



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, January 5, 2015, 2:00 p.m.

Council Chamber, City Hall

Committee:

Councillor T. Paulsen, Chair, Councillor A. Iwanchuk, Vice-Chair, Councillor C. Clark, Councillor R. Donauer, Councillor E. Olauson, His Worship Mayor D. Atchison (Ex-Officio)

Pages

1. CALL TO ORDER
2. CONFIRMATION OF AGENDA
3. ADOPTION OF MINUTES
 - 3.1 Minutes of regular meeting of the Standing Policy Committee on Finance held on December 1, 2014.
4. UNFINISHED BUSINESS
5. COMMUNICATIONS (requiring the direction of the Committee)
 - 5.1 Delegated Authority Matters
 - 5.2 Matters Requiring Direction
 - 5.3 Requests to Speak (new matters)
6. REPORTS FROM ADMINISTRATION
 - 6.1 Delegated Authority Matters
 - 6.1.1 Public Tender of Single-Family Lots - Evergreen Phase 8 and Kensington Phase 2 - Pilot Project 3 - 14

** Requests to speak:

 - Dave Hepburn, Saskatoon & Region Home Builders' Association
 - Wayne Halabura, Montana Homes

Recommendation

1. That Mr. Hepburn and Mr. Halabura be heard and that the communications be received as information;
2. That the Director of Saskatoon Land be authorized to sell groups of single-family lots prior to 2015 lot draws to the highest bidder through a public tender process with reserve bid prices on an extended trial basis for one year;
3. That bids only be accepted from Eligible Contractors in good standing under the criteria established by Saskatoon Land; and
4. That the process of selling single-family lot groupings by public tender be re-evaluated in the fall of 2015.

6.2 Matters Requiring Direction

6.2.1 Printing Equipment - Request for Proposal Award

15 - 17

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That a contract with Xerox Canada Ltd. for the supply of printing equipment for a total fee of \$164,951 plus applicable taxes be approved; and
2. That Purchasing Services be authorized to issue the necessary Purchase Order.

7. URGENT BUSINESS

8. MOTIONS (notice previously given)

9. GIVING NOTICE

10. ADJOURNMENT

Public Tender of Single-Family Lots - Evergreen Phase 8 and Kensington Phase 2 - Pilot Project

Recommendation

1. That the Director of Saskatoon Land be authorized to sell groups of single-family lots prior to 2015 lot draws to the highest bidder through a public tender process with reserve bid prices on an extended trial basis for one year;
2. That bids only be accepted from Eligible Contractors in good standing under the criteria established by Saskatoon Land; and
3. That the process of selling single-family lot groupings by public tender be re-evaluated in the fall of 2015.

Topic and Purpose

The purpose of this report is to advise the Standing Policy Committee on Finance of the results and feedback received on the trial single-family lot tenders that were held throughout 2014, and outline options for continued use of the process in 2015 lot offerings.

Report Highlights

1. The results of the single-family tender were positive with bids being received on all of the groupings.
2. Opinions of the overall satisfaction of the tender varied between the size of the contractor, with an overall majority response of neutral satisfaction.
3. Saskatoon Land is recommending an extension of the trial period for single-family lot groupings to further refine the process prior to deciding whether or not to routinely use single-family tenders to allocate lots.

Strategic Goals

This report supports the long-term strategy to provide a coordinated approach to customer service with quick and accurate responses under the Strategic Goal of Continuous Improvement.

This report also supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

Background

In order to accommodate demand from Eligible Contractors who desire access to more lots to grow their businesses, City Council, at its meeting held on December 2, 2013, approved a trial public tender process of offering groupings of single-family lots to the highest bidder in Evergreen Phase 8 and Kensington Phase 2.

Prior to proceeding with the public tendering of single-family lots, the Administration engaged a small selection of Saskatoon Land's Eligible Contractors to assist in the selection of lot groupings. The Administration selected two or three groupings in each neighbourhood of between three and ten single-family lots that were awarded to the highest bidder through a public-tender process. The public tenders were held prior to the normal lot draws and lots not sold through the tender process were to be allocated through the normal lot draw process.

