

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

15 OCT 1996

3:00 P.M.

PRESENT

Chair: P. Clark

Members: M. Bellemare, B. Hill, P. Hume, G. Hunter, A. Loney, W. Stewart,  
R. van den Ham

REGRETS

B. McGarry

CONFIRMATION OF MINUTES

**That the Corporate Services and Economic Development Committee confirm the Minutes of the 01 Oct 1996 meeting.**

CARRIED

REGULAR ITEMS

ENVIRONMENT AND TRANSPORTATION

*ENVIRONMENT*

1. WATER ENVIRONMENT PROTECTION DIVISION  
PRIVATE SECTOR INVOLVEMENT OPPORTUNITIES  
EVALUATION PROCESS

- Environment and Transportation Commissioner's report dated 18 Sep 96
- Presentation material, Raftelis Environmental Consulting Group, dated 15 Oct 96

N. Schepers, Director, Water Environment Protection Division, introduced the report by referencing 10 July 96 Council approval of the governing principles to be used in

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Notes: 1. Underlining indicates a new or amended recommendation.  
2. Reports requiring Council consideration will be presented to Council on 23 Oct 1996 in Corporate Services and Economic Development Committee Report Number 44.

additional private sector involvement for the delivery of the Water Environment Protection Division (WEPD) services. Ms. Schepers commented the report included feedback received from Councillors, unions and the private sector operators.

Mr. George Raftelis, Raftelis Environmental Consulting Group Inc., provided a presentation to the Committee on the evaluation process and its highlights. During his presentation, Mr. Raftelis outlined the objectives of the process, the project organizational structure and its key features, the work plan and schedule, and the feedback received from the private sector and labour unions.

Following the presentation, Ms. Schepers noted that with the approval of the evaluation process report, Committee and Council approval would not be required until the final recommendation was made by the Evaluation Committee as to the appropriate operator. Secondly, Ms. Schepers referenced the preliminary assessment included in the report on the process costs and stated a detailed estimate would be included in the 97 capital budget.

Councillor Hunter expressed concern that once the Request for Qualifications (RFQ) documents were prepared, that Council involvement and advice would not be sought. Mr. Raftelis explained that during the fifteen month process, there would be a briefing mechanism in place so Council was kept informed of the activities. In addition, Mr. Raftelis reported that in similar past experiences, most governing bodies had chose not to get involved because the exceptional process and organizational structure already addressed their concerns. Mr. Raftelis confirmed that should a major event occur, Council did have the power to interface and address the issue; however, he felt confident the process was developed to avoid any such problems. In summary, Mr. Raftelis believed Council may be involved at the short list stage and ultimately, at the selection of the preferred operator. Ms. Schepers added that the process as presented sees Committee and Council providing policy direction at two critical decision points. Bringing forward additional reports is seen as adding little value to the fairness and transparency of the process. Ms. Schepers confirmed information reports would be provided to Councillors.

Secondly, Councillor Hunter expressed concern with the increase in cost of consultation. Ms. Schepers pointed out that part of the dollars included in the estimate, such as baseline maintenance assessment, contract negotiations and labour relations, were expenditures that would only take place if Council decided to go with a private operator.

Councillor van den Ham inquired if the work plan and schedule could be shortened by one month which would allow the present Council to consider the final report. Mr. Raftelis stated an element integrated into the process was to make sure the private sector and labour had an opportunity to respond throughout each phase. If necessary, Mr. Raftelis suggested time could be saved by not having them respond to the draft Request for Proposal (RFP), or structure the Evaluation Committee more quickly and have the RFQ

approved prior to January 97. Mr. Raftelis emphasized any shorter time frame as outlined in the report would be aggressive. He reminded Committee that a great deal of time had been spent on the development of the evaluation process and there was a need to ensure the private sector and labour were comfortable with all phases.

Councillor van den Ham suggested the period for review of the RFQ's be shortened. Mr. Raftelis explained it was highly expected that once the RFQ's were submitted, there would be numerous questions that would arise. He emphasized the need to have sufficient time to thoroughly review the submission to ensure the correct firms were short listed.

Councillor Cullen inquired about the level of consultation in January 1998 at which time the final report would come forward on the selection of the preferred operator. To ensure adequate public consultation, the Councillor urged the Committee to direct that the January 1998 report be tabled at one meeting, for discussion at the following meeting.

Councillor Cullen referenced the estimate of \$1.1 million and explained he did not anticipate the process would cost taxpayers this amount to only determine if the Region was interested in pursuing the project. Ms. Schepers reported an initial capital budget of \$200,000 was approved and represented the amount to retain the consultant to assist in the process. She further explained other costs were incurred as a result of creating the governing principles. Ms. Schepers reiterated that some of the other costs would be required only if a private firm was selected, and those costs would be put forward in the 1997 capital budget.

In closing, Councillor Cullen stated he originally did not anticipate the process to take fifteen months to complete and cost over \$1 million. The Councillor reported he did not support the report for those reasons.

In response to comments from G. Hunter regarding the RFP's, Mr. Raftelis agreed that consideration would be given to the maintenance and operation proposals. However, he pointed out that by the time the short list was developed, in theory any one of the firms could perform the job. As a result, Mr. Raftelis believed the price may be the overall deciding factor unless there were offsetting considerations that were significant enough to move to another firm other than the low bid.

