

Summary of Governance Agreement

Below is an outline of the effects of the principal provisions of the Governance Agreement negotiated between City of Ottawa ("City"), Ottawa Public Library Board ("OPLB") and Library and Archives Canada ("LAC") for the new Central Library joint facility with LAC:

1. The City owns the site and will continue to do so until the facility is constructed. At that point, a share of ownership will be transferred to LAC based on an approximate 61% City and 39% LAC split of ownership.
2. LAC will provide its share of the cost of the facility, based on its percentage of ownership, as the project and construction progresses. LAC will be invoiced by the City and the payment terms are 10 business days. These payment terms will allow the City to invoice LAC and receive payment before payments are due from the City to the design consultant and the constructor. All project costs will be shared in this manner with the exception of the parking garage which will be solely a responsibility of the City.
3. Both the project budget and schedule are required to be updated monthly and reviewed by the three parties. The budget will govern the total cost of the project and each of the parties is responsible for its portion of the overall budget.
4. City will provide all project management services to the project, including the Project Management Office which will oversee daily activities as the project progresses. The project management services are included in project costs.
5. A Joint Project Team ("JPT") will be established with representatives of all three parties to address day-to-day operational decision making.
6. An Executive Steering Committee ("ESC") composed of senior staff will be established, again with representatives of all three parties, for strategic oversight and for major decision making such as the content and award of the Design Services Contract and the Construction Contract, as well as changes in the scope of those contracts. In the case of the City and OPLB, it is recommended that the approval of the final form of any contracts or amendments resides with the City Manager.

7. Unanimous decisions will be required at both JPT and ESC. Delegates may be appointed by JPT or ESC members in order to ensure that necessary decisions can be made at all times in accordance with the efficient timelines prescribed by the agreement.
8. Both Default and Non-Default Termination provisions are included and each of these reflects the long term commitment that the project represents by requiring the payment of compensation to either the non-defaulting or non-terminating parties of the funds expended by them on the project to the date of termination, as well as the reasonable costs incurred to restructure the project after the termination.
9. Dispute resolution provisions provide for relatively swift settlement of any disputed matters through a tiered approach and do not allow for disputes between the City and OPLB. The first stage is negotiations at the JPT, followed by negotiations at ESC. If those two steps fail to resolve the dispute within 20 business days, the final steps are optional mediation and binding arbitration.
10. There are provisions that set guidelines and timelines for concluding the reciprocal arrangements and agreements that will govern the operation of the joint facility after it is completed. The same ratio of ownership will apply to these arrangements, however, the actual usage of the facility by OPLB and LAC will form the basis for the allocation of operation and maintenance costs.