Lots selected to be part of the tender process were presented to City Council for pricing prior to the tender occurring.

Payment terms for successful bidders were similar to the terms used for lots acquired through the normal lot draw process:

- 13% down payment on final sale price of the lot groupings; and
- 8 months to pay out the remaining balance on the lots.

One exception to the above terms is that all lots sold through the public-tender process are considered final sale. Returns of public tendered single-family lots are not to be permitted.

As the current Residential Lot Sales General Policy only allows single-family lots to be offered for sale by lot draw, approval from the Standing Policy Committee on Finance will be required prior to extending the trial period an additional year.

Report

Single Family Tender Results

On March 26, 2014, the three Kensington lot packages (Attachment 1) all sold for above the reserve bid price, with two of the bundles receiving multiple bids. On April 23, 2014, all five Evergreen lot packages (Attachment 2) also sold for above the reserve bid price, with packages receiving as many as seven bids. Due to incorrect pricing on two of the Evergreen lot packages, the original bids were forfeited and the packages were retendered. One of the retendered packages was purchased through the tender process, and the second package was purchased over-the-counter after receiving no bids.

Single Family Tender Feedback

Saskatoon Land surveyed its Eligible Contractors in October 2014 to receive feedback regarding the trial public tender of single-family lots. Saskatoon Land also requested feedback from the Saskatoon & Region Home Builders' Association, Inc. (Attachment 3). Opinions of the overall satisfaction of the tender process varied between the size of the contractor (Attachment 4).

Smaller builders (those who purchase one to four or five to nine lots per year) answered with a majority of neutral satisfaction with the single-family tender. Many of these respondents indicated they would participate in future tenders if small groupings were

offered. Both of the trial single-family tenders offered small groupings of three or four lots, receiving minimal bids from small builders. This indicates that better communication and explanation of the tender process needs to be implemented going forward to enhance the success of single-family tenders within this group of respondents.

Larger builders (those who purchase 10 - 20 or greater than 20 lots per year) also answered with a majority of neutral satisfaction. However, many of the respondents in this category commented that they preferred only to have larger groupings and to set more restrictions on which contractors are eligible to participate.

Single-Family Trial Extension

Saskatoon Land would benefit from an additional trial year of single-family public tenders in the 2015 development phases. With applying the knowledge and experience gained through the first trial period, the satisfaction and support is likely to increase.

Options to the Recommendation

One option would be to not repeat the trial period of public tenders of single-family lots in the 2015 development phase, and solely use the process of allocating land through the lot draw process.

Another option would be to repeat the trial period of public tenders of single-family lots in the 2015 development phase with modifications such as setting a hidden reserve, and limiting the participant list to contractors that meet specific criteria.

Public and/or Stakeholder Involvement

Prior to proceeding with the trial period of public tendering of single-family lots in Kensington Phase 2 and Evergreen Phase 8, the Administration engaged a small selection of Saskatoon Land's Eligible Contractors to assist in the selection of lot groupings. Saskatoon Land surveyed its Eligible Contractors in October 2014 to receive feedback regarding the trial process and also requested feedback from the Saskatoon & Region Home Builders' Association, Inc.

Communication Plan

A communication plan is not required at this time. However, prior to a public meeting of the Standing Policy Committee on Finance in January 2015, all Eligible Contractors will be advised of the preferred recommendation of the Committee and will be invited to attend the meeting and provide feedback.

Policy Implications

There are no immediate policy implications, as the change is being recommended on a secondary trial basis only for the 2015 development phases.

Financial Implications

A sale through public tender allows for the market to set the value for the lots, which could result in a greater return for the City.