*Mr. Mark Sanderson, Professional Services Group*, addressed the Committee. Mr. Sanderson expressed his support for the evaluation process and protocol with one exception. He expressed concern with the perceived or potential conflict of interest related to the Interdepartmental Working Group. Mr. Sanderson requested that employees involved in developing the in-house budget or that may be impacted by the decision, not be involved in the procurement process. In particular, he did not want their involvement in the documentation of the process and with the terms and conditions that

the private sector would be bidding into. Mr. Sanderson acknowledged the Interdepartmental Working Group was an integral part of the process and would work with the consultant, but would also have significant input into what was put into the procurement process.

Secondly, Mr. Sanderson commented on the increased cost of the process and the negative impact it could have on the decision. As an example, Mr. Sanderson reported the City of Thunder Bay, through staff and with no assistance of a consultant, had completed the RFQ and short list stages and were ready to release an RFP subject to Council approval.

Councillor Stewart inquired if the \$1.1 million cost would negatively affect the private sector opportunities. Ms. Schepers noted that some of the costs were one time such as \$400,000 for labour relations related to grievances. Mr. Raftelis stated that going through the procurement process was not normally a cost the private sector would be responsible for as part of their bids. He suggested an appropriate item for the private sector would be if there were additional costs associated with monitoring, as that cost was not presently being incurred. Mr. Raftelis stated that all relevant costs would be identified and evaluated as part of decision to go with the private sector or not.

In response to a question from Councillor Stewart regarding the concern of a conflict of interest, Mr. Sanderson explained he did not necessarily believe there was a conflict, but that there could be the potential/perception for one. He added this could assist in an argument that the process was flawed; an argument that may develop after the decision was made and if the private sector was not successful. Mr. Raftelis agreed this was an important issue. He explained they had been very careful to structure the relationship so that the Interdepartmental Working Group was available only to provide additional information to what they performed and dealt with on a daily basis. He believed this information would ensure the consultant's evaluation and recommendation to the Evaluation Committee was as complete as possible.

Mr. Sanderson emphasized his concern regarding the Interdepartmental Working Group's role was with their involvement in documenting the RFQ, RFP and the terms of conditions that the private sector would be bidding to.

Councillor Hill expressed concern with the \$1.1 million cost from the original \$200,000. The Councillor inquired how long it would take to achieve any savings. Mr. Raftelis explained that without doing the actual process, he was unable to determine when and how much the savings would be. However, he noted the savings experienced by the City of Charlotte was within one year.

In response to a question from Councillor Hill on further projected reductions to the operating portion of the budget, Mr. Sheflin, Environment and Transportation

Commissioner, confirmed the 1997 budget was reduced to \$17.9 million, a reduction of 40% since 1994. Councillor Hill stated she had to be assured of major short term savings prior to approving an expenditure of \$1.1 million.

Councillor Bellemare expressed concern with the \$1.1 million cost attached to the project and the tremendous increase. The Councillor requested a further breakdown of the \$1.1 million and inquired if employee salaries were factored into the cost. With regard to the process, Councillor Bellemare pointed out it was much longer than he expected and inquired if staff were still confident the project was worth pursuing keeping in mind further reductions were expected. In addition, Councillor Bellemare inquired how much the cost was effected by the length of the evaluation process.

Mr. Sheflin read a quote which explained that due to the inherited differences between private and public, they were two separate processes which should be implemented separately. The quote read as follows: "A public-private partnership and managed competition are both public service delivery options that are available to decision-makers. But due to inherent differences, they need to be implemented separately. Perhaps all this leads to the fact that a reconstituted managed competition concept may be necessary, one in which the old public sector competes against a new public workforce. If decision-makers accept a proposal of a "re-engineered" public workforce, and results are achieved, then decision-makers have done their job and secured benefits for its rate payers. If the results are not satisfactory, then engage the private sector and forge a public-private partnership to achieve those benefits."

With regard to the \$1.1 million breakdown, Ms. Schepers explained there were preliminary estimates that were being refined as part of the capital budget process and would be provided at that time. Ms. Schepers acknowledged that staff time was a real cost but had not been included in the figure. She explained the costs included external purchase charges such as consultation workshops. Ms. Schepers stated that other items that required more detailed estimates were undertaking a baseline maintenance assessment, contract negotiations, and grievance associated costs.

Councillor Bellemare inquired if staff were confident it best to proceed with the project. Ms. Schepers explained it was necessary to get the costs down as low as possible before considering going out to the private sector. She emphasized staff were working very diligently in terms of finding savings and found the time line was tight. Ms. Schepers explained that the industry typically recommends aggressively pursuing savings in house and then consider private sector involvement depending on the results of a benchmark study. The evaluation process was in keeping with Council direction.

Speaking to possible changes during the development of the RFP, Councillor Hunter expressed concern those changes would be made without Council input. Mr. Raftelis

confirmed changes would not be made with regard to the governing principles. He suggested there may be some flexibility with the way the governing principles were structured to provide movement toward some of the private sector concerns. Mr. Raftelis explained an example would be a mechanism to provide some additional flexibility when, at the end of the five year contract term, there may be a possibility for an extension of service should it be determined to be in the best interest of the public. Ms. Schepers stated there was a great deal of discussion on the contract term during the approval of the governing principles. She explained based on the assessment of the infrastructure and the amount of capital investment required by the private operator, a five year contract was most appropriate. Ms. Schepers also pointed out an extension would require Committee and Council approval.

