

**EXECUTIVE SUMMARY:**

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

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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

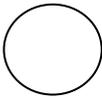
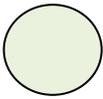
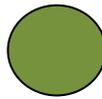
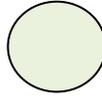
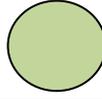
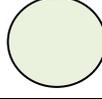
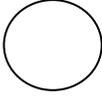
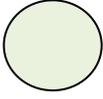
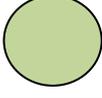
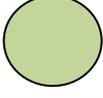
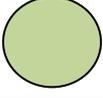
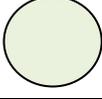
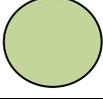
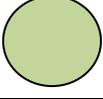
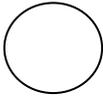
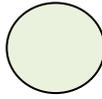
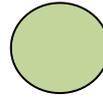
#### ***Operational Challenges***

- 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:

Factor	Impact on Outcome			Level of Significance to Outcome
	1997	May 2005	December 2005	
<b>Risk</b>				Significant Factor
<b>Marketplace Challenges</b>				
Level of Developer Interest				Contributing Factor
Project Scale				Significant Factor
Market Conditions				Contributing Factor
Media Attention and Project Reputation				Contributing Factor
<b>Operational Challenges</b>				
Selection of Procurement Model				Minor Factor
Presence of Basic Solicitation Items				Significant Factor
Process Length				Minor Factor
Contributions Required by the Bidder				Minor Factor
<b>Legend:</b>				
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 in 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.