

Relationship Framework- Ottawa Public Library and Library and Archives Canada

December 7, 2016

1. Preamble

The Ottawa Public Library (OPL) and Library and Archives Canada (LAC), with the support of the City of Ottawa, are poised to contribute to the transformation of the Nation's Capital into a world-class city by creating a modern, iconic, dynamic Joint Facility. Together, the institutions plan to build on their shared values to deliver a richer customer experience and offer joint programming and shared services, providing a unique service offering. This relationship will be the first of its kind, and therefore unprecedented in Canada.

Following on its Letter of Intent (January 2016), OPL and LAC have developed a Relationship Framework, as the basis for continued dialogue and negotiations to further define and refine matters of mutual interest.

2. Purpose

The purpose of the Relationship Framework is to set out the current understanding and desired parameters between OPL and LAC, in support of the continued investigation of the feasibility and desirability of planning, designing, constructing and cohabitating a Joint Facility, and the entering into of a Relationship Agreement. The goal of the Relationship Agreement will be to determine roles and responsibilities of OPL and LAC in matters of governance, financial considerations, operational matters as well as dispute resolution mechanisms and conditions for termination of the relationship, and other project-related matters between the parties.

3. Guiding Principles

On-going discussions and negotiations towards the Relationship Agreement will adhere to the following guiding principles:

- The Joint Facility will acknowledge both the individuality and commonality of purpose, needs and operations of both OPL and LAC.
- Recognizing that there is but 'one' taxpayer, OPL and LAC will develop and encourage synergies and cost savings for both organizations wherever possible.
- Timeliness will be respected in order to ensure successful completion of project deliverables and necessary decision-making processes.
- OPL and LAC will foster a relationship of trust, enabling open and frank disclosure with respect to information, policy developments, and issues or events of concern.
- The approach to decision making will reflect each of OPL and LAC's role in, and responsibilities for the design and construction of the Joint Facility and its subsequent operations.

4. Matters to be addressed in the Relationship Agreement

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OPL and LAC anticipate that the Relationship Agreement shall cover, but is not limited to, the following matters in respect of the planning, design, construction and cohabitation of a Joint Facility between the parties:

- i. Relationship structure and governance;
- ii. Site and facility ownership structure;
- iii. Project funding;
- iv. Project planning and design principles and process;
- v. Project procurement process;
- vi. Project delivery model;
- vii. Required approvals, including from governing bodies;
- viii. Site acquisition;
- ix. Project construction planning and methodology;
- x. Facility management, programming and operation;
- xi. Cost sharing principles and joint-use rights;
- xii. Communications strategy; and
- xiii. Other matters set out in this framework document.

Approval for entering into the Relationship Agreement, once completed, will be sought from the OPL Board of Trustees, Ottawa City Council, as well as LAC's approval authority. In the event of any inconsistency between the description of matters in this document and those ultimately found in the Relationship Agreement, the terms of the Relationship Agreement will prevail.

5. Schedule and Deliverables

In order to enter into negotiations and implementation of the Relationship Framework OPL and LAC shall use their best efforts to obtain the necessary approvals from their respective governing authorities: OPL from the Ottawa Public Library Board by January 31, 2017 and Council of the City of Ottawa by February 8, 2017 and LAC from Treasury Board in the Spring of 2017.

The Parties shall use best efforts to complete a Relationship Agreement by May 1, 2017, it being acknowledged and agreed that the approval of an approving authority may be required in connection therewith.

6. Governance:

It is beneficial for all involved to deliver the project on time, and on budget, and that the future Joint Facility is operated in the most efficient manner possible. To that end, the following Governance Structure shall be established in order to facilitate the decision making process. To that end,

- A Steering Committee shall be established to provide advice and guidance to the Management Committee. It will be comprised of representatives from OPL, LAC and the City of Ottawa

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- Key tasks include, but are not limited to:
 - Developing and adopting mutually agreeable Terms of Reference
 - Serving as champions for the Joint Facility Project
 - Dealing with matters for which the Management Committee cannot reach unanimous decision

N.B.: OPL/City will have majority membership on the Steering Committee, as recognition of this being an OPL/City led project.

- A Management Committee shall be established to manage the full exploration and implementation of the Relationship Agreement. It will be comprised of representatives from OPL, LAC and the City of Ottawa
- Key tasks include, but are not limited to:
 - Developing and adopting mutually agreeable Terms of Reference;
 - Identifying and defining roles and responsibilities for key activities such as, developing, undertaking and completing functional design activities; overall design principles; cost estimating and budgeting activities; business cases and financial analysis; procurement and supervision of consultants, construction contractor(s) and other project parties; project communications; stakeholder relations and any other process, and procedure required to bring the project to completion and operate the facility most efficiently;
 - Establishing a common project schedule for planning and implementation purposes; and
 - Determining the legal nature of the relationship, particularly with respect to the notion of property ownership;
- A formal dispute resolution mechanism will be developed and implemented to deal with issues which neither the Management Committee nor the Steering Committee can resolve.

7. Financial Considerations:

OPL and LAC, with the support of the City agree to share all costs incurred in planning, constructing and operating the Joint Facility.

OPL and LAC will determine which costs are eligible costs for sharing and those may include, but are not limited to: functional programming, planning, design, appraisals, cost estimating, financial analysis, communications and all other necessary consultants/costs to achieve the objectives of this Relationship Framework

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Cost Sharing Methodology: Cost-sharing principles for project elements and phases will be determined. For example, the building and site proportionate share shall be 61% to OPL and 39% to LAC based on current square footages of each party; costs for shared spaces, as defined in the RPG Joint Functional Program, will be based on each organization's proportionate share of those spaces; should OPL and LAC agree that a parking garage be built for the Joint Facility cost sharing principles for same will be developed on an equitable basis within the Relationship Agreement.

- Project Funding: OPL and LAC will confirm their respective funding sources, timing and terms for the project's planning, design, construction, and operations/maintenance phases. This will include defining the process for cash flows between the organizations to ensure contractors are paid on a timely basis.
- Procurement Processes: Contracts will be made in accordance with the City of Ottawa's procurement policies and will comply with all applicable laws necessary to conduct business and carry out obligations under the contract.
- Project Management: OPL shall take the management lead on behalf of both organizations, in that it shall procure consultants and other parties under contracts to achieve the purpose of the Relationship Framework as directed by the Management Committee. OPL shall manage the contracts, and pay on behalf of both Parties as set out in the Relationship Framework.
- Reimbursement Requests and Payments: Based on the project funding and cash flow requirements, reimbursement parameters have been established, and will form part of the Relationship Agreement.
- Eligible Costs: The Management Committee will determine which costs fall within the scope of the project, as well as define what future operating and capital (lifecycle) costs are to be shared.

8. Operational Matters

A Joint Facility operating plan will be developed between OPL and LAC. The operating plan will be defined as part of the Relationship Agreement.

9. Conditions for Termination of the Relationship Agreement

OPL and LAC will address the manner for, and consequences of, not pursuing the project jointly and/or terminating the Relationship Agreement during the project's phases, which may be different during each phase. Currently, either organization may terminate its current status in the relationship upon

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providing written notice to the other organization. The terminating party shall pay its share of all Eligible Costs incurred to the date of such termination.