In rebuttal, Councillor Hunter believed a longer contract term would ensure high maintenance and quality care of the equipment and project by the contractor which would offer more opportunity for savings. Councillor Hunter suggested it may be appropriate for Committee to direct the consultant to consider the option that if the proposal and in-house budget provided better prices for a ten year term, it be considered.

Speaking to the concern of the terms and conditions not allowing for creativity or innovation, Chair Clark referenced the high level of interest in programs such as composting and soil remediation. Chair Clark stated he was not convinced there would be significant savings to privatize the operation and also expressed concern with spending \$1 million to determine only a small savings would be achieved. With regard to the length of the contract, Chair Clark believed if the contractor was not conscious or realistic, it would not matter what the contract term was, the equipment would not be properly maintained. However, he did not believe that was an appropriate representation of the private sector and pointed out the maintenance would be controlled through the RFP and maintenance requirements.

Councillor Hume moved a motion that staff terminate the WEPD Private Sector Opportunities Project. The Councillor pointed out the cost of the Region supplying the service had and would continue to decrease. He suggested \$1.1 million required to only test the market could be better spent on other projects to further reduce costs. In summary, Councillor Hume questioned the savings of 30% should privatization occur and referenced the recent garbage and winter maintenance contracts.

Councillor Hunter reiterated that a major part of the \$1.1 million expenses, such as arbitration and contract negotiations, would only be required if and when privatization was selected. With regard to money spent on extra consultation, Councillor Hunter emphasized the need to ensure the process was as fair and balanced as possible, which created the need to have an independent consultant act as a single point of contact during the evaluation process. Councillor Hunter stated he was impressed to date with the

savings but pointed out further material was required to actually compare real costs of privatization vs. public service delivery. Councillor Hunter pointed out the private sector had experience with operating and managing numerous plants around the world which would provide new ideas and knowledge that contributed to savings.

Speaking to the question of conflict and the Interdepartmental Working Group, Councillor Hunter stated it was best the arrangement be public and open. He believed that even if the group was not created, the communication and consultation would still occur unofficially as it was expected the consultant and Evaluation Team obtain the best knowledge possible. In closing, Councillor Hunter hoped a longer contract term would be considered, and that regular information reports would come forward to Committee and Council. Councillor Hunter urged the Committee to approve the staff recommendation.

Chair Clark pointed out the assessment to base the decision on was whether or not you perceived there were major savings to be had by going through the exercise.

Moved by P. Hume

**That the Corporate Services and Economic Development Committee recommend Council approve that staff terminate the Water Environment Protection Division Private Sector Involvement Opportunities Project.**

CARRIED as amended

YEAS: M. Bellemare, B. Hill, P. Hume, P. Clark .... 4  
NAYS: G. Hunter, W. Stewart, R. van den Ham .... 3

2. **CARLINGTON HEIGHTS PUMPING STATION UPGRADE**  
**CONTRACT NOS. CW-6012 AND CC-5050 - CONTRACT AWARDS**  
- Environment and Transportation Commissioner's report dated 20 Sep 96

*Ms. Barbara Landry, Landry Mechanical Services Limited*, reported their company had been the low tender for Contract No. CW-6012. However, she stated their tender was rejected as they neglected to include a copy of the addendum that had been issued with the tender documents. She emphasized it was an innocent clerical error and the company had since written to confirm the addendum was considered and included in the tender price. In closing, Ms. Landry hoped the Committee would approve the award of the contract to Landry Mechanical Services Limited.

G. Cantello, RMO Solicitor, reported it was necessary to return the addendum in the tender package so staff were certain the company was aware of the addendum and changes to the tender, and that they had taken it into consideration in determining their

price. He explained the policy guidelines for irregular tenders as set out in the Corporate Policy Manual dictated the automatic rejection of a bid if all documents were not returned at the time of the public opening.

In response to a question from Councillor Hunter, Mr. Cantello explained the addendum was an eight page document outlining changes to the contract. He pointed out the checklist instructed contractors to re-submit the addendum with their tender package to ensure the contractor had seen and included the addendum in their bid.

In response to a question from Councillor Hunter regarding if it was standard practice across the industry that the addendum be returned, Mr. Cantello reported it had been the Region's practice for heavy construction contracts. However, he believed the industry's practice for mechanical contracts varied and the requirement for the return of the addendum may be replaced by an acknowledgement section to be completed by the contractor to confirm its receipt and consideration.

Ms. Landry reported they had not returned the actual addendum when bidding on projects for Public Works or the City of Ottawa. She explained she reviewed the checklist and confirmed with the Ottawa Construction Association whether the addendum was to be included in the price. However, she interpreted "to include the addendum" meant in the price, not a copy of the actual addendum in the bid package.

Ms. Landry explained that for projects with the City of Ottawa or Public Works, the successful contractor must complete the project within the price provided in their bid documents, notwithstanding the consideration of the addendum or not.

