operational challenges were evaluated based on the following criteria:

**Selection of Procurement Model** - Selection of an appropriate procurement model is integral to the success of an RFP. This selection helps to shape the ability of the project to attract developers and also influences the ability of the public sector to ensure that the
goals and objectives of the project are met (Stainback, 2000). The procurement models used in each of the RFPs were analyzed and compared to the recommendations of Stainback (2000) for the uses of various procurement models, the positives and negatives associated with each procurement model, and the necessary components required for an RFP based on a given procurement model. This analysis provided information on if the selection of procurement models impacted RFP success.

**Presence of Basic Solicitation Items** - Certain basic solicitation items are expected in RFPs and are essential to generate developer interest (Stainback 2000). Stainback (2000, 80-81) organizes these items into five categories: public partner information, demographic and market information, information on the public/private development opportunity, submission requirements, and an overview of the proposed developer evaluation and selection process. The RFPs were analyzed to determine if all of the solicitation items presented by Stainback were present in the documents.

**Process Length** - The length of the process was also analyzed, as a process that is too drawn out will prove costly for both the public and private sectors and may limit developer interest (McKellar and Gordon, 2007). The time horizons presented in the RFPs were compared to the standards outlined by Stainback (2000). This helped to evaluate the efficiency of the proposal process, and helped to identify if the projected time horizon affected the outcome of the RFPs.

**Contributions Required by the Bidder** - The level of resources required for RFP applications were compared between the two RFPs. More costly and elaborate processes may preclude private sector interest yet improve the decision making ability of the public sector (McKellar and Gordon, 2007). The level of detail required for applications was
compared between the two RFPs. The RFPs were analyzed to see if any monetary compensation was provided for private sector applications. Both proposals were also assessed to determine if either offered standardized documentation to ease the application process. Analysis of the level of resources helped to determine if this was a factor in the outcome of the Regent Park RFPs.

Limitations

While the evaluative criteria were constructed in an effort to ensure data quality, this analysis is not without limitations, as certain problems are inherent to all research methods. Document analysis may be subject to research bias based on the reader’s interpretation, however established criteria were used to evaluate the RFPs as provided by Stainback (2000) where possible, and guidelines provide by Cidell (2010) for using content clouds as a form of discourse analysis were used in an effort to ensure consistency and limit researcher bias. Interviews may also pose limitations, as both RFP procurement processes occurred several years ago thus the memories of participants may be unclear. However, the use of multiple interviews was in an effort to minimize this potential memory gap and allow for triangulation of data. The study also lacks generalizability as both case studies evaluated Regent Park, and did not compare or contrast the findings with similar projects in other cities, thus limiting the ability to extrapolate the findings to other geographic locations. The primary reason behind the lack of comparison to other projects, was that few similar projects exist, based on the stigmatization of Regent Park as a public housing project and the intricacies of the Toronto real estate market. However, while the findings may lack generalizability to other projects and cities, they may help inform the development of future phases of Regent Park.
CHAPTER 5: RISK ANALYSIS

The division of risk has been identified as one of the most influential factors at determining the outcome of an RFP (Sagalyn, 2007; Canadian Council of Public-private Partnerships, 2003). Ideally, risk division should reflect which partner is best able to handle which risk. The division of risk can encourage or dissuade private sector interest, as the private sector hopes to secure returns. The following categories of risk were identified by McKellar and Gordon (2007): planning risk, design risk, environmental risk, market risk, financial risk, construction risk, operating risk, risk to service provision, political risk. The level of risk in each of the three Regent Park RFPs was analyzed (See Appendix B for a detailed Risk Register).

5.1: 1997 RFP

The risk division of the 1997 RFP led to the majority of the risk being borne by the proponent, with OHC attempting to absolve itself from as much risk as possible. The planning, design, environment, market, financing and construction risks were all predominantly borne by the proponent, with operating and political risk as the only significant risks borne by the public sector. The overall levels of risk were also much higher than in the 2005 RFPs as fewer mitigation efforts had been undertaken.

The private sector was predominantly responsible for risks associated with planning, design, environment, market, financing, and construction with few efforts to mitigate these risks provided by the public sector. Under this RFP, the private sector was predominantly responsible for the planning risk, as it was responsible for any necessary amendments to the existing zoning or the Official Plan, and any other necessary planning approvals. The public sector expressed a willingness to cooperate in this process but the

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proponent was expected to take the lead and finance the process. Appeals can be costly, and the ability to pass the necessary zoning and Official Plan amendments could be a risk to the private sector, whose bids are often dependant on the given alteration. The likelihood and seriousness of this risk were deemed to be moderate, as no significant mitigation actions had been taken and potential delays could be costly. The design risk was also borne by the proponent, who was to be responsible for designing the project and ensuring compliance with zoning regulations. This was also found to be moderate, as no design has been provided thus the proponent must create the design and also would risk having to pass any necessary modifications to existing zoning by-laws to make their design profitable, which could be costly and cause delays.

The private sector was also fully responsible for all environmental risks associated with the development. The condition of the environment of the site was unknown, and the proponent would be responsible for funding any necessary remediation. This remediation could be quite costly and cause delays, making the potential significance of the risk moderately severe. There was also as moderate likelihood that contaminants would be found, as the site has long been occupied by residential uses and contamination is unlikely the fact this has not been proven makes the risk moderate.

The proponent was also responsible for all of the market risk, as it was fully responsible for the market component of the project. Therefore, if the project did not sell, the proponent would have to absorb all of the associated losses. As Regent Park had considerable notoriety and the concept of such a partnership mixing market housing with public housing had not previously been attempted in Canada, the perceived risk for market failure was quite high. Further, OHC had not conducted any market analysis that could help
mitigate this risk. Therefore, this risk was very high as the likelihood of poor market reception was high, and the potential outcome of not selling units was also a serious risk as it compromised the ability of the proponent to make a profit.

The risk of financing was also borne exclusively by the proponent, who was responsible for providing the necessary capital for the project. The sole contribution of OHC was the land for the project. The proponent had the responsibility to secure all necessary financing and was required to cover all project costs. The risk of financing is a moderate risk, as proponents are required to prove creditworthiness in the RFP, indicating the creditworthiness of the organization. However, the financial risk also incorporates difficulties for developers to secure financing for Phase 1 of the Regent Park plan, given the uncertainty of the market reception of the project. Further, if the proponent could not secure the necessary financing this would present a moderate degree of seriousness as the project could not move forward as intended.

The private sector was also responsible for the majority of the construction risk, as it was fully responsible for funding construction of both the market and RGI housing. If the project ran over budget, it would be the full responsibility of the proponent to compensate for this shortfall. This presents a moderate degree of risk, as there is a moderate likelihood that projects will run over budget or be delayed, and this could have a moderately serious impact as delays can be costly and cost overruns can impact the bottom line.

OHC was responsible for the operating risk associated with the future operation of the RGI housing. This was a relatively minor risk as it was unlikely that operating costs would be higher than expected given that OHC has experience with other public housing developments, and if they were this would be a relatively minor expense in comparison to
the current operating expenses for the deteriorated Regent Park, thus this risk would be of limited severity.

Several construction risks were also political risks and as such were borne by both the proponent and the OHC. If this project was abandoned in the development stage, this could demonstrate a construction risk for the proponent who would not receive compensation for its inputs. The OHC was absolved of any construction risk in this scenario, as the proponent was required to put up a bond equivalent to the cost necessary to replace the existing RGI units. However, OHC was unable to absolve itself of the political backlash that could arise if the project were abandoned mid-way through, as abandonment of such a high-profile project would reflect poorly on the corporation. The risk of project abandonment was moderately high, as there was a moderate chance this would occur as it was apparent that motivation for redevelopment was lacking on the part of OHC as it was rumoured that housing would soon be downgraded to the municipalities, thus Regent Park would no longer be the responsibility of OHC. Also if the project were to be abandoned the outcome would be very severe, primarily for the proponent who would lose their ability to make a return on their investment.

Community opposition was another risk that posed both a political risk and a construction risk with the burden shared between the OHC and the proponent. Community opposition could cause costly construction delays for the proponent. Community opposition also posed a political risk to the reputation of OHC, as any such backlash against the project could affect the agency's reputation. This was somewhat mitigated through efforts by the OHC to engage the community early in the development process and the incorporation of the community's recommendations into the proposal call. Further, the
OHA encouraged the proponent to work cooperatively with a working committee of community members, to help address potential opposition early and offset any potential disputes later. While the seriousness of community opposition was moderate due to its potential costly delays and political impact, the likelihood was reduced from high to moderate through the mitigation efforts by OHC to engage the community, thus the overall risk was moderate.

The construction risks associated with tenant relocation were also borne by the proponent; however, the tenant relocation process also posed political risks and a risk to service delivery to OHC. OHC developed a plan for the relocation of tenants but it was the responsibility of the proponent to fund and implement this OHC plan. Relocation also posed a construction risk as relocation could be quite costly and these costs would be exacerbated if the project experienced delays. Relocation presented a risk to service provision by OHC if the project were delayed, because displaced Regent Park residents would continue to occupy units that could be occupied by other needy families. Relocation also posed a political risk to OHC as OHC could face backlash for any issues or delays associated with relocation. The risk posted by relocated was overall moderate, as there was a moderate likelihood that this would be costly and cause opposition and delays, and the potential impact of this would be moderate as the project could continue to move forward despite such difficulties but would face significant public backlash and costly delays.

Risk division in the 1997 RFP had the majority of the risk being borne by the proponent (See Figure 15). The proponent was primarily responsible for planning, design, environment, market, financing and construction risks, with the OHC primarily bearing the political and operating risks. The market risk and the risk of project abandonment were
the highest risks associated the proposed development, and no efforts to mitigate the impact of these risks on the proponent had been taken by OHC.

**Figure 15: Summary of Risk Division 1997 RFP**

<table>
<thead>
<tr>
<th>Summary of Risk Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk</strong></td>
</tr>
<tr>
<td>Planning</td>
</tr>
<tr>
<td>Design</td>
</tr>
<tr>
<td>Market</td>
</tr>
<tr>
<td>Financial</td>
</tr>
<tr>
<td>Construction</td>
</tr>
<tr>
<td>Environmental</td>
</tr>
<tr>
<td>Operating</td>
</tr>
<tr>
<td>Service Provision</td>
</tr>
<tr>
<td>Political</td>
</tr>
</tbody>
</table>

*D = Developer  
P = Public Sector*

### 5.2: May 2005 RFP

The TCHC May 2005 RFP divided the risks more equitably between TCHC and the proponent than did the 1997 RFP and also included more mitigation techniques to entice prospective bidders. The proponent continued to acquire the majority of the market and financing risks but certain mitigation techniques were implemented to entice prospective bidders. Planning and construction risks were divided between TCHC and the proponent, while TCHC continued to bear the majority of the political risk and the risk to service delivery, and also took on the environmental risk and the operating risk.

Market and financing risks continued to be primarily borne by the proponent. The proponent bore the market risk as it was responsible for the sale of the market units to generate its profits. This risk was high due to the area’s poor reputation, and the relative newness of the concept of mixing RGI and market units in Canada. Unlike the earlier 1997 RFP, TCHC had leading Toronto market research firm, N. Barry Lyon Consultants (NBLC) conduct a market analysis to assess the marketability of the proposed development and to
provide recommendations for pricing. The aim was to mitigate the market risk by presenting an understanding of the potential market interest. TCHC also offered to assist with the sale of the market units, further mitigating the risk to the proponent. The mitigation efforts by TCHC helped to reduce the likelihood of difficulties with market reception, however if the project was unable to sell this would continue to have a high degree of severity, and thus the risk for market reception as moderately high.

The financing risk continued to be borne by the proponent in the May 2005 RFP, as they were required to generate the necessary funding for the development. Similar to the 1997 RFP, the ability to secure financing was a moderate risk, as the financial requirements for bidders helped to ensure the creditworthiness of developers, however there remained the difficulty of securing financing for the individual project given the lack of certainty surrounding the project’s potential market reception. The inability to secure the necessary financing would have an impact of moderate severity on the project as the plans would need to be altered to provide a model that would be able to secure financing.

The planning and design risks were shared by TCHC and the proponent. TCHC was responsible for making the necessary zoning and Official Plan amendments to permit higher densities on the site and many of the necessary amendments had been passed prior to the issuing of this RFP. While the proponent was still required to secure the necessary site plan approval, building permits, and any other applications not included in the planning framework, the responsibility of TCHC to undertake the establishment of the planning framework helped to absolve the proponent of much of this risk. Since many of the necessary modifications were made prior to the issuing of the RFQ and RFP, this further helped to instill confidence in the proponent that they could build what was envisioned. It
also would speed up the construction process, eliminating delays incurred from seeking such approvals. These efforts reduced the planning risk of securing the necessary approvals to moderately low, from moderate in the 1997 RFP, as the likelihood of not securing approvals was low as many approvals had already been secured and TCHC was taking a leadership role in ensuring these were passed, however the severity remained moderate as the failure to secure these approvals would cause considerable delay and add additional costs to the project.

The design risk was also shared by the proponent and TCHC as the proponent was responsible for implementing the design and TCHC had already developed a Master Plan for the site to guide development. The design risk associated with undertaking all design and development services was also reduced from the 1997 RFP to a moderately low risk, as TCHC had already had a Master Plan and Design Guidelines approved for the site thus the likelihood of not being able to secure the necessary approvals for a profitable design was low. However, the seriousness of the risk remained moderate, as having to pass additional modifications or the inability to implement the existing design framework would prove costly as modifications to the plan would be required.

