



MANAGEMENT REPORT

Date: November 5, 2021
To: Mayor and City Councillors
From: Joan Thomson, Chief Administrative Officer
Report#: COU21-116
Attachments: None

Title: Purchase of Service Agreement with Stratford Economic Enterprise Development Corporation

Objective: To consider entering into of a purchase of service agreement with Stratford Economic Enterprise Development Corporation for a five year term with an option to renew for an additional term.

Background: In 2013 the City of Stratford created the Stratford Economic Enterprise Development Corporation with the following corporate objects:

- 1) To create and promote industrial and commercial development and to create and promote health, research and educational facilities, in the City of Stratford or in areas contiguous thereto, as may be deemed advisable;
- 2) To provide services such as power, water, sewerage, roads and other amenities used or useful in connection with such lands or in connection with the operations of the Corporation or those of the occupiers of such lands;
- 3) To provide management and consulting services.

A Risk Assessment review of SEEDCo. was completed and included the risk to SEEDCo. in absence of a long-term funding agreement and defined deliverables and reporting criteria. The Board of Directors subsequently authorized research to be conducted regarding other external economic development corporations and their associated service agreements and to develop a draft framework for the purchase of services, remuneration and reporting between the City of Stratford and SEEDCo.

Following consultations with the City and legal review, the SEEDCo. Board of Directors is recommending approval by City Council of the draft Purchase of Service Agreement (provided on October 16, 2021).

The duration (5-year term with an additional option to extend) of the agreement aligns with the existing lease agreement between the City and SEEDCo. for space at 82 Erie Street, Stratford.

Analysis: A service agreement is a formal agreement between two or more parties that sets out the terms and conditions regarding the provision of certain services by one party to another. The main functions of a service agreement are:

- Setting out the expectations of the parties to the agreement;
- Providing a means for governance and issue resolution; and
- Providing a means to review performance and results.

Through a purchase of service agreement, governance, accountability and service quality can be enhanced by defining roles and responsibilities, processes and performance expectations.

The draft service agreement being recommended for Council's consideration sets out the economic development services currently being purchased by the City from SEEDCo. for an agreed upon fee on an annual basis. There is no new funding being requested under this purchase of service agreement.

An outline of the services, processes, key metrics, reporting, policies, land sales, consideration and obligations are contained within the draft agreement.

The City has entered into purchase of service agreements with other agencies that the City provides funding to as a means to define governance, accountability and service quality.

Financial Impact: There is no new funding being requested under this purchase of service agreement. This provides certainty for the City in future year operating budgets deliberations.

The budget for SEEDCo will also continue to require Council approval through the annual operating budget process.

The term of the agreement aligns with the existing lease of space at 82 Erie Street with the City of Stratford.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Widening our Economic Opportunities

Strengthening Stratford's economy by developing, attracting and retaining a diversity of businesses and talent.

Staff Recommendation: THAT The Corporation of the City of Stratford enter into the Purchase of Service Agreement with the Stratford Economic Enterprise Development Corporation for a term to December 31, 2025 with an option for an additional five year period;

AND THAT the Mayor and Clerk be authorized to sign the Agreement on behalf of the municipal corporation.



Joan Thomson, Chief Administrative Officer