Councillor Hill referenced Section 4.6.5. of the Corporate Policy Manual which allowed the Committee to waive any irregularity in a tender. Mr. Cantello confirmed this Section, but emphasized that the Region had a long history of following the tender guidelines. Councillor Hill stated she would support the low tender in this case.

Councillor Stewart acknowledged Ms. Landry's position, however, expressed concern with maintaining the integrity of the tendering system. The Councillor stated it would be difficult to hold contractors to their price and scope of work without such a system. Councillor Stewart believed too many contract irregularities were coming before the Committee and felt the rules should be followed. In closing, Councillor Stewart stated she would support the staff recommendation.

Councillor Hill put forward a motion to accept the low bid. She believed it was in the best interest of the taxpayer, and pointed out it was a clerical error and a similar situation had been recognized in the past.



Councillor Hunter expressed support for Councillor Hill's motion. He believed the addendum was considered in the price, but inadvertently left out of the bid package. He pointed out the contractor had every intent to honour their price.

Councillor van den Ham reiterated Councillor Stewart's concern regarding the integrity of the system. He acknowledged the oversight and the severity depended on each individual case, but believed omitting the addendum from the bid package was more critical and had a greater consequence.

Chair Clark stated he also supported the staff recommendation, as the tender guidelines were developed in conjunction with the Construction Associations. He confirmed the Committee did have the ability to change the recommendation for reason of a clerical error. However, he pointed out that when the tender was publicly opened, it was not clear the addendum/changes had been considered and staff could not make that assumption. In closing, he stated the rules had a purpose and it was necessary to adhere to them.

The Committee then considered Councillor Hill's motion.

Moved by B. Hill

**That the Corporate Services and Economic Development Committee and Council approve:**

- 1. The award of Contract No. CW-6012 to Landry Mechanical Services Limited, Nepean, for the upgrades to the existing Carlington Heights Pumping Station, for a total contract provision of \$259,382;**
- 2. The next phase to Contract No. CC-5050 with Acres & Associated Environmental Limited, Etobicoke, for contract administration and construction inspection services for the upgrades to the Carlington Heights Pumping Station in the amount of \$44,726, bringing the revised total contract provision to \$84,726.**

CARRIED as amended

YEAS: M. Bellemare, B. Hill, P. Hume, G. Hunter .... 4

NAYS: W. Stewart, R. van den Ham, P. Clark .... 3

3. CARLINGTON HEIGHTS PUMPING STATION  
PUMP IMPELLER REPLACEMENT  
CONTRACT CW-6011 - CONTRACT AWARD  
- Environment and Transportation Commissioner's report dated 20 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve the award of Contract No. CW-6011 to John Brooks Company Limited, Mississauga, for the replacement of the pump impellers for the existing Carlington Heights Pumping Station, for a total contract provision of \$140, 972.**

CARRIED

4. GLEN CAIRN TRUNK SEWER REPLACEMENT - PHASE 1  
CONSULTANT SERVICES - CONTRACT NO. CC-4126 - NEXT PHASE  
- Environment and Transportation Commissioner's report dated 16 Sep 96

Councillor van den Ham referenced the Financial Statement in the report and inquired what the \$6,013,017 (Total Paid & Committed) represented when the report was to be Phase I of the sewer replacement. W. Bennett, Manager, Wastewater and Solid Waste Projects, responded the figure represented the total project for the Western Growth Area which had been ongoing for three to four years. He added the subject project was to be funded from that budget allocation.

With regard to "Balance Remaining", Councillor van den Ham requested that for future contract award and consultant appointment reports, further information such as specifics or a breakdown on what was to be funded from that balance be provided. He believed that would be beneficial in that Council would then have an idea of what would be coming in the future. M. Sheflin, Environment and Transportation Commissioner, explained the project was reviewed with the Councillor for the ward, but that information could be included in future reports.

Chair Clark suggested it would be more appropriate to provide an information report which outlined the list of capital projects, their approved budgets to date and specific information on the balances remaining and future projects that would be funded from that budget balance. Mr. Sheflin agreed to provide the information report to the Committee.

Councillor Hill expressed concern with the expenditure justification which stated the replacement of the existing sewer was required to address serious hydraulic and structural problems. The Councillor expressed concern that the original sewer probably did not last its intended lifespan and was not older than fifty years. Chair Clark explained the sewer

was built prior to the creation of the Regional Municipality of Ottawa-Carleton and had since been assumed by the Region. Mr. Sheflin agreed staff must be extremely diligent when dealing with these type of works and infrastructure.

**That the Corporate Services and Economic Development Committee and Council approve the extension and next phase to Contract CC-4126 with Robinson Consultants Inc., Kanata, to include additional design services for Phase 1 and 2, and contract administration and construction inspection services for Phase 1, for the Glen Cairn Trunk Sewer Replacement, in the amount of \$341,330, bringing the revised total contract provision to \$625,330.**

CARRIED

5. **COMPOSTING FACILITIES**  
**CONTRACT NOS. CE-6167 AND C6167A - CONTRACT AWARDS**  
- Environment and Transportation Commissioner's report dated 24 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve the award of the following contracts to provide residential leaf and yard waste from the east end of the Regional Municipality of Ottawa-Carleton (RMOC), as an amendment material to compost Industrial, Commercial and Institutional (IC&I) food waste. Contract CE-6167 to be awarded to WCI Waste Conversion Inc., Gloucester, for \$140,438, and Contract C-6167A to Ottawa Valley Farms Inc., Navan, for \$152,475, for a total contract provision of \$292,913.**