Construction risk was also shared between TCHC and the proponent. In this proposal, TCHC was responsible for the majority of the risks associated with the preparation of the site prior to development. TCHC was to provide the lands fully serviced, including the demolition of the existing buildings on the site. The proponent was responsible for providing landscaping, driveways, postal stations, and garbage and delivery areas, although these items are more risk averse than the risks borne by TCHC for site preparation. TCHC also acquired the majority of the risk for the RGI housing. TCHC was
responsible for construction costs associated with the provision of the majority of the RGI housing, with TCHC responsible for providing 236 RGI units and the proponent responsible for providing an additional 82 units. The risk associated with the construction of the market housing was borne primarily by the proponent although it was shared with TCHC, with the proponent responsible for constructing 337 market units and TCHC responsible for an additional 65 units. The proponent was also responsible for all costs associated with the provision of a planned grocery store. Construction risk for RGI and market housing remained a moderate risk, similar to the 1997 RFP, however responsibility shifted such that it became shared between TCHC and the proponent, with TCHC taking the lead on the RGI housing and the proponent taking the lead on the market housing and the construction of the grocery store.

The risk of project abandonment part way through the project was another construction risk borne by both parties, but it also posed a political risk to TCHC. The proponent was required to put up a $50,000 certified cheque as liquidation damages to provide a security deposit for the execution and delivery of the agreement. However, if the project were to fall through, the costs to both parties would be much higher than this security deposit in terms of both sunk costs and lost time. Abandonment of the project would also come at a political risk to TCHC who would likely face community backlash from the failure of this high-profile project. The risk of abandonment was lower than the 1997 RFP, reducing the overall level of risk from moderately high to moderate. While the potential seriousness of this risk remained high, the likelihood of project abandonment was low as TCHC showed a greater level of commitment to redeveloping Regent Park than OHC.
who had recognized the possibility that housing would soon be downloaded to municipalities reducing the organization’s motivation to complete the project.

Community opposition was another risk for both parties, presenting a construction risk for both parties and a political risk to the proponent. Delays caused by community opposition pose a construction risk, as they could prove costly and impact the bottom line. Community opposition was also a political risk to TCHC as the project could then acquire a negative reputation which would reflect poorly on TCHC. The potential for significant community opposition had been mitigated through community engagement in the Regent Park planning process since 2002. The risk of community opposition was moderate, as strong efforts had been made to consult the community thus lessening likelihood of community opposition over this otherwise contentious development, however if such opposition occurred it would be problematic and cause long delays for the project and potentially harm political reputation.

TCHC also bore the construction and political risks associated with tenant relocation, accepting full financial responsibility for all aspects of tenant relocation. This relocation also posed a construction risk to TCHC who would incur additional expenses if the development experienced delays. There was also a risk to service provision, as delays could impact the ability of TCHC to provide affordable housing, with units that would otherwise be filled by other tenants being filled by Regent Park tenants. Tenant relocation would also come at a high political risk to TCHC, as any delays in the project or the provision of fewer than anticipated RGI units could generate considerable backlash and impact the reputation of TCHC. This reduced the overall risk for tenant relocation to moderately low, from moderate in the 1997 RFP, as TCHC takes over this risk as is more
skilled in tenant relocation than a public sector developer, further early efforts to engage the community in the revitalization and prevent opposition also boosted the willingness of tenants to relocate. This risk was considered to be moderately low, as the efforts by TCHC had reduced the likelihood of problems associated with tenant relocation from the 1997 RFP, however if difficulties did occur their implications would have a moderate degree of severity, causing delays and political impacts.

TCHC acquired the environmental risk for the development. While the state of any environmental contaminants remained unknown, TCHC took responsibility for the costs associated with any necessary remediation. While the likelihood and severity remained unchanged from the 1997 RFP, with environmental risk presenting a moderate risk to the redevelopment, the shift of responsibility to TCHC lessened the risks incurred by the proponent.

The operating risk for the RGI housing in the future was also with TCHC, a risk which was low, similar to the 1997 RFP. This was to the experience that TCHC had with running public housing and also that heightened operating costs would likely still be lower than what was being incurred in the deteriorated Regent Park.

The May 2005 RFP saw TCHC acquire a greater share of the risks than the OHC had taken on in the 1997 RFP, lessening the risk to the proponent (See Figure 16). Market risk remained the most significant; however TCHC had taken efforts to mediate this risk and also shared a small portion of this risk with the proponent. The risk of project abandonment that had been moderately high in the 1997 RFP was moderated in this iteration, as TCHC had a long term investment in the outcome of the Regent Park revitalization.
While only seven months later, the December 2005 RFP resulted in a greater portion of the risk borne by TCHC, and increased efforts to mitigate risk. TCHC became responsible for the risks associated with the environment, marketing, financing, political risks, and operating risks. Design risk continued to be shared between TCHC and the proponent as, while TCHC developed a Master Plan, the proponent was responsible for its implementation. Since TCHC had successfully implemented the planning framework for the development, with the passing of the remaining planning approvals the risk to the proponent was significantly reduced. Construction risk, for both the RGI and the market components, was the only major risk allotted solely to the proponent.

In this RFP, TCHC acquired the market risk for the project as the organization was responsible for the sale of the market units, with the proponent’s involvement was limited to providing marketing advice. The proponent had the option to share in the market risk, with the option to include profit sharing from the sale of the market units as a means of compensation in the project agreement. However, the decision of whether or not to acquire
this risk would be up to the proponent. An additional market study was also conducted to provide a better understanding of the marketability of the project. Despite these mitigation techniques, the risk for market reception remained moderately high, similar to the May 2005 RFP, as there were still criticisms of limited market interest and this could be very serious to the project’s bottom line, however this risk was shifted from being shared by the proponent and TCHC in the May 2005 RFP to solely TCHC.

The financing risk was another risk acquired by TCHC through this RFP, as TCHC became responsible for financing the project. Similar to the 1997 and May 2005 RFPs, this risk remained moderate and simply shifted from the proponent to TCHC, as TCHC is a large corporation thus the likelihood of not being able to secure financing is low, however the uncertainty of the market reception of the project can hinder the ability to find financing. The inability to secure financing would be detrimental to the project.

The environmental risk of the project paralleled the May 2005 RFP, as environmental risk was a moderate risk that was borne by TCHC. TCHC continued to be responsible for the costs associated with any necessary remediation, and the extent of contamination remained unknown.

The political risks associated with this project remained fully with TCHC. If the project experienced long delays or was not successful at attracting market interest, this could reflect poorly on TCHC and generate political backlash. Community opposition was also a political risk for TCHC but the community engagement, that had been operational since 2002, was seen as in a valuable mechanism to mitigate this risk. Opposition could also pose a construction risk for the proponent who would then have to cover the expense of any associated construction delays. The overall risk of community opposition was
moderately low, as the likelihood of community opposition was mitigated by the extensive community involvement as had been done in the May 2005 RFP.

The relocation of tenants provided political and service delivery risks to TCHC and also provided a construction risk to the proponent. Political risk was associated with the relocation of tenants. However, since TCHC has already relocated these tenants, this risk was partially mitigated as tenants had already demonstrated compliance and willingness to cooperate with the process. TCHC still faced the risk that delays may cause longer displacements and negative political backlash but there were time requirements on the proponents to produce the necessary housing, helping mitigate the risks to TCHC. Delays that required extended tenant relocation would also pose construction risks to the proponent, who would be responsible for providing compensation to TCHC for such delays. A risk to service provision also existed for TCHC as delays could cause tenants to remain in other units longer, reducing the vacancy rate and the ability to extend affordable housing to additional tenants. As tenants had already been relocated, this risk was reduced from moderate in the May 2005 RFP to moderately low, as the likelihood of the inability to relocate tenants was low as the process was underway, however if for whatever reason the relocation faced delays or public backlash, it would pose a moderate risk to the project.

The proponent and TCHC were initially to share the planning risks. However, as TCHC has passed many of the necessary approvals, all the remaining risks were those allocated to the proponent. TCHC had passed all of the necessary OP and zoning amendments required for the higher density on the site. The remaining planning risk was the responsibility of the proponent, as the only remaining approvals were site plan approval, building applications, and any other applications outside of the planning
framework. Similar to the May 2005 RFP, this risk was moderately low as the approvals were already being passed thus the likelihood of not being able to secure the necessary approvals was low, however if the approvals could not be secured the seriousness of the risk would be moderate.

The design risk continued to be shared between TCHC and the proponent, as TCHC has developed a Master Plan for the site, however the proponent was ultimately responsible for its implementation. Similar to the May 2005 RFP, this risk was moderately low, as the Master Plan had been passed, however if necessary approvals could not be secured this risk would be moderately severe.

Construction risk for both the RGI and market components of the project was completely shifted to the private sector in this iteration of the RFP. It was proposed that the construction of both the market and the RGI components be based on a Guaranteed Maximum Price (GMP), and the compensation for the private sector would be the difference between the construction cost and the GMP. Under this agreement, the private sector would be responsible for all cost overruns above the GMP. However, this reimbursing structure was up for negotiation during the signing of a project agreement. This reduced the risk for the construction of the RGI and the market housing to moderately low as the GMP reduced the likelihood of cost overruns as both parties were aware that there was a pre-established fee that would be paid to the developer.

The operating risk of the RGI housing remained with TCHC who would be responsible for the operating costs of the RGI units in the future. Similar to the May 2005 RFP this was a low risk, as TCHC was experienced at running housing projects and also the potential seriousness of the risk was low.
The December 2005 RFP had TCHC acquire a greater portion of the risks, with the construction risk as the only significant risk that was primarily the responsibility of the proponent (See Figure 17). TCHC acquired the market risk and financing risk, with the market risk further mitigated through an additional market study. Unlike the 1997 and May 2005 RFP, the December RFP was the first time that TCHC acquired the majority of the risk associated with the proposed revitalization.

Figure 17: Summary of Risk Division December 2005 RFP

<table>
<thead>
<tr>
<th>Summary of Risk Division</th>
<th>1997 RFP</th>
<th>May 2005 RFP</th>
<th>December 2005 RFP</th>
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</thead>
<tbody>
<tr>
<td>Planning</td>
<td>D</td>
<td>P&amp;D</td>
<td>P&amp;D</td>
</tr>
<tr>
<td>Design</td>
<td>D</td>
<td>D&amp;P</td>
<td>P&amp;D</td>
</tr>
<tr>
<td>Market</td>
<td>D</td>
<td>D&amp;P</td>
<td>P</td>
</tr>
<tr>
<td>Financial</td>
<td>D</td>
<td>D</td>
<td>P</td>
</tr>
<tr>
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<td>P&amp;D</td>
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<td>Operating</td>
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<tr>
<td>Service Provision</td>
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</tr>
<tr>
<td>Political</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
</tbody>
</table>

\[ D = \text{Developer} \]
\[ P = \text{Public Sector} \]

5.4: Implications

The risk division for the December 2005 RFP was very different from both the 1997 RFP and the May 2005 RFP, as for the first time the public sector bore the majority of the risk. The highest risk associated with the project was the market risk associated with the market reception of the project due to the poor reputation of Regent Park (See Figure 18). This market risk was identified by interviewees as a significant factor that affected the outcome of the RFPs. While the general rule with risk division is for each party to focus on what they do best, it became apparent that TCHC needed to take a leadership role and absorb the majority of the risk in order for the first phase this high profile project to move forward.
When TCHC absorbed the majority of the risk in December 2005, this was cited by the interviewees as having a significant positive impact on the outcome of the RFP. It also was credited as helping to establish a ‘true partnership’, as the previous proposals were criticized by interviewees as having limited involvement from TCHC and OHC. Through this analysis, risk division has been identified as a significant factor contributing to the outcome of the RFPs.

Figure 18: Summary of Risk Register

<table>
<thead>
<tr>
<th>Risk</th>
<th>1997 Likelihood</th>
<th>Seriousness Grade</th>
<th>2005 Likelihood</th>
<th>Seriousness Grade</th>
<th>2005 Likelihood</th>
<th>Seriousness Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>M</td>
<td>C</td>
<td>M</td>
<td>L</td>
<td>M</td>
<td>D</td>
</tr>
<tr>
<td>Design</td>
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<td>M</td>
<td>C</td>
<td>L</td>
<td>M</td>
<td>D</td>
</tr>
<tr>
<td>Environmental</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>M</td>
<td>L</td>
<td>D</td>
</tr>
<tr>
<td>Market</td>
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<td>H</td>
<td>A</td>
<td>M</td>
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<tr>
<td>Finance</td>
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<td>C</td>
<td>M</td>
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<td>C</td>
</tr>
<tr>
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<td>L</td>
<td>E</td>
<td>L</td>
<td>L</td>
<td>E</td>
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<tr>
<td>Service Provision</td>
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<td>M</td>
<td>C</td>
<td>L</td>
<td>M</td>
<td>D</td>
</tr>
<tr>
<td>Political</td>
<td>M</td>
<td>H</td>
<td>B</td>
<td>L</td>
<td>H</td>
<td>C</td>
</tr>
</tbody>
</table>

Legend:  
L = Low  M = Medium  H = High  
A = High  B = Moderately High  C = Moderate  D = Moderately Low  E = Low
CHAPTER 6: MARKETPLACE CHALLENGES

Marketplace challenges offer another factor that can potentially affect the outcome of an RFP. Developers may be reluctant to bid if the market is not supportive of a development, compromising the outcome of the project. Marketplace challenges will be evaluated by looking at the: level of interest, project scale, market conditions, and the media attention and project reputation.