Other Considerations/Implications

There are no environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

A further report documenting the results of the 2015 single-family lot tenders will be presented to the Standing Policy Committee on Finance in fall 2015.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Kensington Phase 2 Tender Lots
2. Evergreen Phase 8 Tender Lots
3. Letter from Saskatoon & Region Home Builders' Association, Inc. - November 13, 2014
4. Overall Single-Family Tender Satisfaction

Report Approval

Written by: Chelsea Mamer, Staff Accountant, Saskatoon Land

Reviewed by: Keith Pfeil, Acting Director of Saskatoon Land

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Catherine Gryba, Acting City Manager

Public Tender_Evergreen and Kensington_Pilot Project .docx



Phase 2 - Lots offered through Public Tender

Legend

- Lot Grouping A** (7 lots)
- Lot Grouping B** (4 lots)
- Lot Grouping C** (3 lots)

- 3m easement
- Type II Care Home, Pre-School, Child Care Centre
- Single Family
- Multi - Family Street Townhouse
- Multi - Family Apartment Style
- 5m easement
- Lot #
- Utility Pedestal
- Transformer
- Garage Side Placement
- Corner Garage Placement
- Block Number
- 123
- 103

14 lots within three groupings for sale through public tender on Kensington Road, Bentley Manor, Bentley Lane & Bentley Court



City of Saskatoon

Saskatoon Land - March 2014

Note: Saskatoon Land does not guarantee the accuracy of this plan. To ensure accuracy, please refer to the registered plan of survey. This plan is not to scale. Distances are in metres unless shown otherwise. This is not a legal plan. Lot dimensions and the locations of other features are compiled from available information and are subject to change without notice. For verification, please check with the appropriate authority.





**Saskatoon
& Region**
Home Builders'
Association, Inc.

#2-3012 Louise Street
Saskatoon, SK Canada S7J 3L8
Phone: 306.955.5188
Fax: 306.373.3735
Toll Free: 1.888.955.5188
info@saskatoonhomebuilders.com
www.saskatoonhomebuilders.com

SASKATCHEWAN

November 13, 2014

Jeremy Meinema, CGA
Finance and Sales Manager, Saskatoon Land
201 3rd Avenue North
Saskatoon SK S7K 2H7

Dear Jeremy:

The Saskatoon & Region Home Builders' Association is appreciative of your correspondence dated November 5, 2014 requesting our feedback on the trial single family lot tender process held earlier this year in Evergreen and Kensington. Through our Building Industry Liaison Committee, which represents our Association's 90+ builder members, it is our goal to establish a strong working relationship with Saskatoon Land, whereby the SRHBA is included in early discussions on potential changes to policy and procedures that affect residential construction in our city.

While our concern with the trial single family tender is not with the process itself; we do consider that there was a missed opportunity to become engaged on this issue in the preliminary stages. The Association, together with the Land Branch, can ensure a healthy, vibrant housing industry by collaborating on initiatives early on in order to work towards a process that would best meet the needs of our professional home builders who contribute greatly to our growing city and its' residents.

We understand that a survey is being conducted to elicit feedback from builders on their views of the lot tender process. The Association agrees that the builders themselves are best positioned to offer comment and opinion on the process, based on their experiences. The Association will support our members' recommendations and suggestions, as determined by the survey results.

The Association welcomes the City's valuable involvement and collaboration with the residential construction industry as we work together to satisfy the needs of this complex housing market. We look forward to continuing our partnership to foster real solutions that provide quality housing options in all of Saskatoon's neighborhoods.