CARRIED

6. **EAST SECTOR SNOW REMOVAL CONTRACT FOR THE**  
**WATER ENVIRONMENT PROTECTION DIVISION**  
**CONTRACT NO: M.037-041-T1/94 - CONTRACT EXTENSION AWARD**  
- Environment and Transportation Commissioner's report dated 25 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve the one year extension of Tender No. M.037-041-T1/94 for snow removal services at the Robert O. Pickard Environmental Centre and the east end pumping stations/maintenance locations to Goldie Mohr Ltd., Nepean, in the amount of \$88,026.88.**

CARRIED

7. **JANITORIAL SERVICES CONTRACT**  
**TENDER M.0910-39-T1/96 - CONTRACT AWARD**  
- Environment and Transportation Commissioner's report dated 25 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve the award of a two year (01 November 1996 to 31 October 1998) cleaning contract, Tender M. 0910-39-T1/96 for Facility Cleaning Services at the Robert O. Pickard Environmental Centre, to Ability Janitorial Services Limited, Ottawa, in the amount of \$342,704.62.**

CARRIED

*TRANSPORTATION*

8. **CO-OPERATIVE TENDER M-057-090-T1/94 EXTENSION OF**  
**1994 COARSE CRUSHED ROCK SALT CONTRACT**  
- Environment and Transportation Commissioner's report dated 26 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve a one year extension of the 1994/95 joint Area Municipal contract for the purchase of coarse crushed rock salt from the Canadian Salt Company, Mississauga at a unit price of \$59.73 per tonne. The total RMOC portion of the contract is highly dependent upon the winter season, but is estimated at \$2,000,000.**

CARRIED

9. **REGIONAL RADIO COMMUNICATIONS SYSTEM**  
**DELEGATED AUTHORITY LIMITS**  
- Environment and Transportation Commissioner's report dated 24 Sep 96

**That the Corporate Services and Economic Development Committee and Council approve the revised delegated authority limits outlined in this report for the award of supply and construction contracts for the Regional Radio Communications System Project.**

CARRIED

ENVIRONMENT AND TRANSPORTATION/FINANCE

10. CANADA-ONTARIO INFRASTRUCTURE WORKS  
PROGRAMME - PROJECT PRE-COMMITMENT/  
CAPITAL SUBSIDY REALLOCATION  
- Joint Environment and Transportation Commissioner and  
Finance Commissioner's report dated 24 Sep 96

Councillor van den Ham inquired if it was not possible to proceed with the projects using the surplus with a form of a written agreement rather than waiting for approval of another Canada-Ontario Infrastructure Works Program (COIWP). In response, M. Sheflin, Environment and Transportation Commissioner, confirmed that the savings achieved by the excellent prices could not be automatically transferred, but agreement must be sought from the Federal Government. Chair Clark added it was not advisable to wait for another opportunity/program, as there may or may not be one.

In response to a question from Councillor van den Ham regarding the surplus funds should there not be a second COIWP, Mr. Sheflin hoped the money would not have to be returned to the Provincial and Federal governments, but was unable to confirm at this time.

**That the Corporate Services and Economic Development Committee recommend Council approve:**

- 1. Submission of an application to the Canada-Ontario Infrastructure Works Programme for approval of Project 912-30718, Laurier Avenue Rehabilitation from Nicholas to Charlotte;**
- 2. The enactment of a By-law approving the Laurier Avenue Rehabilitation (Annex A);**
- 3. A pre-commitment to the 1997 Capital Budget for the above project in the amount of \$4,444,000 gross authority, \$1,397,000 net Regional requirement (Annex B) and the reallocation of surplus Federal/Provincial subsidy in the amount of \$3,047,333 from various COIW projects (Annex C), subject to approval of the Laurier Avenue project by the Canada-Ontario Infrastructure Works Programme;**

- 4. The reallocation of surplus Federal/Provincial subsidy in the amount of \$530,000 from various COIW projects to Project 912-30667, St. Joseph Boulevard Reconstruction (Annex C).**

CARRIED

FINANCE

11. 1997 DRAFT OPERATING AND CAPITAL ESTIMATES  
PROPOSED TIMETABLE  
- Finance Commissioner's report dated 20 Sep 96

**That the Corporate Services and Economic Development Committee recommend Council approve the proposed timetable as presented in Annex A for the tabling and review of the 1997 draft operating and capital estimates.**

CARRIED

12. CASH INVESTMENTS AND LOANS RECEIVABLE  
- Finance Commissioner's report dated 30 Sep 96

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

REGIONAL CHAIR

13. RESEARCH PARK TASK FORCE REPORT  
- Regional Chair's report dated 24 Sep 96  
- Research Park Task Force Final Report dated Aug 96 issued separately

**That the Corporate Services and Economic Development Committee and Council receive the Research Park Task Force Report and consider the recommendations and proposed action plan contained therein.**

RECEIVED

14. REQUEST TO THE PROVINCIAL GOVERNMENT  
BY LOCAL LOEB FRANCHISEES FOR  
THE ENACTMENT OF FRANCHISE LEGISLATION  
- Regional Chair's report dated 09 Oct 96

*Mr. Norm Tremblay, Loeb St. Laurent and Mr. Marshall, Loeb Meadowlands*, addressed the Committee on this item. Mr. Tremblay explained the situation between the Loeb franchisees and franchisor had resulted in a legal suit being brought by the local Loeb franchisees against Loeb Inc., the franchisor. Mr. Tremblay recognized the legal issue would be settled by the courts, however, he explained they wanted to take advantage of the issue to request the Provincial Government to enact franchise legislation. Mr. Tremblay suggested that if legislation existed, many of the difficulties faced by the Loeb franchisees could have been avoided.