6.1 Level of Interest

The level of interest in a project is critical to the project’s outcome (McKellar & Gordon, 2007). Sufficient interest is required from the development community for the project to move forward, as the public sector requires a dedicated private sector partner for a public-private partnership to be formed.

The number of respondents to an RFP provides an indicator of the level of interest in a project (McKellar & Gordon, 2007). While interviewees were unable to provide the exact number of responses that each of the three RFP procurement processes generated, they did note that all proposals received what they viewed as a considerable amount of interest. This indicates that all three RFP procurement processes generated a level of interest from the development community that was sufficient to demonstrate private sector interest in revitalizing Regent Park.

While several responses were received for the RFPs, interviewees noted that many of the responses to the 1997 and the May 2005 RFP were not completely compliant with the proposed terms and conditions. The December 2005 proposal was considered to generate responses more compliant to the RFP terms and conditions.
All three RFPs demonstrated evidence of sufficient interest from the development community to participate in the revitalization of Regent Park. Despite this interest, it was only in the December 2005 RFP that this level of interest was generated with compliance to the public sector’s terms and conditions for the project agreement. This was likely a contributing factor to the outcomes of the RFP, as the compliance of the proposals to the public sector’s terms and conditions were cited by interviewees as contributing to the ability of the public sector and the private sector to enter into a project agreement. This compliance demonstrates a level of interest of respondents of the December 2005 proposal to the actual proposal put forward by the public sector, rather than a representation of the interest towards the general redevelopment of Regent Park evident in the responses to the earlier proposals.

<table>
<thead>
<tr>
<th>Impact on outcome</th>
<th>Level of Developer Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997</td>
</tr>
<tr>
<td>Level of significance to outcome</td>
<td>Contributing Factor</td>
</tr>
</tbody>
</table>

### 6.2 Project Scale

The scale of a project can impact the outcome of an RFP as it influences the types of developers that the project attracts. Larger projects typically attract only a few large developers, as their scale often limits which developers can apply due to the necessary financial resources (McKellar & Gordon, 2007). There is the potential for large projects to be broken into several smaller projects that allow a wider range of developers to bid (Guy et al., 2002).
None of the three RFPs to redevelop Regent Park had project scales that might support bids by smaller developers. Further, the expertise and financial credentials required by respondents actively dissuaded smaller developers from bidding on the projects. While these restrictions limited the number of developers who could apply by restricting to larger firms, it was apparent that OHC and TCHC felt that undertaking the landmark project to redevelop Regent Park required a large, experienced and reputable developer and was not a project suitable for smaller firms. In a small market, this might have been a problem, but Toronto has many large residential developers in the central area.

Regent Park, in total, spans approximately 70 acres. The 1997 RFP sought to redevelop 6 acres of the project. The project had a maximum floor space index (FSI) of 1.0, indicating that the maximum development potential for the site as equivalent in square metres to the total lot area, and a height limit of 10m, with the RFP prescribing all buildings to be four storeys (with the exception of six storey buildings along Gerrard Street).

Proponents were informed that they could place bids in conjunction with other developers although OHC would not select multiple proponents. Several barriers were placed against smaller firms in that RFP, including the necessary financial resources and experiential credentials. Financial requirements provided barriers for many proponents as bidders had to demonstrate financial stability and the necessary capacity to carry out the project including audited financial records from the last three years and a statement of creditworthiness. They were also required to provide evidence of their ability to provide security equivalent to the replacement value of the existing units and construction bonds. Experience also limited the developers who could apply, as the proponent had to provide
credentials of specific related experiences in successfully completing projects of a “similar scope and complexity”. The scale of the project limited applicants for the 1997 RFP to large developers and this was further reinforced by the required credentials outlined in the RFP.

Like the 1997 RFP, the initial May 2005 RFQ and RFP exclusively sought large developers. The initial 2005 RFQ and RFP covered the first phase of Regent Park’s redevelopment and were for a slightly smaller area than the 1997 RFP, comprising three blocks and totalling approximately 4.5 acres (excluding the proposed roads). However, zoning restrictions allowed for a higher density than in the 1997 RFP, as the proposed zoning amendment did not include a maximum density. Further, the plan for the site included buildings ranging from three to 16 storeys on the market component on the site. Again, proponents were limited by financial and experiential credentials. Similar to the 1997 RFP, proponents were required to provide proof of financial capacity, including three years of audited financial records and proof of the ability to secure credit. Proponents were also required to reference at least two projects they had completed in the last five years with a minimum GFA of 8,000m² and a minimum construction value of at least $5 million each. It was stated that TCHC may pick separate developers for the market and RGI portions of the project which would allow smaller developers to bid, although it stated that “it is the strong preference of TCHC to select one proponent to undertake the entire project”. While the project scale discouraged bids by small developers, this was reinforced by the requirements outlined by TCHC.

The December 2005 RFP mirrored the requirements of the earlier RFQ/RFP in 2005; however, it had a slightly expanded site of 6.1 acres as it included a block that was previously to be developed exclusively by TCHC. This addition increased the scale of the
CHAPTER 6: MARKETPLACE CHALLENGES

The zoning restrictions proposed in the earlier 2005 RFP had been officially passed by council and, as a result, no maximum density applied to the site. The inclusion of additional block from TCHC into the site further increased density as it included a 22 storey building. This RFP also included a Phase Two option, expanding the potential scale of the project and was identified by the interviewees as offering considerable appeal to the developers. Further, if a developer were to complete Phase One and Phase Two to the satisfaction of the TCHC, it is expected this developer would have the opportunity to redevelop Regent Park in its entirety, which could expand the project to a total of 70 acres to include over 12,500 residential units. Proof of experience again limited potential applicants, as proponents were required to have been involved in at least three projects in the last five years with a minimum construction value of $15 million and a minimum GFA of 10,000m². Proof of financial capacity was also required and requirements mirrored the earlier 2005 RFP. Thus, similar to the 1997 and initial 2005 RFQ/RFP, the December 2005 RFP limited proponents to large developers through the project scale and requirements.

All three of the RFPs to redevelop Regent Park were large-scale projects that limited the ability of smaller developers to apply. The desire to attract a large developer was reinforced through the inclusion of financial and experiential requirements in the RFPs. As all of the RFPs shared the qualities, it is unlikely that the ability of a proposal to allow smaller developers to apply influenced the outcome. Rather the expanding scale of the project may have positively impacted the outcome. Multiple interviewees credited the increased development potential of the May 2005 RFP and the December 2005 RFP as increasing developer attraction to the project. These interviewees considered how the size of the 1997 RFP was considered to be an insufficient portion of Regent Park to generate
sufficient change to revitalize the broader area and attract market interest to the site. Contrary to the recommendations of Guy et al. (2002) to allow a range of developers to bid on a project, it appears that, the larger the scale of the proposed redevelopment of Regent Park, the greater the private sector attraction to the project. This has been identified as a significant factor to the more positive outcome of the December 2005 RFP.

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<tr>
<th>Impact on outcome</th>
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<td>1997</td>
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<tr>
<td>Level of significance to outcome</td>
<td>Contributing Factor</td>
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### 6.3: Market Conditions

Supportive market conditions are critical to facilitating a positive outcome for a project. For a large scale project, such as Regent Park, the timing is critical to attracting a developer, as a development must be timed to coincide with strong market demand. Strong market demand increases developer interest, while a time of poor market demand may require the public sector to provide incentives to attract developer interest (Stainback 2000, Guy et al. 2002). Further, developers are likely more willing to take on large-scale, riskier projects, such as Regent Park, if market demand is strong, as it is anticipated that upon completion the project will be readily absorbed by the market. Market conditions were favourable in both 1997 and 2005 for the redevelopment of Regent Park although the market was stronger in 2005 due to the implementation of the Places to Grow Act.

In 1997, the Toronto real estate market was strong. The Toronto Real Estate Board (TREB) proclaimed it to be the ‘best year of the decade’, with the average price of a single
detached house at $211,307, up 7% from $198,150 in 1996 (TREB December 1997). When the RFP was issued in May, the area of Regent Park had the lowest average price in the Central District, with an average price of $195,827 compared to the Central District average of $309,272 (TREB May 1997). This demonstrates the lack of interest in this area but also demonstrates that the area was potentially undervalued. According to interviewees, developers noted this underdevelopment and were very interested in the potential profits that could result from this redevelopment, transforming Regent Park into an area that had property values more comparable to the rest of the Central District.

Market conditions in 2005 were also quite strong, and the pressure of the introduction of the Places to Grow Act further added to the appeal of redeveloping Regent Park. The Places to Grow Act was implemented in 2005 by the Province of Ontario and limited the ability of developers to develop on greenfields. This led many traditionally suburban developers to demonstrate an interest in developing in the downtown, increasing the attraction to Regent Park.

2005 was a record year for sales, with TREB reporting 84,145 sales in 2005, up 1% from the previous record year of 2004 (TREB December 2005). The average price grew 6% between 2004 and 2005, from $315,321 to $335,907 (TREB December 2005). The Regent Park area continued to have the lowest average price in the Central District. When the first 2005 RFP was issued in May, the average price in the area of Regent Park for the year to date was $287,172, compared to the Central District average of $450,697 (TREB May 2005). This discrepancy remained at year end in December when the second RFP was issued, as the average price for the year was $288,663 for the area of Regent Park compared the Central District average of $435,409 (TREB December 2005).
1997, 2005 saw a strong real estate market that would be conducive to development. The area of Regent Park continued to be undervalued compared to the rest of the Central District. Interviewees discussed how strong interest continued for the project, and this interest was amplified due to the introduction of the Places to Grow Act.

As market conditions were strong in both 1997 and 2005, it is unlikely that market conditions were a significant factor for the difference in outcomes between the RFPs. However, as market conditions were strongest for the 2005 RFPs, this could have been a contributing factor to the generation of a favourable outcome for the December 2005 RFP.

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<th>Market Conditions</th>
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### 6.4: Media Attention and Project Reputation

Media attention and project reputation can influence a project’s outcome and also reflect the public perception of a project (Partnerships British Columbia, 2011). Negative media attention of a project can discourage developer interest, while positive media attention can generate excitement and encourage developers to bid (McKellar & Gordon, 2007; Stainback, 2000). Media can also reflect public perception which also helps to influence developer interest (Partnerships British Columbia, 2011).

Content clouds were used to analyze the discourse used in newspaper articles surrounding the project, comparing word usage to provide clues about the media reception of the 1997, May 2005, and December 2005 RFPs (See Appendix C for details on the use of
content clouds). There were many parallels between the words used in the media to describe the 1997 RFP and both of the 2005 RFPs (Cidell, 2010). However, there were also notable differences in words used that demonstrate media reception may have contributed to the project outcome.

Certain words were common among media articles pertaining to all of the RFPs, including: ‘community’, ‘affordable’, ‘buildings’, and ‘redevelopment’. While many of the words were similar, notable differences demonstrate differing media coverage of the RFPs.

**Figure 19: 1997 RFP Content Cloud**

The media’s portrayal of the 1997 RFP seemed to demonstrate a focus on the relationship between the public and private sectors, as both the words ‘public’ and ‘private’ were frequently mentioned, but had a minimal appearance in both of the 2005 RFPs (See Figure 19). This was likely associated with the media’s captivation that it was the project’s intended piloting of the public-private partnership structure for public housing redevelopment. The words ‘cost’, ‘money’, and ‘problems’ were also prevalent in the 1997 RFP, and were not common in the media coverage of both of the 2005 RFPs. This word use
demonstrates that the media portrayal of the 1997 RFP may have been pessimistic, questioning the financing of the project and identifying problems. The prevalence of the name “Sewell”, referring to politician John Sewell the former Mayor of Toronto who led the working group investigating Regent Park, hints his strong role in the process.

**Figure 20: May 2005 RFP Content Cloud**

![May 2005 RFP Content Cloud](image)

**Figure 21: December 2005 RFP Content Cloud**

![December 2005 RFP Content Cloud](image)
Contrary to the 1997 RFP, the media surrounding both of the 2005 RFPs included more positive word choices (See Figure 20 and Figure 21). Media surrounding the May 2005 RFP included the words ‘success’, ‘revitalization’, and ‘mix’, demonstrating a more positive connotation to the project. The words ‘success’ and ‘mix’ were also present in the December 2005 RFP. This demonstrates that there may have been a slightly more positive media portrayal of the 2005 RFPs than the 1997 RFP. This could have assisted the project’s outcome, as the more positive portrayal of the 2005 RFPs may have generated momentum and contributed to the favourable outcome of the December 2005 RFP. The prevalence of the name “Ballantyne”, referring to TCHC CEO Derek Ballantyne, may be indicative of the strong leadership role he had in the project.

