

NO: **R116**

COUNCIL DATE: **June 13, 2011**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 7, 2011**

FROM: **General Manager, Human Resources
General Parks, Recreation & Culture**

FILE: **Daycare Services**

SUBJECT: **Selection of an Operator for the Daycare Centre at the New City Hall**

RECOMMENDATION

The Human Resources Department recommends that Council:

1. receive this report as information; and
2. authorize staff to negotiate a partnering agreement with the YMCA for the operation of the daycare centre in the new City Hall based on the general description provided in this report and to forward such an agreement to Council for consideration of approval.

INTENT

The purpose of this report is to provide information to Council regarding the selection of an operator for the daycare centre that will be part of the new City Hall.

BACKGROUND

A daycare centre is being planned as a component of the new City Hall in City Centre. The daycare centre at the new City Hall will assist the City in attracting and retaining qualified staff, will demonstrate to other employers in the City the viability of offering daycare services for the children of their staff, and will allow the City to build experience in relation to offering daycare services at other locations. The new daycare centre will have a capacity for 37 children, including 12 infants/toddlers and 25 pre-schoolers. It will occupy about 4300 square feet of floor area in the new City Hall and will have an outside playground area. The playground area will be designed such that it will be available to support the daycare centre use during the hours of operation of the daycare, and will be available for use by the general public when the daycare centre is not in operation.

In a memorandum, dated March 14, 2011 (copy attached as Appendix A), Council was advised that a request for expressions of interest (RFEOI) was being issued with a view to identifying a suitable operator for the daycare centre in the New City Hall.

Request for Expressions of Interest Process

The RFEOI documentation advised that the City intends to contract with an appropriately qualified agency to operate the new daycare centre. The RFEOI process was open to any childcare provider that was able to provide a full range of daycare services. The documentation further advised that the daycare centre would operate on the basis that the fees that are charged must fully cover the operational costs of the facility with the City being responsible for providing the capital infrastructure for the centre. Prospective proponents were further advised that the City would consider entering into a 5-year operating agreement (with an option for a 5 year renewal period) with the selected proponent.

DISCUSSION

Two qualified proposals were received in response to the RFEOI process. The following is a description of the proponents whose proposals were evaluated:

- **YMCA of Greater Vancouver** – The YMCA is the 5th largest charity in the Lower Mainland and the largest provider of childcare services in BC. The YMCA operates several daycare facilities in the Metro Vancouver Region, including in Surrey, and is seeking to expand its services in Surrey. In Surrey, it currently operates a daycare centre for twenty five (25) children (3 to 5 year olds) at the Surrey Family YMCA on Highway 10 and Panorama Drive in Newton, and also offers pre-school services at a location in Crescent Beach and at the Surrey Family YMCA in Newton.
- **A Place to Grow (APTG)** – APTG is a not-for-profit society that was formed by the Fraser Health Authority to operate a daycare centre for 49 children (24 children under the age of 3 yrs and 25 children ages 3-5 yrs) at the Surrey Memorial Hospital. The daycare centre provides service to the staff of the Hospital. APTG is seeking to grow its services in the City Centre area.

Evaluation of Proposals:

An Evaluation Team was formed to evaluate the proposals that were received. The Team included representatives from Human Resources, City employees that have children who are currently in daycare, Parks, Recreation and Culture employees that are involved in supporting the City's programming that is directed toward young children and the City's Social Planner. The Team was provided with support in the decision-making process by representatives of the Finance Division, Legal Services, Facilities Division, Kasian Architects (the architects for the new City Hall) and staff of the Surrey City Development Corporation. The Team interviewed the proponents as part of the evaluation process with the evaluation focussing on the following criteria:

- Demonstrated understanding of the Provincial daycare licensing requirements (safety of operations);

- Experience in operating daycare centres;
- Record with respect to the delivery of daycare services;
- Expertise and stability of staff including on-going training and development commitments;
- Flexibility of service options (i.e. hours of operation, part time options, etc.);
- Childcare philosophy (pedagogy/curriculum);
- Governance model, including how parents are involved;
- Demonstrated knowledge of and involvement in the community; and
- Pricing/Cost of services.

The Team reviewed the proposals against the evaluation criteria, toured facilities operated by the proponents, met with each of the proponents and undertook reference checks.

Results of Evaluation:

Based on the evaluation, the Team determined that the YMCA was the preferred proponent to operate the daycare centre in the new City Hall. While both proponents are capable of operating the daycare centre effectively, the Team recognized the greater depth of experience and staff expertise of the YMCA in building new daycare centres. The YMCA also had a more adaptable governance model relative to the new daycare. Both proponents have an excellent record of delivering high quality daycare services, have well-developed childcare philosophies and are cost competitive.