In summary, Mr. Tremblay pointed out that if successful in obtaining franchise legislation, it would not be enacted in time to resolve their current legal dispute. However, he believed it was necessary to ensure that the same difficulties and problems not be experienced by other franchisees and small business in this relationship. He pointed out similar support for the enactment of legislation had been obtained from a number of municipalities in the Province, including the Cities of Ottawa and Nepean.

Councillor Hume inquired what the franchisees wanted the legislation to provide. Mr. Tremblay explained they had submitted documentation to the government requesting four major elements be included in the franchise legislation. Mr. Tremblay reviewed the four elements as follows:

1. bargaining in good faith;
2. financial disclosure on the part of both parties;
3. a dispute resolution mechanism obligation; and
4. both parties act in similar manner to achieve reasonable commercial results.

Mr. Tremblay indicated that other associations such as the Automobile Dealers Association were also lobbying the government for legislation as a result of numerous disputes that had arose between the franchisee and franchisor over the years.

Speaking to the franchise agreement and a question from Councillor Hume, Mr. Tremblay explained that 99% of the agreement content was non-negotiable, and it represented a "take it or leave it" situation. Mr. Tremblay further explained the franchisor should not be able to use the contract to oppress the franchisee.

Mr. Marshall reported that the Ontario Franchise Coalition had submitted a report to the Minister of Consumer and Commercial Relations, the Honourable David Tsubouchi, who

had subsequently taken the report across Canada to Provincial Minister's to obtain their support as well. Mr. Marshall confirmed the Minister supported the principles reviewed by Mr. Tremblay, but was unable to bring it before the House at this point in time.

Mr. Tremblay explained when the franchise contract was entered into, there was a notion of good faith and a promise to exercise due diligence so the contract would be beneficial to both parties. However, Mr. Tremblay explained there was no legislation to protect the franchisee when the franchisor decided to terminate the contract with no cause and acted in bad faith.

Councillor Hume pointed out that termination with notice without cause was a standard clause build into the financial arrangements of a contract and was used by the Regional Corporation and other major corporations across Canada. Mr. Tremblay agreed, however, noted the financial aspect of termination without cause was not in their franchise agreement. Mr. Marshall added that many years had been spent attempting to negotiate a settlement, but was unsuccessful. Mr. Marshall stated the parent company of Loeb Inc., that being Provigo Inc., had since experienced management changes which resulted in many of the individuals who signed the agreements and provided assurances were no longer available.

*Mr. David McFarlane, Director of Franchise Development, Loeb Inc.,* stated the report before the Committee related to a legal dispute between the franchisor and the franchisee and the landlord and tenant, both matters which were before the court. Mr. McFarlane explained Loeb Inc. urged Committee to not become involved in the dispute, but to let the judicial system settle the matter.

Speaking to the motion, Mr. McFarlane stated it was bias and if approved, would be publicly used and seen as support for the franchisees. He pointed out that Loeb Inc. had been present in Ottawa-Carleton longer than the franchisees and had played an equal, if not larger role, in the community through the support of charities, employment and purchasing of goods and services. With regard to the need for franchise legislation, Mr. McFarlane pointed out the Minister had indicated legislation would eventually be developed and Loeb Inc. would support legislation that was balanced and fair. However, he emphasized this legislation would not solve the legal issues between the Loeb franchisees and Loeb Inc. as it would not be retroactive. In closing, Mr. McFarlane believed it more appropriate the Region encourage outside investment and development in the Region in balance with local ownership.



Chair Clark suggested amending the motion to be neutral by including "Loeb Inc." in the statement of support for numerous charities and causes in Ottawa-Carleton and the deletion of the words "local small" from the statement regarding employment of staff and purchased goods and services.

In response to a question from Councillor Cullen, Mr. McFarlane confirmed Loeb Inc. was not concerned with Regional Council requesting the government to enact franchise legislation that was fair to both the franchisee and the franchisor. Councillor Cullen did not believe the motion statement regarding Council's support for local business ownership implied that Council was not supportive of outside investment. In summary, Councillor Cullen believed the report was simply an appeal to the government for fair legislation and encouraged Committee to support the motion.

Councillor Bellemare agreed there was a need for a fair resolution mechanism and for clear terms to minimize future disputes. Councillor Bellemare noted the current dispute was not a matter for Council to comment on and sides should not be taken. However, he suggested it was appropriate to encourage the Provincial Government to provide a fair legislated framework for the industry. He suggested the motion be amended to delete reference to the Loeb situation.