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<th>Media Attention and Project Reputation</th>
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6.5: Implications

Analysis of the impact of marketplace challenges to the outcome of the Regent Park RFPs indicates that project scale was the only marketplace challenge that significantly contributed to the outcomes of the Regent Park RFPs. While other marketplace challenges have been identified as contributing to the RFP outcome, the overall similarity of the ability of the 1997, May 2005, and December 2005 RFPs to be influenced by marketplace challenges precluded significant differences in the impact of these challenges on the RFPs.
CHAPTER 7: OPERATIONAL CHALLENGES

Operational challenges associated with the RFP’s structure can also influence project outcome, as they impact the ability to attract bidders and also the ability of the public sector to make informed decisions. Potential operational challenges that will be evaluated include: the selection of the appropriate procurement model, presence of basic solicitation items in RFP document, the length of the process, and the extent of contributions required by bidders (McKellar & Gordon, 2007; Stainback 2000).

7.1: Selection of Appropriate Procurement Model

The selection of the appropriate procurement model can be essential to a project gathering a suitable private sector partner, as there are advantages and disadvantages to various procurement models. Various procurement models balance the public sector’s need to make a timely and informed decision, with the private sector’s reluctance to submit lengthy applications without some guarantee of a limited selection pool (Stainback, 2000). The 1997 RFP was structured as a single-stage RFP, while both 2005 RFPs were part of two-stage RFQ/RFP processes. The advantages and disadvantages of both models will be discussed to determine if the choice of procurement model impacted the outcome.

The 1997 RFP was a single-stage RFP which, until recently, was the most common procurement model. This model provides simplicity and time savings to the public sector and allows them to make an informed decision when selecting a proponent. It allows a wide spectrum of developers to bid and contributions often require extensive information detailing a developer’s approach to the project, allowing the public sector to make an informed decision. Further, as there is only one stage to the process, it is the most time-efficient procurement model, offering resource savings for the public sector (Stainback, 2000).
2000). While the model offers many advantages to the public sector, it is the least preferred procurement model by the private sector. The private sector is adverse to the single-stage RFP process as they are often required to devote considerable resources to generating an extensive proposal, without knowledge of the applicant pool and the odds of being selected. This makes it difficult for the proponent to determine the merit of submitting a proposal based on the likelihood of getting selected (Stainback, 2000).

However, the single-stage RFP used for the revitalization of Regent Park in 1997 differed from the traditional single-stage RFP and in doing so addressed many of the shortcomings associated with this model.

Traditionally, single-stage RFPs require the private sector to prepare an extensive proposal and the developer is then selected from all those that apply. Instead, the 1997 RFP required the proponents to provide information about general qualifications and a brief overview of an approach to the project, and from this a shortlist of proponents was to be established who were to be interviewed and be required to prepare a more extensive presentations for the selection committee. While the process was a single-stage RFP, the multiple stages and shortlisting involved in this process was more similar to the two-stage RFQ/RFP process and, as such, would mitigate many of the concerns of developers to the traditional single-stage RFP model. However, the time savings of the single-stage RFP process were also not realized in this model, as the total length of the process was comparable to the two-stage RFQ/RFPs issued in 2005, with all procurement processes having durations of approximately three and a half months.

Both of the 2005 RFPs involved a two-stage RFQ/RFP procurement processes. The RFQ requires a minimal contribution from the proponent and is intended for the public
sector to gain an understanding of the proponent and their proposed approach to the project. From the respondents, a shortlist of developers were invited to provide more lengthy contribution as a response to the RFP. This two-stage RFQ/RFP is the most common procurement strategy as it allows a wide-spectrum of developers to bid for the RFQ, and also provides some security to the private sector that can encourage them to submit more lengthy contributions in the later RFP stage. This length associated with this model can pose a disadvantage to the public sector, as the RFQ can add an additional 12-21 weeks to the procurement process when compared to a traditional single-stage RFP. This model was used for both of the 2005 RFPs, as the RFQ was released in April and used to generate a shortlist of proponents for the May 2005 RFP and this same shortlist was used to invite proponents to submit for the December 2005 RFP.

All three attempts at revitalizing Regent Park used a similar procurement model. While the 1997 proposal was a single-stage RFP, it was more similar in its structure to a two-step RFQ/RFP, by initially requiring qualifications and then providing a shortlist of bidders for further contributions. Therefore, the three procurement processes did not differ significantly in structure, so it is likely that the procurement model had the same impact on all three proposals was only a minor factor to the difference in outcomes between the proposals.

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<th>Selection of Appropriate Procurement Model</th>
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<td>Level of significance to outcome</td>
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<td>Minor Factor</td>
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7.2: Presence of Basic Solicitation Items

Certain information is essential in an RFP to generate private sector interest. Stainback (2000) outlines certain criteria required in RFPs to generate private sector interest and divides these criteria into five categories: public partner information, demographic and market information, information on the public/private development opportunity, submission requirements, and an overview of the proposed developer evaluation and selection process (See Appendix D for the detailed Contents Evaluation).

All three of the RFPs provided the necessary public partner information with a few notable differences (See Appendix D). The presentation of the goals and objectives were most clear in the 1997 RFP. The goals and objectives were specifically outlined in the 1997 RFP, while both of the 2005 RFPs asking proponents to refer to TCHC’s goals and objectives. Clarification of the goals and objectives improves a developer’s understanding of a project and helps them to better prepare a proposal.

All three documents describe the roles and responsibilities of the agreement; however, the division of roles and responsibilities was most clear in the December 2005 RFP. Clear division of roles and responsibilities improves the likelihood of a favourable outcome when negotiating the project agreement, as a clear division helps the developer to be aware of what is expected of them. The clear division of roles and responsibilities in the December 2005 RFP was credited by interviewees as having an impact on the positive outcome of this RFP, notably in the ability to negotiate the project agreement.

Demographic information was lacking in all three RFPs, and market information was not present in the 1997 RFP. Demographic information was not provided in any of the RFPs, while such information is sometimes important to helping provide developers with
an understanding of current residents for marketing purposes. Market information was lacking in the 1997 RFP, limited to a list of redevelopment initiatives in the surrounding area. The initial 2005 RFP included some preliminary information from a market feasibility analysis being conducted by NBLC Consultants. This information from NBLC also applied to the December 2005 RFP, as the study was less than a year old. A second study was also underway at the time of the December 2005 RFP by Pollara Consultants to provide information on the target market and to inform the development of a marketing strategy. The inclusion of market information helps instil developer confidence in a project and also helps proponents cater their proposals to best target the market.

The RFPs offer varying descriptions of the public/private development opportunity. All three described the zoning regulations and Official Plan policies pertaining to the site. However, the 1997 RFP was the only one that went further and detailed the physical condition of the site. It was also the only RFP that detailed the distance to nearby amenities. These additions are important as they help to contextualize the site for the developer and strengthen the ability of the developer to construct an RFP. The 1997 RFP stopped short of detailing the environmental conditions of the site, leaving the state of contamination an unknown to the potential proponents. While neither of the 2005 RFPs included environmental information, both stated that TCHC would perform all necessary remediation, thus there was less concern to the developer about the state of contamination than in the 1997 RFP. Additional information about the redevelopment opportunity was also provided in the 2005 RFPs than was not present in the 1997 RFP including a Master Plan for the redevelopment, a draft plan of subdivision, and a phasing plan. This additional
information helps to inform the developer’s proposal and also helps to increase their trust that the whole of Regent Park will be revitalized in the future.

The submission requirements were clearly detailed in all three of the RFPs. Major evaluation criteria were also provided for all the RFPs although the December 2005 RFP was the only proposal that detailed the scoring process that would be used to select a proponent. The addition of details about the scoring helps add transparency to the selection, increasing developer confidence in the process. The lack of transparency for evaluation was cited by interviewees as contributing to the negative outcome of the 1997 RFP.

Timelines of the evaluation and selection processes were also provided in all three RFPs, offering predictability for the developers.

The three RFPs all had most of the basic solicitation items outlined by Stainback (2000). While certain items were missing from each of the RFPs, it appears that the December 2005 RFP best fulfilled the basic solicitation items. The December 2005 RFP clearly detailed the roles and responsibilities of each party, provided a breadth of market information, offered additional information about future plans for the site to help provide security for the future and better inform proposals, and also the evaluation criteria and evaluation process were clearly detailed to help improve the quality of submissions and add transparency to the evaluation process. These additions to the December 2005 RFP appear to have had a significant impact on the outcome of that process, most notably the clarity in the division of roles and responsibilities, the presence of market information, the provision of future plans for the site, and the transparency of evaluation.
### 7.3: Process Length

Process length was evaluated as the length of the RFQ/RFP process can be a factor that influences the outcome of an RFP (Stainback, 2000). A process length that is too short can deter bidders who lack adequate time to prepare a proposal, while a process length that is too long can be expensive to the public sector. Stainback (2000) outlined recommended timeframes for various elements of the procurement process and the three procurement processes for Regent Park were compared to the recommended lengths for each stage of the process. Elements of all proposals generally adhered to Stainback’s recommendations with a few notable inconsistencies; however, it does not appear that differences between the timeframes impacted RFP outcome.

The 1997 RFP from the OHC was the most compliant of all the Regent Park procurement processes to the timeframe outlined by Stainback. This RFP was analyzed using Stainback’s criteria for a two-stage RFQ/RFP process (while it was a single-stage RFP, its structure was more similar to a two-stage RFP/RFP). All elements of the proposal fit within Stainback’s recommended timeframe with the exception of the selection and notification of shortlisted bidders, which was allotted slightly less time, and the information meetings with shortlisted bidders, which was given slightly longer. Stainback

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<th>presence of basic solicitation items</th>
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<td>impact on outcome</td>
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also did not allot time for oral presentations with shortlisted bidders, as were conducted as part of the 1997 RFP although the time frame allotted for this appears reasonable. Therefore, it does not appear that the timeframe allotted for the 1997 RFP had negative ramifications on the outcome of the process.

The initial RFQ and RFP from TCHC in 2005 also demonstrated similar timelines to those proposed by Stainback (2000). The timelines for the RFQ were within the range proposed by Stainback, with the exception of the issuing of the RFP which was expected to be released five days after the submission of the RFQs, a process Stainback normally allots four to seven weeks. In reality, it took two weeks and five days for the RFP to be issued following the RFP submissions and, while this is longer than was initially anticipated, it is still shorter than Stainback’s proposed timeline. This difference is not anticipated to have had a negative effect on the outcome of the RFP as it did not add additional time constraints to the private sector to prepare a proposal nor did it cause for a prolonged use of government resources – rather it demonstrated efficiency on the part of the public sector for a fast notification of developers following their submissions.

The December 2005 RFP put forward by TCHC had a much shorter timeline than was recommended by Stainback (2000). This was likely due to the attempts of TCHC to compensate for the time lost through the failed negotiations of the initial 2005 RFP. Extending the Regent Park revitalization process would be costly to TCHC and this likely affected the timeline of the RFP. Further, as the pool of developers who could apply was limited to those shortlisted for the initial 2005 RFP, the time required of them to create a new proposal would be minimized. The timeline for the submission of the RFP was the only element of the RFP process that was within the timeframes proposed by Stainback.
However, this included the holiday season during which many firms would not be operational giving them less time to complete their proposals. This faster process likely did not negatively impact the outcome, as many of the developers would have been well-prepared to bid, having bid on the similar May 2005 RFP. TCHC had to work quickly, as the difficulties of the previous RFP had already delayed the project and, as such, it was in their best interest to select a developer as soon as possible and rush the timeline.

While there were some variations between the timeframes of the three RFP procurement processes, analysis does not identify any of these variations as having a noteworthy impact on the process outcome.

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<td>Level of significance to outcome</td>
<td>Minor Factor</td>
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### 7.4: Extent of Contributions Required by the Bidder

When establishing an RFP, it is important that the required contributions for a proposal balance the public sector’s need of information to make an informed decision with the level of effort required by the private sector to submit an application. More extensive contributions enhance the ability of the public sector to make an informed decision as, the greater the contribution, the more information the public sector is able to gain about the proponent. Requiring extensive contributions can dissuade private sector interest in a project, as firms are reluctant to devote extensive resources to applying for a project when there is no guarantee that they will be selected. The shortlisting of developers before an
RFP can often persuade the private sector to make more extensive contributions, as there is a greater chance of being selected, although these extensive contributions can still dissuade firms from applying (Stainback, 2000). The extent of contributions required by bidders was comparable throughout the three RFPs, with the initial 2005 RFP deemed to require the most extensive contributions, and the second 2005 RFP deemed to require the least extensive contributions.

The three RFPs all had common elements, including financial capacity, the identification of key personnel, evidence of credentials, and some form of representation of the vision or overall approach to the project. All three proposals required proponents to provide similar information to demonstrate financial capacity, and also about key personnel. Evidence of credentials and the representation vision and overall approach varied between RFPs.

All three RFPs required some form of proven credentials and expertise in redevelopment projects; however, the scope of the required projects provided differing minimum requirements as to what level of expertise was required for the bid. The 1997 RFP was the least restrictive, requiring bidders to simply have information that “demonstrates specific related experience in successfully completing projects of similar scope and complexity”, with no specified size or cost benchmarks. The RFQ for the initial 2005 RFP required proponents to demonstrate that they have completed a minimum of two residential construction projects in the last five years that have a minimum construction value of $5 million and a minimum GFA of 8,000m². The requirements are enhanced for the December 2005 RFP that required proponents to have completed a minimum of three residential construction projects in the last five years with a minimum
construction value of $15 million each and a minimum GFA of 10,000m² each. The increasing restrictions are likely a representation of the evolution of the need to attract a certain size of private partner.

