
REGULAR COUNCIL

TO: **Mayor & Council** DATE: **December 12, 2023**

FROM: **General Manager, Parks, Recreation & Culture** FILE: **0550-20**

SUBJECT: **Partnering Agreement and License and Operating Agreements with the YMCA BC for Childcare at Surrey City Hall**

RECOMMENDATION

The Parks, Recreation & Culture Department recommends that Council:

1. Receive this report for information;
2. Award Contract No. 1220-040-2023-073 to YMCA BC (the “YMCA”) to operate the childcare facility at Surrey City Hall located at 13450 104 Avenue;
3. Approve the execution by the General Manager of Parks, Recreation & Culture of a Partnering Agreement between the City and the YMCA, subject to compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, as approved by the City Solicitor all as generally described in this report; and
4. Approve the execution by the General Manager of Parks, Recreation & Culture of a License and Operating Agreement for three years, with the option of one additional two-year term between the City and the YMCA, subject to the execution of the Partnering Agreement and compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, all as generally described in this report.

INTENT

The purpose of this report is to obtain Council’s approval to enter into a Partnering Agreement and a License and Operating Agreement with the YMCA to operate childcare services at Surrey City Hall.

BACKGROUND

The YMCA was the successful proponent of the Request for Expressions of Interest (“RFEOI”) process that was completed in 2011 during the construction of the new City Hall, to operate a 37-space childcare for ages 0-5 at City Hall (see Corporate Report No. R116: 2011 attached as Appendix “I” for more details). The childcare space officially opened in 2013 and the existing agreement has reached the end of its term.

DISCUSSION

On October 20, 2023, a Request for Quotations 1220-040-2023-073 (the “RFQ”) was issued to identify an operator able to provide a full range of inclusive, accessible, and affordable childcare services. Six submissions were received and evaluated by the City: the YMCA, the Association of Neighbourhood Houses BC dba Alexandra Neighbourhood House, Gateway Community Childcare Society, Saltair Child Care Society, Sea Star Education Ltd., and Creating Smiles Educational Society. Submissions were reviewed and evaluated based on experience, reputation, qualifications, competencies, capacity and availability of resources. The YMCA was identified as the recommended service provider.

The YMCA has been an important part of providing childcare to Surrey residents since 2014. During this time, the YMCA has served hundreds of families and has successfully been selected as one of the operators by the Province to participate in the \$10 per day prototype program in Surrey. This means that families pay a maximum of \$10 per day or \$200 per month for full day care. This level of affordable childcare keeps families in Surrey and ensures parents can afford to return to work, keeping skilled workers in our community. The YMCA has a strong history of childcare programs in the Province, and has the necessary experience, reputation, capacity, availability of resources, and alignment of competencies that are all elements of operating the childcare facility at Surrey City Hall as outlined in the RFQ.

The provision of quality, accessible and inclusive childcare is a cornerstone for healthy and productive communities. Quality childcare supports school readiness and improves learning outcomes for children. The YMCA’s provision of wrap-around services to families ensures that the needs of children who may be vulnerable and those with diverse learning needs are best supported.

The Partnering Agreement

The Partnering Agreement authorizes the City to provide "assistance" to the YMCA provided that notice is given (both in accordance with section 24 and 94 of the *Community Charter* respectively). The proposed Partnering Agreement with the YMCA includes the following potential types of assistance:

- A contribution by the City of the Premises and Daycare Facility for use by the service provider throughout the Term of a License and Operating Agreement;
- Provision of furnishings and equipment related to the Daycare Facility;
- Provision of some utilities and property taxes, if any; and
- Non-exclusive access to common areas located on the Lands in the City’s sole discretion.

The License and Operating Agreement

The License and Operating Agreement will govern the terms and conditions associated with the use of the License Area and will also ensure that the childcare facility is operated in a manner that is acceptable to the City. The License and Operating Agreement is for a term of three-years with a further two-year renewal option for a total of five years, and is subject to City Solicitor approval and compliance with the notice provisions of the *Community Charter*, SBC 2003, c. 26. Further details regarding the Licence and Operating Agreement are in the attached Appendix “II.”

Legal Services Review

This report has been reviewed by Legal Services.

CONCLUSION

Based on the above discussion, it is recommended that Council support the YMCA to provide childcare services at Surrey City Hall as generally described in this report.

Laurie Cavan
General Manager
Parks, Recreation & Culture

Appendix "I": Corporate Report No. R116: 2011
Appendix "II": YMCA License & Operating Agreement (Additional Information)

[https://surreybc.sharepoint.com/sites/prcadmistration/corporate reports regular/2023/rfq for child care operations at surrey city hall.docx](https://surreybc.sharepoint.com/sites/prcadmistration/corporate%20reports%20regular/2023/rfq%20for%20child%20care%20operations%20at%20surrey%20city%20hall.docx)
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CORPORATE REPORT

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"

Appendices Available Upon Request

APPENDIX “II”

YMCA License & Operating Agreement (Additional Information)

The current policy regarding the leasing/licensing of City land/buildings to non-profit organizations is to lease the land/building at fair market value and have the non-profit apply annually for a grant in lieu of rent.

Based on the market rental valuation of the License Area, the annual rent for the proposed License and Operating Agreement is \$189,464 per annum. For this situation it is recommended that the City enter into a 3-year License and Operating Agreement for \$1.00 per annum with an option to renew for an additional 2-years with the YMCA, and that Council approve the granting of 3-years of rent in lieu of \$189,464 annually, for a total of \$530,000. The annual City Grants report, presented each year by the Finance Committee to Council, will include for information, a listing of all such in kind lease/license arrangements that don't require an annual approval. The listing will include the names of the non-profit organizations obtaining such grants, the annual value of their in-kind leases/licenses and the addresses of the properties leased to them.

The License and Operating Agreement includes an Appendix outlining the repair and maintenance responsibilities between the City and Service Provider. Maintenance of the existing security systems in the leased premises and common security services are provided by the City.