Councillor Hunter stated he supported the motion as in the staff report, with the Chair's recommended amendments. The Councillor referenced a Sunday evening protest on behalf of Loeb Meadowlands and the interest in the community to interject their opinions and views on behalf of the franchisee. Councillor Hunter stated it was his responsibility to do the small bit he could to represent their views.

Moved by M. Bellemare

**That the following text be deleted from the report recommendation:**

**WHEREAS Loeb stores have been present in Ottawa-Carleton for many years playing an important role in communities;**

**AND WHEREAS the Loeb stores have supported numerous charities and worthwhile causes in Ottawa-Carleton;**

**AND WHEREAS these local small businesses have employed many staff and purchased goods and services from other local businesses;**

CARRIED

YEAS: M. Bellemare, B. Hill, P. Hume, R. van den Ham .... 4  
NAYS: G. Hunter, W. Stewart, P. Clark .... 3

The Committee then considered the staff recommendation as amended.

Moved by M. Bellemare

**That the Corporate Services and Economic Development Committee recommend Council approve the following motion and direct the Regional Clerk to forward it to the Ontario Minister of Consumer and Commercial Relations and the Premier of Ontario:**

**WHEREAS Ontario does not have legislation which deals exclusively with franchising yet a major mechanism for conducting retail business is through the franchisor-franchisee relationship;**

**THEREFORE BE IT RESOLVED that Council strongly supports local ownership of businesses;**

**BE IT FURTHER RESOLVED that the Council request that the Minister of Consumer and Commercial Relations enact franchise legislation that will be fair to both franchisor and franchisee and will contribute to avoiding disputes between the parties.**

CARRIED as amended  
(B. Hill and P. Hume dissented)

#### COUNCILLORS' ITEMS

15. DEVELOPMENT CHARGES  
RELOCATION OF MOBILE HOMES  
- Councillor Robert van den Ham's report dated 23 Sep 96

*Mr. Micheal McEvoy, Lynnwood Gardens Trailer Park, stated he was the recent owner of the Lynnwood Gardens Trailer Park; a Park previously poorly managed and struck with environmental problems. Mr. McEvoy reported nine trailers had relocated from Lynnwood to another park, Meadowlands Gardens Trailer Park which was also located in the Township of Osgoode. He further explained that the Township of Osgoode requested the Region to provide an interpretation of the imposition of Regional Development Charges (RDC) in this situation. Mr. McEvoy explained the Region decided the*

Meadowlands Park would be exempt from RDC's, however, any trailers to be added or if the nine lots were reoccupied at the Lynnwood Park, they would be subject to RDC's.

Mr. McEvoy stated he had studied the RMOC by-laws which read the RDC's were related to costs associated with the development of undeveloped land and the preparation of land and facilities to accommodate a mobile home incurred costs. Mr. McEvoy further read that a mobile home in itself did not incur Regional Development costs, but it was the land that incurred costs. In closing, Mr. McEvoy read that lot levies should not be applied to sites previously approved and developed for mobile homes, as to do so would be a retroactive measure, and retroactivity was not commonly applied by government when new regulations and laws were introduced.

Mr. McEvoy pointed out the Meadowlands Garden Park was a new development and recently had ninety-two lots approved. However, subject to the Region's interpretation, they would receive an exemption on nine lots due to the relocating of the trailers. In closing, he stated it was his understanding that when new development was developed, RDC's would apply to that new development.

T. Marc, RMOC Solicitor, reported that when the case arose in March 96, it was necessary for staff to make an interpretation of the by-law. Mr. Marc explained the basic premise for the imposition of RDC's was growth and if growth occurred, then RDC's were imposed. This he said would be the case when the lots at Lynnwood were re-occupied.

In response to a question from Councillor Hunter, Mr. Marc stated that if the nine units were to relocate outside the RMOC and nine new units came to Lynnwood Gardens, RDC's would not apply as there was no new growth in the Region. Mr. Marc confirmed it was the creation of the dwelling unit that caused RDC's to be imposed. He pointed out that moving the nine units from Lynnwood to Meadowlands did not result in the creation of any additional dwelling units, however, when they were subsequently replaced at Lynnwood, new dwelling units would be created.

Councillor van den Ham agreed that new growth resulted in RDC's, however, believed that when an individual had developed a mobile home park, he had paid his initial development fees. Councillor van den Ham explained it was the creation of a house, not a lot, that resulted in RDC's. He pointed out it was not possible to collect RDC's from lots as they were subject to change such as through re-zoning prior to construction.

In response to an inquiry from Councillor van den Ham, Mr. Marc confirmed if an owner was to demolished one of two homes on his property, a credit, not a rebate, would be issued which could then be used toward the construction of a new home.

In response to a question from Chair Clark, Mr. McEvoy assumed the nine units moved from the Lynnwood Park was due to previous environmental problems and mismanagement. Mr. McEvoy expressed concern that the Meadowlands Park was exempted nine lots and he had been penalized for the same. He emphasized that this was a policy decision that would effect all trailer parks in the Region, and noted the nine lots were designed as part of the Lynnwood Park and were subject to tax.

Councillor van den Ham moved a motion that coincided with the credit given for the rebuilding of a home that had been moved or demolished.

Chair Clark stated the growth was created at the time the Meadowlands Park was approved and suggested that Lynnwood not be subject to RDC's on the existing lots. The Chair suggested the need for an interpretation and policy to be considered in conjunction with the review of the RDC by-law.