This difference in complexity of requirements was also apparent in the information required by the proponent about their vision and overall approach to the project. The 1997 RFP required proponents to provide a description of the overall intended relationship between the vendor and the proponent, and also to provide a high level description of the proponent’s proposed approach to achieving the vision and desired results of the project, and provide a discussion of what “success factors” were needed to successfully complete the project. Proponents were required to provide more detail on their approach to the requirements. However, this detail was not required until the interview and presentation portion, which was to occur after it has been narrowed down to a shortlist of bidders. The overall submission requirements were vague in comparison to the other RFPs, which interviewees attributed to the lack of vision of OHC for the redevelopment of Regent Park.

The initial 2005 RFP has more specifications, as the proponent was required to provide information in the RFQ about the proponent’s understanding of TCHC’s objectives and their general approach to the development program. This information included their approach to the market place, coordination and timing of the RGI component, compliance to the RFP’s sustainability requirements, communication relationship during construction, and the working relationship with TCHC. Further, if the developer made the shortlist to apply for the RFP, they had to provide a conceptual design for the market and RGI components of the project, a market component purchase agreement, and a design build
agreement. The proponent also had the opportunity to support an additional alternative project agreement that had modifications on the agreement proposed by TCHC.

The extent of the information required in the initial 2005 RFP was greater than the later December 2005 RFP. Similar to the initial 2005 RFP, the December 2005 RFP required information about the understanding of the required approach but the overall information that was required in the submission was significantly reduced as the proponent was only required to detail their team organization, understanding of requirements and approach, financial capacity, employment strategy and outline an approach to compensation.

These changing requirements likely reflect both time constraints and lessons learned from the previous project. One respondent discussed how the 1997 RFP generated a wide range of responses, and the lack of objective criteria and information required from the respondent made it very difficult to select a proponent. The increased submission requirements of the initial 2005 RFP were likely a reaction to this difficulty, in an effort to determine more about the proponent’s proposed approach prior to entering into negotiations. The reduced requirements of the December 2005 RFP likely reflected the larger role that TCHC took on in the project, requiring less input by the proponent to guide the project. Also, TCHC was under time constraints in an effort to compensate for the time lost through the failed negotiations with Cresford, and requiring lengthy proposal may have caused further delays.

The extent of contributions required by bidders was not sufficiently different to deter bidders. However, the few differences that occurred appear to be a reflection of lessons learned from previous proposals and a reaction to circumstances.
7.5: Implications

Few of the operational challenges were found to contribute to the outcome of the RFP. The choice of procurement models, process length, and extent of contributions required by the bidder, did not appear be contributing factors or have significant impact on the outcome of the RFP. The presence of basic solicitation items, however, was found to have a significant impact on the outcome of the RFPs. The detailed roles and responsibilities of each part, the inclusion of market information, the provision of additional information about future plans for the site, and the transparency of evaluation criteria were all found to have a significant impact to the positive outcome of the December 2005 RFP.

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<td>Level of significance to outcome</td>
</tr>
<tr>
<td>Minor Factor</td>
</tr>
</tbody>
</table>
### Figure 23: Summary of Analysis

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact on Outcome</th>
<th>Level of Significance to Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997</td>
<td>May 2005</td>
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<tr>
<td><strong>Risk</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Marketplace Challenges</strong></td>
<td></td>
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<tr>
<td>Level of Developer Interest</td>
<td></td>
<td></td>
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<tr>
<td>Project Scale</td>
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<td></td>
</tr>
<tr>
<td><strong>Market Conditions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Attention and Project Reputation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational Challenges</strong></td>
<td></td>
<td></td>
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<tr>
<td>Selection of Procurement Model</td>
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</tr>
<tr>
<td>Presence of Basic Solicitation Items</td>
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<td></td>
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<tr>
<td>Process Length</td>
<td></td>
<td></td>
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<tr>
<td>Contributions Required by the Bidder</td>
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</tr>
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</table>

**Legend:**
- Very Negative
- Negative
- Neutral
- Positive
- Very Positive
CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

RFPs were released in 1997, May 2005 and December 2005 to select a proponent to establish a public-private partnership for the revitalization of Regent Park. However, it was not until the third attempt in December 2005 that the RFP was able to produce a favourable outcome and find a proponent to redevelop Regent Park. Analysis of the factors affecting the RFPs considered how risk, market challenges, and operational challenges impacted the ability of the RFPs to achieve a favourable outcome. These findings are summarized below:

8.2 Risk Analysis

Risk division proved to be one of the most important factors influencing the outcome of the Regent Park RFPs. It was only after altering the risk division, such that the private sector absorbed the majority of the risk and implemented mitigation efforts that the RFP procurement process was able to achieve a positive outcome. Risk sharing gradually shifted from the 1997 RFP to the December 2005 RFP, as the public sector acquired an increasing share of the risk. Risk had a very negative impact on the outcome of the 1997 RFP as the public sector attempted to absolve itself of any transferrable risks and implemented few mitigation efforts. Risk in the May 2005 RFP was also determined to have a negative impact on the outcome of the RFP although the public sector acquired a greater share of the risk than the earlier RFP and incorporated more mitigation efforts, such as mitigating the planning risk to the proponent by taking the responsibility for implementing the planning framework necessary for development. In the December 2005 RFP risk division had a very positive impact on the outcome, as the public sector both
absorbed the majority of the market and financing risks and implemented additional mitigation efforts to help instill developer confidence in the project. By acquiring more of the risk, the public sector demonstrated its commitment to the project and the desire to establish a ‘true partnership’ with the private sector, providing confidence to the private sector in the ability of the project to move forward. The inability of the 1997 and May 2005 RFPs to generate favourable outcomes demonstrates the reluctance of the private sector to absorb a considerable amount of risk for this uncertain project. As such, risk has been credited as a significant factor that impacted the outcome of the RFPs.

There were differences in how the division of certain types of risk affected the RFP outcome, as the division of market risk proved to have the greatest impact on the outcome. Market reception was identified as the most significant risk to the project, given the poor reputation and notoriety associated with Regent Park. The 1997 RFP did not provide any market studies to instill developer confidence in the market response to the development, and market risk was to be borne completely by the private sector. The May 2005 RFP provided a market study and shifted a small portion of the market reception risk to the public sector, but this risk remained predominantly borne by the proponent. The December 2005 RFP considerably reduced the market risk to the developer, providing a second market study and also having the public sector absorb the market risk. The private sector had the option of having a portion of their remuneration contingent on the sale of the market units, although this was at the discretion of the private sector and was to be negotiated through the project agreement.

Risk division shifted between the RFPs, as the public sector began to acquire a greater share of the risk as the iterations of the RFP progressed. The 1997 RFP saw the
public sector retain the political risk, operational risk, and the risk to service provision, with all other risks – planning, design, the market, financing, environmental and construction – borne by the private sector. Risk division shifted in the May 2005 RFP as similar risks were retained by each party yet the public sector fully acquired the environmental risk and the planning, design, construction, and limited market risks became shared between the public sector and the private sector and increased mitigation efforts were implemented. The December 2005 RFP saw the private sector acquire the financing and market risk, with the only risk fully borne by the proponent being the construction risk. While the earlier RFPs gathered responses from the private sector and resulted in the selection of a proponent, risk division posed difficulty when attempting to establish a project agreement. It was only in December 2005 that a project agreement was able to be reached. The confidence instilled in the developer through TCHC acquiring a greater portion of the risk and attempting to establish a ‘true partnership’ was credited as having a significant impact on generating this favourable outcome.

8.3 Marketplace Challenges

Marketplace challenges can affect the outcome of an RFP because developers are often reluctant to undertake a project if the market is not supportive. Marketplace challenges were evaluated through analysis of the level of interest, project scale, market conditions, and media attention and project reputation. These factors were generally found to be contributing factors to the RFP outcome although the project scale had a significant impact on the RFP outcome.

The level of interest was similar among the RFPs, with all RFPs garnering a similar number of responses. While interviewees were unsure of the exact number of responses
for each RFP, the level of response was deemed to be ‘considerable’ for all three indicating that, in all cases, there was an interest in redeveloping Regent Park. Despite a similar number of responses between the three RFPs, the December 2005 RFP was the only one that generated a response that intended to comply with what had been outlined in the RFP during the negotiation of the project agreement. The responses to the previous RFPs attempted to negotiate alternative arrangements in the negotiations that were not consistent with what had been proposed. The level of interest was a positive factor for all of the RFPs, however the level of interest was deemed to be a contributing factor to the outcome as the December 2005 RFP was the only RFP where the proposed bid followed through in the project agreement stage.

Project scale was also found to have a significant impact on the outcome of the Regent Park RFPs. Contrary to the findings of Guy et al. (2002) that project agreements benefitted from reducing the scale or breaking the project up into smaller parts that allowed for a range of developers to partake in the project, the Regent Park redevelopment benefitted from increases in scale. All RFPs limited applications to large developers through financial and experiential requirements, with the experience requirements increasing as the iterations of the RFPs progressed. It was apparent that the public sector considered large, experienced developer suitable for redeveloping a project with the notoriety of Regent Park. Since the City of Toronto has a number of large developers, excluding smaller developers still left a significant pool of potential developers.

The 1997 RFP had the smallest project scale, with the development potential increased in the May 2005 RFP, and then further increased in the December 2005 RFP. Both 2005 RFPs also included plans for the future redevelopment of the entire Regent Park.
suggesting potential for the proponent to be involved in future redevelopment efforts, with the December 2005 RFP giving the proponent optionality on the second phase of the redevelopment. The lack of development potential of the 1997 RFP was identified as having a negative impact on the outcome, as developers questioned the ability of this smaller redevelopment to transform the Regent Park area and foster market reception. The increased development potential of the later RFPs, combined with promises of the rest of Regent Park being redeveloped, led to project scale having a positive impact on the outcome of the May 2005 RFP and a very positive impact on the outcome of the December 2005 RFP. The December 2005 RFP included an increased scale and the inclusion of the Phase Two option which solidified the potential for future involvement in the Regent Park revitalization, an addition only assumed in the May 2005 RFP. This increased scale was identified by interviewees as a significant factor on the outcome of the RFP.

A supportive market is essential to facilitating a favourable outcome to an RFP, as strong market conditions increase developer interest. While market conditions were strong in both 1997 and 2005, they were slightly stronger in 2005 due to the Places to Grow Act increasing the demand for sites within the regional core. It was noted by respondents that, while the market was strong, this strength did not compare to the “condo boom” of the late 2000’s. While the market was strong in both 1997 and 2005, the increased strength of the 2005 market caused market conditions to be a contributing factor to the outcome of the Regent Park RFPs.

Media attention and project reputation can also influence a project’s outcome, influencing public perception and either encouraging or discouraging developer interest. Media coverage was found to be more favourable for both 2005 RFPs than the 1997 RFP.
Media coverage of the 1997 RFP demonstrated limited faith in the ability of the project to succeed given the expectation that OHC would soon download the responsibility of affordable housing provision to municipalities. Media coverage of the 2005 RFPs demonstrated greater belief in the success of the redevelopment. The more positive media portrayal of the 2005 RFPs was considered to be a contributing factor to RFP outcome as it likely impacted the ability of the 2005 Regent Park redevelopment to gain momentum and ultimately achieve a favourable outcome. However, the lack of difference in the coverage between the May and December 2005 RFPs prevented it from being identified as a significant factor influencing RFP outcome.

Analysis of marketplace challenges indicates that these were contributing factors to the favourable outcome of the December 2005 RFP. Project scale was an exception, as this factor was found to have a significant impact on the outcome of the Regent Park RFPs.

8.4 Operational Challenges

Operational challenges can affect the ability of an RFP to attract bidders, as proposals must balance the public sector’s need to make an informed decision with the private sector’s willingness to contribute resources to preparing a bid. The selection of an appropriate procurement model, presence of basic solicitation items, process length, and the extent of contributions required by the bidder were evaluated as potential operational challenges that could impact the RFP outcome. Operational challenges were found to be minor factors impacting their outcome, with the exception of the presence of basic solicitation items which was found to have a significant impact.

All three Regent Park RFPs had similar procurement models, thus the selection of procurement model was only a minor factor contributing to their outcome. Both of the
2005 RFPs had two-stage RFQ/RFP procurement processes, a model often welcomed by the development community as it allows for a narrowing of the field of bidders before the submission of an extensive proposal. While the 1997 RFP was a single-stage RFP, a model which often discourages developer interest due to the extensive contributions required for an unknown pool of bidders, this RFP was more similar in structure to a two-stage RFQ/RFP than a traditional single-stage RFP and offered similar benefits to developers as observed through the two-stage process. Thus, the procurement model was determined to only be a minor factor contributing to the outcome of the RFPs as it did not differ substantively between the three RFP procurement processes.

The inclusion of basic solicitation items into an RFP is essential to generate private sector interest. The presence of such items was found to vary between the Regent Park RFPs and these differences were deemed to have a significant impact on RFP outcome. The December 2005 RFP demonstrated the clearest division of roles and responsibilities, which was credited for having a positive impact on the outcome of the RFP, notably in the ability to negotiate a project agreement. This RFP also had the most comprehensive market information of the three RFPs thereby improving developer confidence. The December 2005 RFP was also the most transparent about the selection of proponents as it was the only RFP that detailed the scoring of bids, improving developer confidence in the fairness of the proposal selection. Both the May and December 2005 RFPs provided detailed plans for the future development of Regent Park, a feature not present in the 1997 RFP, and that helped instill developer confidence as the rest of Regent Park would also be developed and the potential opportunity for their involvement. The impact of the 1997 RFP on the outcome of that proposal was considered to be very negative due to the lack of basic...
solicitation items, and this absence was also considered to have a negative impact on the initial 2005 RFP as many solicitation items continued to be missing. The greater incorporation of basic solicitation items, such as market studies, in the December 2005 RFP has been identified as having a very positive impact on the RFP outcome in comparison to the previous attempts.