Yours truly,

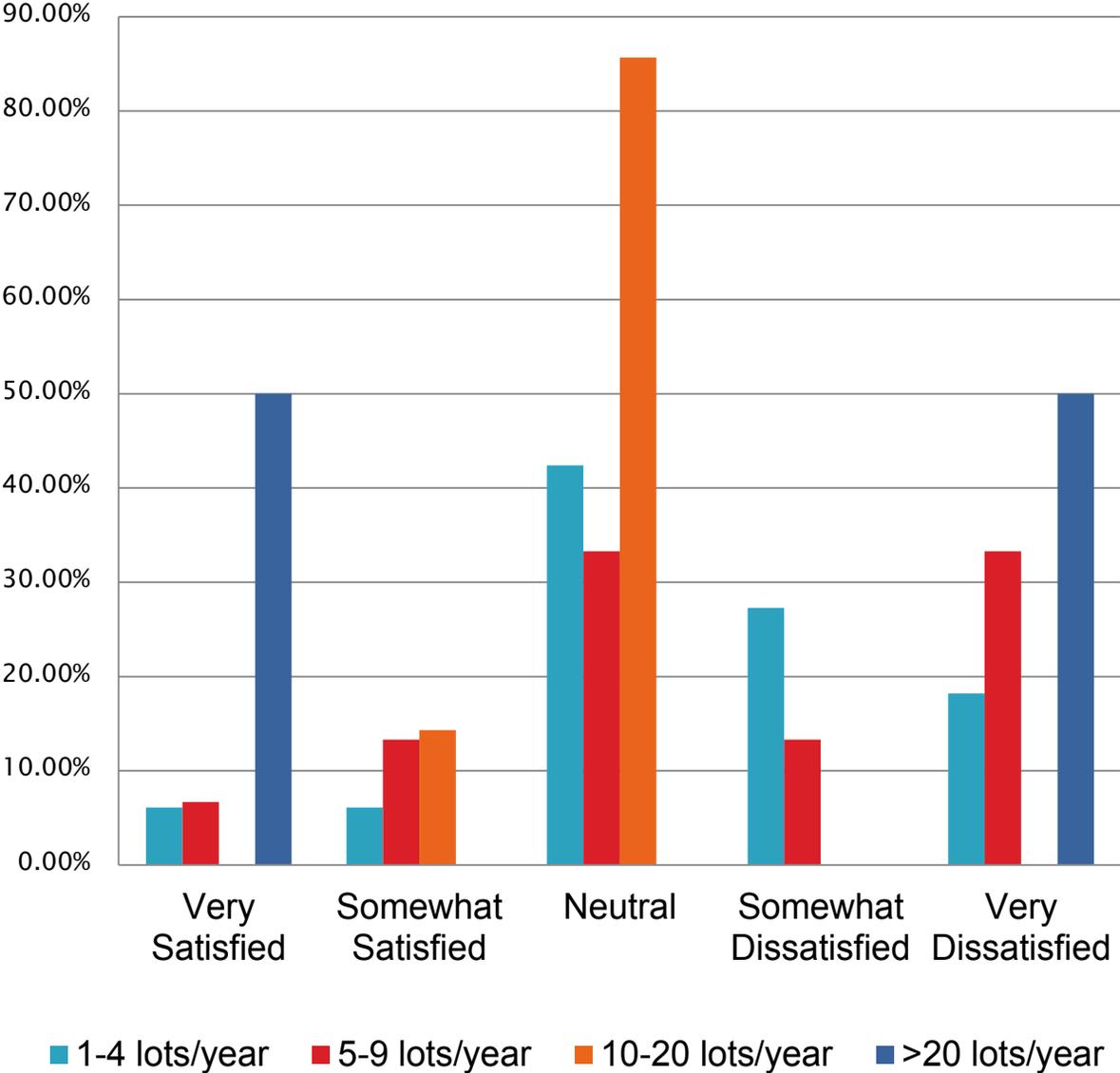
Per:

On behalf of:
Dave Hepburn
Chief Executive Officer

Building Confidence and Communities



Overall Single-Family Tender Satisfaction



Saskatoon Land Single-Family Tender Feedback

1. How many lots does your company purchase from Saskatoon Land on an annual basis?

Answer Options	Response Percent	Response Count
0	0.0%	0
1-4	63.9%	46
5-9	23.6%	17
10-20	9.7%	7
>20	2.8%	2
<i>answered question</i>		72
<i>skipped question</i>		0

2. To address requests from Eligible Contractors for bulk lot purchases, in the spring of 2014 Saskatoon Land offered a public tender of groups of single-family lots with reserve

Answer Options	Response Percent	Response Count
Yes	15.3%	11
No	84.7%	61
<i>answered question</i>		72
<i>skipped question</i>		0