Moved by R. van den Ham

**That the Corporate Services and Economic Development Committee recommend Council approve that the Lynnwood Homes Trailer Park in Edwards, within the Township of Osgoode, not be charged with Regional Development Fees for the nine lots vacated for a period of two years from today (October 15, 1996).**

CARRIED as amended

16. INVITATION TO THE CANADA-TAIWAN BUSINESS  
ASSOCIATION TO HOLD THEIR 1999 ANNUAL MEETING  
IN OTTAWA-CARLETON

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- Councillor David Pratt's report dated 04 Oct 96

Councillor Pratt stated he believed this initiative was important for continued economic development and referenced the Regional Chair's visit to the East in 1995. The Councillor believed there was more the Region could be doing with the Taiwanese in terms of trade, and pointed out the same interest had been expressed by the Taiwanese regarding relations with Canada.

Councillor Stewart inquired if there would be a requirement to endorse a financial commitment at this point and pointed out the inability of Council to precommit future Council budgets. Chair Clark confirmed a financial commitment was not required and explained it was more a question of whether there was political support to have the Association hold their meeting in Ottawa-Carleton.

Councillor Legendre referenced the report recommendation and the concept the Ottawa-Carleton Economic Development Corporation (OCEDCO) and Ottawa Tourism and Convention Authority (OTCA) support be sought. He suggested this step and support should be the first step or action taken prior to Committee and Council considering of the report. Councillor Legendre believed it more appropriate to refer the item to those economic development agencies, and if they agreed it was useful that an invitation be extended from Council, that the request and suggestion come from OCEDCO and OTCA.

In response, Councillor Pratt explained he originally suggested in the spring of 96 that a representative of OCEDCO or OTCA attend the Festival Canada which was held in Taiwan in April 96. He believed this would have provided for an opportunity to gather information and to be in a position to put in a bid for the next year's event. The Councillor further explained Winnipeg acted quicker and was the successful candidate to hold the event in 1997. As an alternative, Councillor Pratt explained he further investigated the subject matter, and confirmed OCEDCO was fully aware and supportive of the initiative. Councillor Pratt stated it was a political decision of whether Council extend the invitation to the Association, and noted the approved Council resolution would significantly represent the Region's support to bring the event to Ottawa-Carleton in 1999.

The Committee then considered the report recommendation.

**That the Corporate Services and Economic Development Committee recommend Council approve that an invitation be extended to the Canada-Taiwan Business Association to hold their Annual General Meeting in Ottawa-Carleton in 1999, and that the support of Ottawa-Carleton Economic Development Corporation and Ottawa Tourism and Convention Authority be sought in terms of bringing this event to our community.**

INFORMATION PREVIOUSLY DISTRIBUTED

CHIEF ADMINISTRATIVE OFFICER

1. Delegated Authority Monthly Report - September 1996  
(As Per *Corporate Policy Manual* Section 4.6.7.4)  
- Chief Administrative Officer's memorandum dated 03 Oct 96

CHIEF ADMINISTRATIVE OFFICER/FINANCE

2. Supply Management - Progress Update  
- Joint Chief Administrative Officer and Finance Commissioner's memorandum dated 02 Oct 96

ENVIRONMENT AND TRANSPORTATION

*TRANSPORTATION*

3. 160 Lees Avenue  
Environmental Management Plan - Remedial Action  
- Environment and Transportation Commissioner's memorandum dated 10 Sep 96
4. Cummings Bridge - Fish Habitat  
(In Accordance with Corporate Policy Manual Section 4.6.9)  
- Environment and Transportation Commissioner's memorandum dated 27 Sep 96

REGIONAL CLERK

5. Record of Tender Openings  
for the Month of September 1996  
(As Per Corporate Policy Manual Section 4.6.6)  
- Regional Clerk's memorandum dated 04 Oct 96

CONFIDENTIAL INFORMATION DISTRIBUTED

1. CARLINGTON HEIGHTS PUMPING STATION UPGRADE  
CONTRACT NOS. CW-6012 AND CC-5050 - CONTRACT AWARDS  
(Reference Item No. 2 of Regular Agenda)  
- Regional Solicitor's legal opinion dated 9 Oct 96
2. CARLINGTON HEIGHTS PUMPING STATION  
PUMP IMPELLER REPLACEMENT  
CONTRACT CW-6011 - CONTRACT AWARD  
(Reference Item No. 3 of Regular Agenda)  
- Regional Solicitor's legal opinion dated 9 Oct 96

OTHER BUSINESS

Chair Clark reported the OC Transpo Commission had previously approved the installation of a few small convenience stores to be located in the transitway stations for the convenience of riders. However, he pointed out it was discovered at the time to sign the lease that the owner of the property was the Regional Municipality of Ottawa-Carleton. As a result, Chair Clark reported the OC Transpo Commission, at their meeting of 16 Oct 96, would be considering a report requesting Council approve the delegation of authority to the Commission to act as Property Manager over Transitway property. Chair Clark informed the Committee the report may then be waived onto the Council meeting of 23 Oct 96 in order to deal with the timing constraints of construction requirements.

ADJOURNMENT

The meeting adjourned at 6:10 p.m.

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CO-ORDINATOR

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CHAIR