Process length can be an important factor in RFP outcome. If a process is too short, it can deter a bidder due to the lack of time available to prepare a proposal, while a long process can be costly to the public sector. All three RFPs demonstrated timelines similar to the recommended timelines presented by Stainback (2000). While there were some discrepancies, the general compliance indicated that process length had a positive impact on each RFP. Due to the lack of differentiation between these timelines, the process length was only identified as a minor factor that contributed to outcome.

Required contributions should balance the public sector's need for information to make an informed decision with the level of effort required for the private sector to submit a bid. The extent of contributions was comparable between the RFPs although there were slight variations between them. The submission requirements for the 1997 RFP were criticized as being vague in comparison to the other RFPs, which was attributed to a lack of vision from OHC for the redevelopment of Regent Park. The initial 2005 RFP was more specific in its requirements but also required a more extensive contribution from bidders. Similar to the initial 2005 RFP, the December 2005 RFP also had specific requirements but with a lesser extent of contributions required by the proponent. These reductions contributions were likely a reflection of TCHC's increased role in the project and, thus, less private sector input was required in December 2005. The project was also under time
constraints, as the project was delayed following failed negotiations of the initial 2005 RFP resulting in a strong desire by TCHC for the project to progress quickly. As a result, the organization may have sought less extensive bids to speed up the process. The extent of contributions required by the bidder was identified as having a neutral impact on the 1997 RFP, and a positive impact on both the May and December 2005 RFPs. However, this factor was not sufficiently different between the RFPs to deter bidders, and the few differences between the proposals likely occurred as a result of lessons learned from previous proposals and a reaction to circumstances. Therefore, the extent of contributions was considered to have only a minor impact on the outcome of the RFPs.

Operational challenges were generally found to be only minor factors influencing the outcome of the RFP procurement processes, due to the similarity between the three proposals. One exception was the presence of basic solicitation items, which was previously identified as a significant factor contributing to the outcome of the RFPs. Among the basic solicitation items, the detailed roles and responsibilities of each partner, the inclusion of market information, the provision of additional information about future plans for the site, and the transparency of evaluation criteria were all found to have a significant impact on the positive outcome of the December 2005 RFP.

8.5 Overall Findings

The 1997, May 2005, and December 2005 RFPs were evaluated to determine the impact of risk, market challenges, and operational challenges on RFP outcome. Risk division was found to be a significant factor affecting the outcome, notably the public sector’s acquisition of the market risk. Market challenges were primarily found to be contributing factors to the outcome, with the exception of project scale, as the increased
scale of the December 2005 RFP was found to have a significant impact on that RFP’s outcome. Operational challenges were found to be only minor factors affecting the outcome of the RFPs, with the exception of the presence of basic solicitation items, as the inclusion of certain information was found to be a significant factor in the outcome of the December 2005 RFP. Although these specific findings cannot be generalized beyond Regent Park due to the uniqueness of this redevelopment, certain lessons can be drawn from this analysis to form recommendations to inform future RFP procurement processes for similar deteriorated social housing projects in Canada that are being revitalized through public-private partnerships.

8.6 Recommendations

1. When attempting to establish a public-private partnership to revitalize a deteriorated social housing project, it is recommended that the public and private sectors work together to establish a ‘true partnership’ between the public and private sectors, as demonstrated through the division of risk.

The risk division of the December 2005 RFP was credited as helping to facilitate a positive outcome to the RFP, as it fostered accountability of both parties. It is important that the public sector show its dedication to the project, especially for risky projects such as Regent Park, where it is difficult to convince the private sector to absorb the majority of the risk. By absorbing the market risk, TCHC demonstrated confidence in and showed its commitment to the project, encouraging the private sector to be more confident in the future success of the project.
2. When packaging the project for redevelopment, obtaining the necessary planning approvals in advance can increase the attractiveness of the site and help to instill developer confidence in a project.

Obtaining the necessary planning approvals for a site can help to attract a developer, as the development potential of the site is confirmed. This provides confidence to the developer that a project can be built at a certain density, better allowing them to calculate returns. Further, as gathering the necessary planning approvals can be timely and costly for a project, this is avoided by having the necessary approvals passed when the site is packaged for redevelopment. Passing the necessary planning approvals for the redevelopment of Regent Park proved an attractive feature for developers in the 2005 RFPs put forward by TCHC.

3. If a proposed project is portion of a larger project that is to be developed in the future, the provision of plans for the future redevelopment of the greater project can instill confidence in developers for the market reception of the project.

Providing plans for future phases of a project can help to attract a developer, as it increases the likelihood of positive market reception. Developers are able to market the product and entice potential buyers by demonstrating future plans for the site. The inclusion of the Master Plan for the 2005 RFP was credited as increasing developer attraction to the project as it helped to improve the marketability of the project to potential buyers, reducing the market risk of the project.

4. When establishing the project scale, it is important to consider market conditions.

RFPs for large-scale projects have been criticized as limiting the pool of developers who can apply to large developers and can have negative implications on RFP
outcome. The opposite was found for Regent Park, as developer interest in the project increased as scale increased. The Toronto market has many large developers, so there is an ample pool of large developers to apply for such a proposal. Also, it was perceived that Regent Park was a large-scale problem and in need of a large-scale solution to generate the market conditions required to sell the market units. Project scale should be adapted to reflect the realities and market conditions of the individual project, as allowing smaller developers to bid on a project does not necessarily contribute to a favourable outcome.

5. *It is important that roles and responsibilities be clarified to ensure that all parties are clear on what is expected when establishing a project agreement.*

The clarification of roles and responsibilities was a significant factor that contributed to the favourable outcome of the December 2005 RFP. The clarification of roles and responsibilities is most essential for the establishing of a project agreement, as it helps to ensure that both parties are ‘on the same page’ with what is to be expected for the redevelopment.

6. *When attempting to redevelop a deteriorated social housing project, the provision of comprehensive market information can play an important role in helping to foster faith in the project.*

The December 2005 RFP included two market studies by reputable consultants that helped to instill confidence in the developer about the future market reception of the project. The provision of market information is essential for deteriorated projects to help provide confidence to the developer that there will be market
interest, and so helps the developer to cater their bid to best reflect market conditions.

7. *It is important the RFQs and RFPs provide transparency in the evaluation process to provide confidence to the private sector that the selection of the proponent will be a fair and equitable process.*

The 1997 RFP was criticized for its lack of transparency in the selection of a proponent to enter into negotiations for a project agreement. Through detailed evaluation criteria and information on the scoring of proposals, the December 2005 RFP added necessary transparency to the procurement process. Transparency is very important for proposals from the public, to demonstrate that the process if fair and equitable, encouraging developer interest in the project.

8.7 Limitations and Areas for Future Research

While all efforts were made to ensure data quality, this analysis was not without limitations.

One of the primary limitations was the impact of the time that has lapsed on the memories of interviewees. While those most involved in the process were interviewed, memories were unclear on certain details, such as number of respondents, most notably for the 1997 RFP that occurred fifteen years ago. Multiple interviewees were used to attempt to mediate any gaps in knowledge; however there were certain areas that all proponents were unclear on, including the number of respondents to each of the proposals.

Another limitation posed by the impact of time was the potential existence of other RFQ or RFP documents and the difficulty determining if these documents did or did not exist. Although additional evidence could be found for the existence of these documents,
this further demonstrates how time has affected memories of the project and the ability to find necessary documentation and ensure information accuracy. This also demonstrates that RFP documents are in the public domain for a limited period and are often lost from view after a project is completed or abandoned. A central archive of the documents would assist in later evaluation of the effectiveness of procurement processes.

The lack of investigation into the impact of the micro-location of the site on RFP outcome proved another limitation of the research. The 1997 RFP packaged a different site than the 2005 RFPs, with the 1997 site located at the northeast corner of Regent Park at River Street and Gerrard Street and the site for both of the 2005 RFPs was located at Dundas Street and Parliament Street in the northwest corner of Regent Park. Interviewees credited the difference in site location as positively contributing to the RFP outcome; however analysis of the micro-location was outside of the scope of this study. This presents a potential area for future investigation.

Another limitation of the study that provides a potential area for future investigation was the impact of a strong champion on the outcome of an RFP. Evaluating the impact of leadership on project outcome was outside of the scope of this study; however interviewees continually mentioned the important role that Derek Ballantyne played in the revitalization of Regent Park. Ballantyne was noted as a champion, who worked tirelessly with the community to generate buy-in and brought the 2005 Regent Park proposal to tender again following the inability of the May 2005 RFP to generate a project agreement. The 1997 attempt to revitalize Regent Park led by the OHC lacked a project champion who with the motivation to return the project to tender again following the failure of the original 1997 RFP to generate a project agreement. This lack of
motivation on the part of OHC may be attributed to the realization that the responsibility for affordable housing would soon be downgraded to municipalities, however interviewees did not mention a strong leader that led this attempt at revitalization. The power of a good leader cannot be underestimated, and while this was not investigated in this study it presents an important avenue for future research.

Another limitation is the ability to generalize the findings, as there are few Canadian projects that parallel Regent Park due to the age, scale and stigmatization associated with the project and the uniqueness of the Toronto real estate market. While these findings cannot be generalized to provide a formula for the construction of RFPs for the redevelopment of other social housing projects in Canada through the use of public-private partnerships, certain lessons can be drawn from Regent Park for factors to consider when establishing the procurement processes.

While there are several limitations to this study, the lessons learned through the analysis of the Regent Park RFP procurement process can help to inform the future redevelopment of social housing projects in Canada through public-private partnerships by identifying certain factors that should be considered when establishing the procurement process. As public-private partnerships have become increasingly implemented for public sector redevelopment initiatives, further research on how to facilitate the RFP procurement process on such initiatives is encouraged.
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Appendix A: Regent Park Revitalization Events Chronology

1994:
1994: Despite 22,000 residents on the waiting list for public housing in Metro Toronto, almost 150 of Regent Park's over 2,000 apartments are vacant. These would later be filled in 1995 after MTHA tries to clean up Regent Park to make it more attractive to tenants.

Fall 1994: Accounting firm KPMG Peat Parwick Throne warns the NDP government that it needs to raise the equivalent of a year's operating budget to save the ageing buildings at Regent Park from collapse or they will be uninhabitable.

1995:
12 March 1995: Province contemplates negotiating with the private sector to free up more than 20ha of Regent Park for development. This is deemed to be complicated as the land is owned by the City of Toronto and leased to the province.

August 1995: Plan in works to redevelop Regent Park.
Source: Grange, M. (8 August 1995). Public-housing plan looks for private aid new partners/Mike Harris's Ontario government want to get out of building, maintaining and owning these units. The business sector may provide the means without costing taxpayers any more money. The Globe and Mail. A.4.

1996:
1 February 1996: Government is in preliminary talks with a group headed by former Toronto mayor John Sewell that is seeking approval to redevelop part of the sprawling complex.


1997:

11 June 1997: Briefing on OHC Regent Park RFP.

3 July 1997: Bidders’ letters of intent to submit proposal for OHC Regent Park RFP.

10 July 1997: Bids due for OHC Regent Park RFP.

22 July 1997: Anticipated selection and notification of short-listed bidders for OHC Regent Park RFP.

6 August 1997: Anticipated information meeting with short-listed bidders for OHC Regent Park RFP.

20 August 1997: Anticipated oral presentation by short-listed bidders for OHC Regent Park RFP.

29 August 1997: Anticipated selection of highest and second highest ranked bidders of OHC Regent Park RFP.
4 September 1997: Anticipated notification of bidders of OHC Regent Park RFP.  

18 September 1997: Anticipated date of establishment of memorandum of understanding for OHC Regent Park RFP.  

27 November 1997: Arcadia Group selected to redevelop Regent Park.  

15 December 1997: Anticipated date for the establishment of the overall contract for the OHC Regent Park RFP.  

1999:  
1999: OHC revisits the 1997 Regent Park RFP and considers going to tender again.  
*Source:* Interviews with key stakeholders.

13 March 1999: 50th anniversary of first residents moving into Regent Park.  

2001:  
1 January 2001: Under Bill 128, the City of Toronto now becomes responsible for social housing which is downloaded from the province. Overnight, the City of Toronto acquires 29,404 suites and 129,000 new tenants, making it Canada’s biggest landlord. The housing acquired is an average 32 years old an in need of major repairs, the cost of which are unknown.  

2002:  
16 December 2002: TCHC unveils a new plan to redevelop Regent Park. Plan would take 10-15 years and involves doubling the number of housing units to transform the area into a mixed-income community, hoping to resemble the St. Lawrence neighbourhood.

**17 December 2002:** Jane Jacobs praises new Regent Park plan, claiming “I think it’s an excellent plan with every promise of success”.


2003:

2003: *Regent Park Revitalization Plan* wins Canadian Institute of Planners Award of Excellence.


**22 July 2003:** Council approves 15-year, $423 million redevelopment plan for Regent Park with a vote of 35-1.

Source: Gillespie, K. *Thumbs up on Regent Park the face of new social housing: Canada's oldest gets set for a transformation*. *Toronto Star*. B01.