3. How satisfied were you with the number of lots in the groupings?

Answer Options	Response Percent	Response Count
Very Satisfied	3.4%	2
Somewhat Satisfied	15.5%	9
Neutral	55.2%	32
Somewhat Dissatisfied	8.6%	5
Very Dissatisfied	17.2%	10
<i>answered question</i>		58
<i>skipped question</i>		14

4. How satisfied were you with the variation (size, configuration) of the types of lots in the groupings?

Answer Options	Response Percent	Response Count
Very Satisfied	3.5%	2
Somewhat Satisfied	14.0%	8
Neutral	63.2%	36
Somewhat Dissatisfied	10.5%	6
Very Dissatisfied	8.8%	5
<i>answered question</i>		57
<i>skipped question</i>		15

5. Overall, how satisfied were you with the trial of the single-family tender process?

Answer Options	Response Percent	Response Count
Very Satisfied	7.0%	4
Somewhat Satisfied	8.8%	5
Neutral	43.9%	25
Somewhat Dissatisfied	19.3%	11
Very Dissatisfied	21.1%	12
<i>answered question</i>		57
<i>skipped question</i>		15

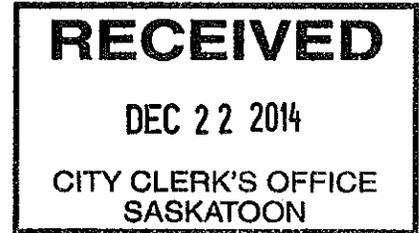
6. Should Saskatoon Land continue to offer bundles of single-family lots via tender to the market in the future?

Answer Options	Response Percent	Response Count
Yes	33.9%	20
No	66.1%	39
<i>answered question</i>		59
<i>skipped question</i>		13

7. If Saskatoon Land offers tenders of groups of single-family lots in the future would your company likely participate?

Answer Options	Response Percent	Response Count
Yes	35.1%	20
No	64.9%	37
<i>answered question</i>		57
<i>skipped question</i>		15

From: CityCouncilWebForm
Sent: December 22, 2014 2:53 PM
To: City Council
Subject: Write a Letter to City Council



TO HIS WORSHIP THE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

Dave Hepburn
2 - 3012 Louise Street
Saskatoon, Saskatchewan
S7J 3L8

EMAIL ADDRESS:

dhepburn@saskatoonhomebuilders.com

COMMENTS:

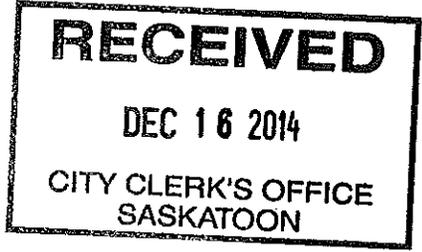
I wish to speak at the SPC on Finance Meeting, January 5th, 2015 at 2:00 pm on the "Public Tender of Single Family Lots" report to be presented by Saskatoon Land.

Thank you.

Dave Hepburn
Saskatoon & Region Home Builders' Association

4215-1

From: CityCouncilWebForm
Sent: December 15, 2014 8:44 PM
To: City Council
Subject: Write a Letter to City Council



TO HIS WORSHIP THE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

Wayne Halabura
Montana Homes
Saskatoon, Saskatchewan
S7t0M1

#3-311 Wellman Lane
Saskatoon, Sk.
S7T 0J1

EMAIL ADDRESS:

W.halabura@sasktel.net

COMMENTS:

I would like to speak to the Standing Policy Committee on Finance on January 5, 2015 at 2 pm with regard to the results of the tenders and Saskatoon Land's recommendation to continue the process on a trial basis for an additional year with changes.

Printing Equipment - Request for Proposal Award

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That a contract with Xerox Canada Ltd. for the supply of printing equipment for a total fee of \$164,951 plus applicable taxes be approved; and
2. That Purchasing Services be authorized to issue the necessary Purchase Order.

