

A dark blue silhouette of a city skyline with various building shapes of different heights and widths, set against a lighter blue background.

Seven Types of RFPs for Public Lands

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Based upon:

Coombes Kirkland Berridge, *Proposal Calls* (1980) &
J. Stainback, *Public-Private Finance and Development* (2000)

Seven Approaches to Solicit Private Sector Interest

1. Tender or Auction
2. Sole-source developer method
3. Single-step RFP process
4. Two-step RFQ / RFP process
5. Pre-qualified Developer / RFP process
6. RFQ / Negotiate method
7. Three-step RFI / RFQ / RFP process

Tender or Auction

- Advantages:
 - Fast
 - Simple to organise
 - Easy to evaluate
 - Low-risk
 - Transparent
- Disadvantages:
 - Agency may not wish to sell land
 - Loss of control over site
 - Hard to meet non-financial objectives
 - May lose upside return in a redeveloping area

Sole-Source Developer Method

Advantages:

- OK if existing relationship – Master Developer
- Works if there is an obvious candidate
- OK if nobody interested
- Fast & simple
- Saves money for agency & developer

• Disadvantages:

- Local developer backlash
- Other public partners uncomfortable
- Media backlash
 - appearance of corruption/fix

- Example: Canadian Opera Company & Cadillac-Fairview



Single-Step RFP Process

- Finance, Design and Development Issues in one step
- Advantages:
 - Addresses non-financial issues better than a tender
 - Faster than two or three step RFP processes (4-7 months)
- Disadvantages:
 - Often attracts many responses – 15-35
 - Developers hate it; some won't bid
 - Best bid may come from a low-capacity developer
 - Best finance bid may have worst design
 - Media/political pressure to take the best \$ offer

Two-Step RFQ/RFP Process

- Request For Qualifications, then Request For Proposals
- Shortlist to five firms from RFQ
- Evaluate by capacity and building type experience
- Advantages:
 - RFQ much cheaper to submit for developer
 - Better odds for developer; more will RFQ
 - Open and transparent
 - Shortlist by financial capacity and experience – better PR
- Disadvantages:
 - RFQ takes an additional 3-5 months
- Example: CBC Broadcast Centre



Prequalified Developer / RFP Process

- Pre-qualify to 5-7 developers by reputation & financial capacity
- Advantages:
 - Even easier for developers – no RFQ
 - OK if there are obvious candidates
 - Saves 2-4 months compared to RFQ/RFP
- Disadvantages:
 - Requires staff/consultants who know industry well
 - Shortlist process open to question
- Example: Sports Facilities – multi-pad arena complexes

RFQ / Negotiate Method

- Advantages:
 - Avoids lengthy RFP process
 - Some competition in RFQ
 - Public & Private partners work together on issues
 - Better learning for the public sector partner
- Disadvantages:
 - Other developers feel they could do a better deal
 - Fewer design/development ideas than the RFP process
- Examples:
 - Downtown development projects
 - York University housing ?

Three-Step RFI / RFQ / RFP Process

- Solicit ideas and concepts prior to a RFQ
- Advantages:
 - Markets the site
 - Initial reaction from the private sector
- Disadvantages:
 - Can take 10-12 months to complete
 - Developers may not give ideas for fear of helping competitors
 - Design competition, visioning exercise, ULI panel may work.
- Weak Example: Kingston Multipurpose Facility