**7 May 2003:** Toronto Community housing board unanimously approved a $400 million 12 year plan for the redevelopment of Regent Park. Next step is to secure approval from the city’s policy and finance committee, the a final sign off by City Council which is expected in June.


2005:

**18 January 2005:** Toronto and East York community councillors unanimously approve Regent Park redevelopment plan and approve the necessary Official Plan and Zoning amendments required for the redevelopment. Still requires approval from City Council, and it is expected to go there in February. Approve Official Plan and Zoning amendments necessary to implement the project.


**4 February 2005:** City Council approves $1 billion plan to redevelop Regent Park by a vote of 43-1.


**8 April 2005:** RFQ issued for the revitalization of Regent Park.

6 May 2005: Deadline for RFQ submissions for the revitalization of Regent Park.  

11 May 2005: TCHC announces short list of five developers to submit proposals for the Regent Park redevelopment. These include: Tridel, Cresford Development Corporation, The Daniel’s Group Inc., Concert Properties, and Menkes Developments.  

25 May 2005: RFP issued for pre-qualified developers.  

10 June 2005: Deadline for first round of questions for Regent Park Revitalization RFP.  

24 June 2005: Deadline for second round of questions for Regent Park Revitalization RFP.  

8 July 2005: Proposal deadline for the Regent Park Revitalization RFP.  


9 September 2005: TCHC announces that Cresford Developments has been selected as the developer for the first phase of Regent Park.  

8 November 2005: Cresford Development Incorporated quits the Regent Park project after negotiations fall through with TCHC.  
*Source:* Lu, V. (9 November 2005). Developer quits Regent Park project; Cresford won’t give details for leaving first phase Miller concerned, but housing agency undaunted. Toronto Star. B02.

14 December 2005: RFP to redevelop Regent Park go out to tender again, after the project’s first phase after the previous deal to develop the first phase fell apart.  

**2006:**

**13 January 2006:** Deadline for questions for December 2005 RFP.


**27 January 2006:** Deadline to submit proposals for RFP that was initiated in December 2005.


**8 February 2006:** Anticipated selection of leading proponents for interviews for December 2005 RFP.


**9/10 February 2006:** Anticipated interviews with leading proponents from December 2005 RFP.


**13 February 2006:** Mayor David Miller takes first swing at Canada’s oldest public housing complex, signalling the beginning of the Regent Park redevelopment project. Project still does not have a developer, however a developer is expected to be selected in early March.


**15 February 2006:** Anticipated selection of proponent from December 2005 RFP.


**20 March 2006:** Daniel’s selected as developer for Regent Park


**2007:**

**Early 2007:** Papers are available for buyers for shares of TCHC.

30 October 2007: Daniel’s launches its portion of the redevelopment, saying it will put up two buildings along Parliament Street, with condos starting at $180,000 and occupancy to begin in Spring 2009.  

4 October 2008: The Globe and Mail columnist John Barber considers how the credit crunch jeopardizes TCHC’s ability to sell the condos in Regent Park, claiming “With the most prominent developers now struggling to finance construction on prime midtown sites, there seems little hope for Regent Park.”  

28 April 2009: Phase 2 launch for Regent Park, comes with announcement that Daniel’s Corporation wil be named partner for the rest of the Regent Park renewal.  

14 October 2009: National Post reports that initial results of the Regent Park experiment suggest that Toronto Condo buyers are interested in purchasing in Regent Park.  
## Appendix B: Risk Register

### Rating for Likelihood and Seriousness of Each Risk

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Low (Rated as Medium)</th>
<th>Medium (Rated as Low)</th>
<th>High (Rated as High)</th>
<th>Extreme (Not Assessed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
<td>Extreme</td>
</tr>
<tr>
<td>M</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
<td>Extreme</td>
</tr>
<tr>
<td>L</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>Extreme</td>
</tr>
</tbody>
</table>

### Grade: Combined Effect of Likelihood/Seriousness

<table>
<thead>
<tr>
<th>Seriousness</th>
<th>Likelihood</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Extreme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>E</td>
<td>D</td>
<td>C</td>
<td>A</td>
</tr>
<tr>
<td>Medium</td>
<td>Medium</td>
<td>D</td>
<td>C</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>C</td>
<td>B</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

### Types of Risk

<table>
<thead>
<tr>
<th>Type of Risk</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Facilitating necessary modifications to the existing planning framework.</td>
</tr>
<tr>
<td>Design</td>
<td>Design and development services within prescribed guidelines and existing planning regulations.</td>
</tr>
<tr>
<td>Environmental</td>
<td>Responsibility for any necessary remediation or potential environmental hazards</td>
</tr>
<tr>
<td>Market</td>
<td>Sale or leasing to public or private tenants.</td>
</tr>
<tr>
<td>Financial</td>
<td>Project financing.</td>
</tr>
<tr>
<td>Construction</td>
<td>All building and improvements.</td>
</tr>
<tr>
<td>Service Provision</td>
<td>Provision of a required public service.</td>
</tr>
<tr>
<td>Political</td>
<td>Political consequences associated with actions.</td>
</tr>
<tr>
<td>Operating</td>
<td>The management and operating costs of a project.</td>
</tr>
</tbody>
</table>

Source: McKellar & Gordon (2007)
## 1997 RFP

<table>
<thead>
<tr>
<th>Risk</th>
<th>Type of Risk</th>
<th>Description</th>
<th>Potential Consequences</th>
<th>Mitigation Actions</th>
<th>Likelihood</th>
<th>Seriousness</th>
<th>Grade</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing necessary planning approvals and amendments</td>
<td>Planning Risk</td>
<td>Attaining necessary planning approvals or amendments to allow for design to be built.</td>
<td>Can be costly delays or amendments may not get passed forcing alterations to the design and potentially lower densities.</td>
<td>OHC, MMAH, and MTHA will cooperate, however the proponent is expected to lead the process.</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>Undertake all design and development services</td>
<td>Design Risk</td>
<td>Approval process does not permit design that would be profitable. Opposition to design causes delays.</td>
<td>Can be costly and cause delays</td>
<td></td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>Environmental Risk</td>
<td>Cost associated with remediation.</td>
<td>Remediation can be quite expensive to make the site suitable to build.</td>
<td></td>
<td>M</td>
<td>H</td>
<td>B</td>
<td>Proponent</td>
</tr>
<tr>
<td>Market Reception</td>
<td>Market Risk</td>
<td>Chance that there will be limited market interest in the project and units will not sell.</td>
<td>Expected revenue is not generated on the project and bottom line is impacted. Also first project of its type so risky.</td>
<td></td>
<td>None</td>
<td>H</td>
<td>H</td>
<td>Proponent</td>
</tr>
<tr>
<td>Securing necessary financing</td>
<td>Financing Risk</td>
<td>Ability to secure necessary financing.</td>
<td>Can be costly and cause delays</td>
<td>Financial requirements to prove credit worthiness are required in RFP</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>----------------------------------------</td>
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<td>---------------------------------------------------------------</td>
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<td>-----------</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>Construction Risk</td>
<td>Costs associated with preparing site for development.</td>
<td>Infrastructure preparation could run overbudget.</td>
<td>None</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>Construction of RGI Housing</td>
<td>Construction Risk</td>
<td>Project runs over budget or is delayed.</td>
<td>Loss of revenue as delays can be costly and cost overruns impact the bottom line.</td>
<td>None</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>Construction of Market Housing</td>
<td>Construction Risk</td>
<td>Project runs over budget or is delayed.</td>
<td>Loss of revenue as delays can be costly and cost overruns affect the bottom line.</td>
<td>None</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent</td>
</tr>
<tr>
<td>Community Opposition</td>
<td>Construction Risk and Political Risk</td>
<td>Community actively opposes development. Internal – Regent Park residents External – Cabbagetown residents</td>
<td>Can delay or preclude redevelopment which is costly. Negative media attention can harm proponent’s reputation.</td>
<td>Ministry consults North Regent Park Working Committee about redevelopment before issuing RFP. OHC established opportunity for proponent to work</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent – Construction Risk of cost of delays or abandonment OHC – political risk of negative press.</td>
</tr>
<tr>
<td>Project abandonment</td>
<td>Construction Risk and Political Risk</td>
<td>Project is abandoned before completion.</td>
<td>Can be very costly as do not receive return for investment. Also can harm public sector political reputation.</td>
<td>Proponent provides a bond to cover the construction of the RGI housing.</td>
<td>M</td>
<td>H</td>
<td>B</td>
<td>Proponent – Construction Risk OHC – Political Risk</td>
</tr>
<tr>
<td>---------------------</td>
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<td>-------------------------------------------------------------------------------------------------</td>
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<td>---</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>RGI Tenant Relocation</td>
<td>Risk to Service Provision Political Risk Construction Risk</td>
<td>Tenant relocation can be costly and generate opposition. Also delays in the project can extend the necessary relocation time.</td>
<td>This can compromise the ability of the affordable housing to be provided. It can also generate negative media coverage and generate opposition. Relocation costs can escalate if project is delayed.</td>
<td>Relocation plans will be provided by the MTHA</td>
<td>M</td>
<td>M</td>
<td>C</td>
<td>Proponent – Construction Risk OHC – Risk to Service Provision, Political Risk</td>
</tr>
<tr>
<td>Future operating costs of RGI housing</td>
<td>Operating Risk</td>
<td>Costs associated of the long term operation of the RCI building.</td>
<td>Can be an unexpected expense.</td>
<td></td>
<td>L</td>
<td>L</td>
<td>E</td>
<td>OHC</td>
</tr>
</tbody>
</table>
## May 2005 RFP

<table>
<thead>
<tr>
<th>Risk</th>
<th>Type of Risk</th>
<th>Description</th>
<th>Potential Consequences</th>
<th>Mitigation Actions</th>
<th>Likelihood</th>
<th>Seriousness</th>
<th>Grade</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing necessary planning approvals and</td>
<td>Planning Risk</td>
<td>Attaining necessary planning approvals or amendments to allow for design to be built.</td>
<td>Can be costly delays or amendments may not get passed forcing alterations to the design and potentially lower densities.</td>
<td>TCHC working with City to pass planning framework necessary for higher density. Proponent is responsible for site plan approval, building permit, and any additional applications.</td>
<td>L</td>
<td>M</td>
<td>D</td>
<td>Proponent</td>
</tr>
<tr>
<td>amendments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undertake all design and development</td>
<td>Design Risk</td>
<td>Approval process does not permit design that would be profitable. Opposition to design causes delays.</td>
<td>Costly</td>
<td>TCHC has had Master Plan and Design Guidelines approved.</td>
<td>L</td>
<td>M</td>
<td>D</td>
<td>Proponent</td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>Environmental Risk</td>
<td>Cost associated with remediation.</td>
<td>Remediation can be quite expensive to make the site suitable to build.</td>
<td>The extent of contaminants is not known, however TCHC will be responsible</td>
<td>M</td>
<td>L</td>
<td>D</td>
<td>TCHC</td>
</tr>
<tr>
<td>Market Reception</td>
<td>Market Risk</td>
<td>Chance that there will be limited market interest in the project and units will not sell.</td>
<td>Expected revenue is not generated on the project and bottom line is impacted.</td>
<td>for any remediation</td>
<td>TCHC had NBLC assess marketability and pricing. TCHC will assist with selling market units.</td>
<td>M</td>
<td>H</td>
<td>B</td>
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<td>-------------------------------------</td>
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</tr>
<tr>
<td>Securing necessary financing</td>
<td>Financing Risk</td>
<td>Ability to secure necessary financing.</td>
<td>Can be costly and cause delays</td>
<td>Financial requirements to prove credit worthiness are required in RFP</td>
<td></td>
<td>M</td>
<td>M</td>
<td>C</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>Construction Risk</td>
<td>Discovery of environmental contaminants. Costs associated with preparing site for development.</td>
<td>Can be very costly to clean up contamination. Infrastructure preparation could run overbudget.</td>
<td>TCHC will provide all necessary environmental remediation. TCHC will also fully service lands. Proponent to provide landscaping, postal stations, garbage, driveways, and delivery areas.</td>
<td></td>
<td>M</td>
<td>M</td>
<td>C</td>
</tr>
<tr>
<td>Construction of</td>
<td>Construction</td>
<td>Project runs</td>
<td>Loss of revenue</td>
<td>TCHC is</td>
<td></td>
<td>M</td>
<td>M</td>
<td>C</td>
</tr>
</tbody>
</table>

M Nicholson A13
<table>
<thead>
<tr>
<th>Project</th>
<th>Risk</th>
<th>Description</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGI Housing</td>
<td>Risk</td>
<td>over budget or is delayed.</td>
<td>responsible for the development of block 14 which has 236 RGI housing units. Proponent is responsible for building 82 units.</td>
</tr>
<tr>
<td>Construction of Grocery Store</td>
<td>Construction Risk</td>
<td>Project runs over budget or is delayed.</td>
<td>None</td>
</tr>
<tr>
<td>Construction of Market Housing</td>
<td>Construction Risk</td>
<td>Project runs over budget or is delayed.</td>
<td>Proponent to construct approx. 402 market units, while TCHC will build 65 on block 14.</td>
</tr>
<tr>
<td>Community Opposition</td>
<td>Construction Risk and Political Risk</td>
<td>Community actively opposes development.</td>
<td>TCHC has been working with community since December 2002 to engage them in the planning process, improving accountability</td>
</tr>
</tbody>
</table>