During the selection process, the YMCA expressed a commitment to expanding its influence/contribution to the City of Surrey and its residents over time.

Financial Model

The City of Surrey will provide the daycare space rent free (including utilities, base maintenance and security) to the proponent along with the initial tenant improvements and funding for start up cost. The YMCA will operate the daycare at no cost to the City and will charge daycare rates to participating employees that are reflective of the market. Since the YMCA operates on a not-for-profit model, if the YMCA generates any net revenues from the City Hall daycare operation, they have committed to reinvesting the funds in Surrey.

Next Steps

Subject to Council approving the recommendations of this report, staff will negotiate a partnering agreement with the YMCA based on the general description provided in this report and will forward that agreement to Council for approval prior to its execution.

Subject to Council approval of the partnering agreement, a Notice of Assistance in relation to the agreement in accordance with the Community Charter will be published in a local newspaper at the appropriate time by the City Clerk's Office.

Legal Services has reviewed this report and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The provision of affordable, accessible, quality child to City staff will assist the City in meeting the objectives of the City's Sustainability Charter; more particularly, action item SC₁ under the Social Sustainability Pillar as follows:

***Action Item SC₁:** The City will continue to promote staff development and corporate structures that support the physical and emotional health and well-being of individuals and contribute to a healthy and productive work environment.*

CONCLUSION

Based on the above discussion, it is recommended that Council authorize staff to negotiate a partnering agreement with the YMCA for the operation of the daycare centre in the new City Hall based on the general description provided in this report and to forward such an agreement to Council for consideration of approval.

Nicola Webb
General Manager,
Human Resources

Laurie Cavan
General Manager,
Parks, Recreation and Culture

Attachment: Memorandum to Council, dated March 14, 2011, titled "Selection of an Operator for the Daycare Centre to be Located in the New City Hall"



INTER-OFFICE MEMO

TO: **Mayor and Council**

FROM: **General Manager, Human Resources**

DATE: **March 14, 2011**

FILE: **New City Hall**

RE: **Selection of an Operator for the Daycare Centre to be Located in the New City Hall**

This memorandum is being forwarded as information.

Background

As City Council is aware, a daycare centre is being planned as part of the new City Hall in City Centre. The daycare centre will have a capacity for 37 children (12 infants/toddlers and 25 pre-schoolers). It will be located on the west corner of the main floor of the City Hall building (approximately 4300 square feet of space). In addition to the interior space, there will be an outside playground area. The outside playground area is being designed to support both daycare centre use during its hours of operation, and general public use during those hours of the day and days of the week when the daycare centre is not in operation. The daycare centre is expected to be operational on a 5 day a week basis from 7:00 a.m. to 6:00 p.m.

The daycare centre will assist the City in attracting and retaining qualified staff, will demonstrate to other employers the viability of offering daycare to their staff, and will allow the City to build experience in relation to offering daycare service at other locations.

Request for Expression of Interest Process

The City will contract with an outside agency to operate the new daycare centre. It will be commencing shortly a Request for Expression of Interest (RFEOI) process in relation to selecting an operating partner for the daycare centre. It is important that this get underway now so that the partner can assist in adding value to the design of the facility, with a view to optimizing its operation.

The RFEOI process will be open and available to any childcare provider that can provide a full range of daycare services. The daycare centre will operate on the basis that the fees that are charged will fully cover the operational costs of the facility.

The RFEOI will be issued on March 15, 2011 and will allow interested parties 3 weeks to respond. The RFEOI process will ultimately result in the City entering into a 5-year operating agreement with the selected proponent.

Evaluation of Submissions:

An Evaluation Team of staff, including employees with expertise in childcare, as well as employees involved in daycare operations outside of their employment with the City, has been established to evaluate the submissions that are received through the RFEOI process. The evaluation will focus on the following criteria:

- Compliance with Provincial licensing requirements (safety of operations),
- Previous experience in designing/operating a daycare (including references),
- Record in delivering high quality daycare services,
- Quality of staff expertise and stability of personnel (training and development commitments),
- Flexibility of service options that will be offered (i.e. hours of operation, part time options, etc.),
- Childcare philosophy (pedagogy/curriculum),
- Governance model, including how parents are involved,
- Demonstration of community knowledge/involvement, and
- Costs of delivering the proposed daycare services.

Selection of Daycare Operator:

It is expected that the evaluation process will be completed and an operator will be selected by early June 2011. An agreement will then be executed that will allow the selected operator to assist in the design of the daycare space.

The daycare centre in the New City Hall will begin operation when the New City Hall is occupied in the summer of 2013.

If you have any questions, please advise.

Nicola Webb
General Manager,
Human Resources

c.c. City Manager
General Manager, Parks, Recreation and Culture
President, Surrey City Development Corporation