Topic and Purpose

The purpose of this report is to request City Council's approval to proceed with a contract with Xerox Canada Ltd. for the supply of the necessary printing equipment for use in Printing and Mail Services.

Report Highlights

1. Two pieces of printing equipment are at the end of its life, and a third piece is required to lower in-house pricing costs.
2. On September 16, 2014, the City of Saskatoon (City) issued a Request for Proposal (RFP) for Printing Equipment.
3. Your Administration is recommending Xerox Canada Ltd., the Preferred Proponent, be awarded the contract for the printing equipment.

Strategic Goals

This report supports the long-term strategies of increasing productivity by being more efficient in the way we do business, and leveraging technology and emerging trends to reach our goals, under the Strategic Goal of Continuous Improvement.

Background

Capital Reserve Bylaw No. 6774 includes a Printing and Mail Equipment Replacement Reserve. The purpose of this Reserve is to finance the cost to upgrade and replace necessary printing and mail equipment.

Report

The City's Printing and Mail Services provides a one-stop shop for the provision of production printing, customer printing, and mail delivery services within the corporation. Currently, there is a mix of in-house and outsourced print jobs.

If the recommended equipment is purchased, in 2015, Printing and Mail Services will have the equipment and resources to bring some outsourced printing jobs back in-house at lower costs.

New Printing Equipment Required

Two pieces of printing equipment (Nuvera 120EA and C75) have reached the end of its useful life, and the supplier of the existing equipment can only supply the necessary spare parts and service for a limited time. A third piece of equipment (DocuCutter 490) is also required which will allow for printing on larger paper and cutting the print job.

Printing Equipment – Request for Proposal Award

RFP for Printing Equipment

An RFP for Printing Equipment was issued on September 16, 2014, with a closing date of October 6, 2014.

The Administration received five responses to the RFP from the following companies:

- Imatron Office Solutions
- Konica Minolta
- Success Office Systems
- WBM Office Systems
- Xerox Canada Ltd.

The RFP Review Committee was comprised of the Manager, Buyer, and Printing and Mail Supervisor (Materials Management Section); and the Systems Training/Coordinator (IT Division). The Committee evaluated the proposals received based upon the following criteria as detailed in the RFP:

Category	Points
Qualifications & Experience	15
Equipment Proposed	20
Pricing	25
Service	20
Training	5
Value Added Benefits	10
References	5
TOTAL	100

The RFP award was not based solely on one factor. All factors were considered in the determination of the successful candidate.

Preferred Proponent

Upon the evaluation of all proposals submitted, the RFP Review Committee determined that the proposal submitted by Xerox Canada Ltd. achieved the highest score and meets the RFP requirements. Therefore, your Administration is recommending that the City purchase the required printing equipment from Xerox Canada Ltd. for \$164,951 plus applicable taxes as detailed below:

Description	Price
Nuvera 120EA	\$ 92,275
Xerox C75	\$ 56,488
DocuCutter 490	\$ 16,188
TOTAL	\$164,951

Options to the Recommendation

An option to the recommendation is to outsource the City’s printing jobs. This option is not recommended as it is more cost effective to provide in-house printing services to the corporation.

Public and/or Stakeholder Involvement

Suppliers will still receive printing business from the City as their equipment offers options that Printing and Mail Services cannot provide in a cost-effective manner.

Communication Plan

A Printing and Mail Services open house will be held to create awareness of the capabilities of the new printing equipment.

Communications will work with Printing and Mail Services to create a “Did You Know?” series to educate internal staff about the technical capabilities of the new printing equipment, expanding the type of printing that will now be able to be produced in-house. An update to staff will also be provided through the *Working Together* newsletter in spring 2015.

Financial Implications

The purchasing costs of \$164,951 are within the approved 2015 Capital Budget in the Corporate Governance and Finance Business Line.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

This request for proposal award will be completed once approval is obtained.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Linda Rauckman, Materials Management Manager
Reviewed by: Tim Halstead, Acting General Manager, Asset & Financial Management Department
Approved by: Murray Totland, City Manager

Printing Equipment_ RFP Award.docx