M Nicholson A14
<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Description</th>
<th>Proponent Actions</th>
<th>Impact</th>
<th>Probability</th>
<th>Consequence</th>
<th>Risk Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project abandonment</td>
<td>Project is abandoned before completion. Can be very costly as do not receive return for investment. Also can harm public sector political reputation.</td>
<td>Proponent put up a $50,000 bond.</td>
<td>L</td>
<td>H</td>
<td>C</td>
<td>Proponent – Construction Risk TCHC – Political Risk and Construction Risk.</td>
</tr>
<tr>
<td>RGI Tenant Relocation</td>
<td>Tenant relocation can be costly and generate opposition. Also delays in the project can extend the necessary relocation time.</td>
<td>This can compromise the ability of the affordable housing to be provided. It can also generate negative media coverage and generate opposition. Relocation costs can escalate if project is delayed.</td>
<td>L</td>
<td>M</td>
<td>D</td>
<td>TCHC</td>
</tr>
<tr>
<td>Future operating costs of RGI housing</td>
<td>Costs associated with long term operation of RCI building.</td>
<td>Can be an unexpected expense.</td>
<td>L</td>
<td>L</td>
<td>E</td>
<td>TCHC</td>
</tr>
<tr>
<td>Risk</td>
<td>Type of Risk</td>
<td>Description</td>
<td>Potential Consequences</td>
<td>Mitigation Actions</td>
<td>Likelihood</td>
<td>Seriousness</td>
</tr>
<tr>
<td>------</td>
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<td>------------------------</td>
<td>--------------------</td>
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</tr>
<tr>
<td>Securing necessary planning approvals and amendments</td>
<td>Planning Risk</td>
<td>Attaining necessary planning approvals or amendments to allow for design to be built.</td>
<td>Can be costly delays or amendments may not get passed forcing alterations to the design and potentially lower densities.</td>
<td>TCHC has passed necessary changes to planning framework. Proponent is responsible for site plan approval, building permit, and any additional applications.</td>
<td>L</td>
<td>M</td>
</tr>
<tr>
<td>Undertake all design and development services</td>
<td>Design Risk</td>
<td>Approval process does not permit design that would be profitable. Opposition to design causes delays.</td>
<td>Costly</td>
<td>TCHC has had Master Plan and Design Guidelines approved.</td>
<td>L</td>
<td>M</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>Environmental Risk</td>
<td>Cost associated with remediation.</td>
<td>Remediation can be quite expensive to make the site suitable to build.</td>
<td>Extent of contaminants is not known, however TCHC will be responsible for any remediation</td>
<td>M</td>
<td>L</td>
</tr>
<tr>
<td>Risk</td>
<td>Description</td>
<td>TCHC/Proponent</td>
<td>Unit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Reception</td>
<td>Chance that there will be limited market interest in the project and units will not sell.</td>
<td>Expected revenue is not generated on the project and bottom line is affected.</td>
<td>M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securing necessary financing</td>
<td>Ability to secure necessary financing. Can be costly and cause delays</td>
<td>M</td>
<td>M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Preparation</td>
<td>Discovery of environmental contaminants. Costs associated with preparing site for development.</td>
<td>Can be very costly to clean up contamination. Infrastructure preparation could run overbudget.</td>
<td>L</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TCHC conducted market study for previous RFP that still applies. TCHC also has Pollara Consulting perform market research to aid future marketing. Proponent is to aid in marketing.

TCHC will provide all necessary environmental remediation. TCHC will also fully service lands. Proponent to provide landscaping, postal stations, garbage, driveways, etc.

TCHC and Proponent
<p>| Construction of RGI Housing | Construction Risk | Project runs over budget or is delayed. | Loss of revenue as delays can be costly and cost overruns impact the bottom line. | TCHC established a GMP, proponent is responsible for all costs above the GMP. | L | M | D | Proponent |
| Construction of Grocery Store | Construction Risk | Project runs over budget or is delayed. | Loss of revenue as delays can be costly and cost overruns impact the bottom line. | None | L | M | D | Proponent |
| Construction of Market Housing | Construction Risk | Project runs over budget or is delayed. | Loss of revenue as delays can be costly and cost overruns impact the bottom line. | TCHC established a GMP, proponent is responsible for all costs above the GMP. | L | M | D | Proponent |
| Community Opposition | Construction Risk and Political Risk | Community actively opposes development. | Can delay or preclude redevelopment which is costly. Negative media attention can harm proponent’s reputation. | TCHC has been working with community since December 2002 to engage them in the planning process, improving accountability | L | M | D | Proponent – Construction Risk. TCHC – Political Risk and Construction Risk. |</p>
<table>
<thead>
<tr>
<th>Project abandonment</th>
<th>Construction Risk and Political Risk</th>
<th>Project is abandoned before completion.</th>
<th>Can be very costly as do not receive return for investment. Also can harm public sector political reputation.</th>
<th>Proponent put up a $50,000 bond.</th>
<th>L</th>
<th>M</th>
<th>D</th>
<th>Proponent – Construction Risk TCHC – Political Risk and Construction Risk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGI Tenant Relocation</td>
<td>Risk to Service Provision Political Risk Construction Risk</td>
<td>Tenant relocation can be costly and generate opposition. Also delays in the project can extend the necessary relocation time.</td>
<td>This can compromise the ability of the affordable housing to be provided. It can also generate negative media coverage and generate opposition. Relocation costs can escalate if project is delayed.</td>
<td>Tenants have already been relocated. Time requirement on proponent to produce product or face additional costs.</td>
<td>L</td>
<td>M</td>
<td>D</td>
<td>TCHC</td>
</tr>
<tr>
<td>Future operating costs of RGI housing</td>
<td>Operating Risk</td>
<td>Costs associated of the long term operation of the RCI building.</td>
<td>Can be an unexpected expense.</td>
<td></td>
<td>L</td>
<td>L</td>
<td>E</td>
<td>TCHC</td>
</tr>
</tbody>
</table>
Appendix C: Additional Details on Content Clouds Analysis

To perform the content cloud analysis, the following words were excluded from analysis as they were deemed to not contribute to the analysis:

- apartments
- building
- Canada
- Developers
- Housing
- John
- Mr
- park
- Regent
- Richmond
- Toronto
- years
- yesterday
## Appendix D: Contents Evaluation

<table>
<thead>
<tr>
<th>Public Partner Information</th>
<th>1997</th>
<th>May 2005 RFP</th>
<th>December 2005 RFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define the entity managing the proposed public/private development opportunity</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>All of those selected have been pre-qualified from the previous RFQ/RFP so are aware of it so it was not required.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Describe the political context of that sponsoring entity. Are there other participating government entities?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Discusses how the Government of Ontario is going to work with the City of Toronto and the successful proponent to revise this agreement as needed to allow for successful redevelopment to proceed. Also describes how operating subsidies will be funded jointly by CMHC and OHC.</td>
<td>Describes the status of TCHC as a corporation incorporated under the Business Corporations Act that is a wholly owned subsidiary of the City of Toronto.</td>
<td>No, however all of those selected have been pre-qualified from the previous RFQ/RFP so are aware of it</td>
<td></td>
</tr>
<tr>
<td>Describe the goals and objectives of the public partner for the project</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes.</td>
</tr>
<tr>
<td>It describes how the vendor is expected to work with the Government of Ontario, and also outlines the government’s objectives for the project.</td>
<td>Notes that the project is to be compatible with TCHC’s corporate goals and objectives. Also outlines additional employment and environmental objectives.</td>
<td>Notes that the project is to be compatible with TCHC’s corporate goals and objectives. Also outlines additional employment and environmental objectives.</td>
<td></td>
</tr>
<tr>
<td>Describe any consensus building with participating citizen groups and/or media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Describes how the North Regent Park Working Committee was involved and identifies the intention of this Working Committee to work cooperatively with the development partners.</td>
<td>Discussion of how public participation was used to incorporate ideas from tenants, residents, and other stakeholders to create the Regent Park Revitalization Plan.</td>
<td>Discussion of how public participation was used to incorporate ideas from tenants, residents, and other stakeholders to create the Regent Park Revitalization Plan.</td>
<td></td>
</tr>
<tr>
<td><strong>Describe the expected role and responsibilities of the public and private partners</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

**Demographic and Market Information**

<table>
<thead>
<tr>
<th>Describe the land, building, and infrastructure program. If a market demand analysis has been completed, be sure to relay the results of the analysis, as well as who completed the analysis and when. Remember if a market analysis is older than 15 to 18 months, it will need to be updated by a reputable consultant.</th>
<th>This is not included.</th>
<th>Market analysis is included.</th>
<th>Two market analyses are included.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No market analysis is included outside of a list of what redevelopment initiatives exist in the surrounding area.</td>
<td>A market feasibility analysis was being completed by NBLC consultants to assess the marketability of the project.</td>
<td>Market feasibility analysis by NBLC was completed for previous plan and is still applicable. An additional market analysis is being conducted by Pollara Consultants to help determine a target market.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Describe the demographic and physical context of the proposed project site</strong></th>
<th>Physical – yes Demographic - no</th>
<th>Physical – yes Demographic - no</th>
<th>Physical – yes Demographic - no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describes the physical context, detailing surrounding land uses, nearby attractions and other neighbouring redevelopment initiatives, however does not address the demographic profile. Details of the site are provided.</td>
<td>Physical context is provided of composition of entire Regent Park with additional information provided in accompanying CD. Not as well laid out as 1997 RPF.</td>
<td>Physical context is provided of composition of entire Regent Park with additional information provided in accompanying CD. Not as well laid out as 1997 RPF.</td>
<td></td>
</tr>
</tbody>
</table>

**Information on the Public/Private Development Opportunity**

<table>
<thead>
<tr>
<th><strong>Describe what entity or entities own the project site</strong></th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details how the site is owned by OHC but is scheduled to be reconveyed to the City of Toronto on January 1, 2024.</td>
<td>TCHC owns and manages Regent Park.</td>
<td>TCHC owns and manages Regent Park and will retain ownership through the project.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Describe in detail the development constraints and opportunities for the site. Addressing issues</strong></th>
<th>Yes</th>
<th>Yes – basic zoning and OP status</th>
<th>Yes – basic zoning and OP status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic description of site regarding location, size, shape, existing</td>
<td>Provides information on the current zoning and OP status of the</td>
<td>Provides information on zoning and OP amendments for the</td>
<td></td>
</tr>
</tbody>
</table>
such as zoning, entitlements, environmental conditions, access to infrastructure, and so on.

<table>
<thead>
<tr>
<th>Structures, topography, surrounding land uses, public utilities, street improvements, OP designation, zoning, and parkland requirements.</th>
<th>Site. Environmental conditions are not provided, however it is noted that TCHC will pay the cost of any remediation.</th>
<th>Site have been approved by the City to allow for Phase One development. Also states that TCHC will be responsible for building demolition, soil remediation, costs of archeological finds, and tenant relocation. Environmental conditions are not provided, however it is noted that TCHC will pay the cost of any remediation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide the master plan for the subject property, if any, and/or the context of the proposed project</td>
<td>This is not detailed.</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No – this was provided in the previous RFQ</td>
</tr>
<tr>
<td>Describe the vehicular and pedestrian access to the proposed site and its immediate context. If available, provide travel times to nearby activity generators, such as convention centres, employment centres, and transit stations.</td>
<td>Yes – limited.</td>
<td>Not provided.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not provided.</td>
</tr>
<tr>
<td></td>
<td>Information is provided on vehicular access, however no information is provided on pedestrian access. Travel times are also not provided, however it is noted that the Riverdale Hospital is within 1km of the site. (2-3)</td>
<td>Yes – limited.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Address in detail the physical condition of the subject property, such as topography, view corridors, access to utilities, flood plain, and so forth.</td>
<td>Topography and utilities are detailed, however floodplain and view corridors are not.</td>
<td>Not provided.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not provided.</td>
</tr>
</tbody>
</table>

**Submission Requirements**

| Describe the submission | Yes | Yes. | Yes. |
### Developer Evaluation and Selection Process

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements of the developer.</td>
<td>A table of contents and description of what is expected for all items is provided. A page limit is also provided of 20 pages.</td>
<td>A table of contents and description of what is expected for all items is provided.</td>
<td>A table of contents and description of what is expected for all items is provided.</td>
</tr>
<tr>
<td>Describe the major evaluation criteria, preferably weighing the importance of each criterion</td>
<td>The evaluation process is described, however the criteria is not.</td>
<td>The evaluation process is described. Criteria are provided but are not weighted.</td>
<td>The evaluation process is described. Criteria are provided and are weighted.</td>
</tr>
<tr>
<td></td>
<td>The evaluation process is described, however the proposals will be evaluated are not and weighting is not provided.</td>
<td>Major evaluation criteria are provided for both the RFQ and RFP, however no weighting system is provided.</td>
<td>Describes evaluation process and the major evaluation criteria. Provides a list of categories where proponents will be required to get a minimum score or be disqualified. Other required elements will be evaluated on a pass/fail basis. The leading proponents will then be invited to an interview, and what will be assessed in the interview is provided. Describes how interview scores will be combined with proposal scores to select a proponent.</td>
</tr>
<tr>
<td>Provide the estimated schedule to complete the developer evaluation and selection process.</td>
<td>This is provided.</td>
<td>This is provided.</td>
<td>This is provided.</td>
</tr>
</tbody>
</table>