

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: APRIL 30, 2014

SUBJECT: PROCUREMENT AUTHORIZATION - PURCHASE OF 40 FOOT
LOW FLOOR CLEAN DIESEL BUSES

ACTION ITEM

RECOMMENDATION

It is recommended that the Board authorize:

- 1) The award of a contract to Nova Bus, a Division of Volvo Group Canada Inc. (Nova) in the amount of \$32,638,072.50 in Canadian funds including all applicable taxes for the purchase of 55 Forty Foot Low Floor Clean Diesel Buses (Buses) for delivery in 2015.
- 2) The expenditure of funds up to a total allowance amount of \$660,000 inclusive of all applicable taxes as an upset limit with respect to the 55 Buses, for the following:
 - a) Potential contract amendments
 - b) Options
 - c) Alternatives
 - d) Recommended special tools.

For a total authorized expenditure of up to \$33,298,072.50 inclusive of all applicable taxes, related to recommendations 1 and 2 above.

FUNDING

Sufficient funds for the purchase of 55 Forty Foot Low Floor Clean Diesel Buses are available in the 2014-2023 Capital Budget approved by City Council on January 30, 2014. Funding for the project is included under 4.11 Purchase of Buses under the State of Good Repair category.

The buses being procured were intended to include 12 to address ridership growth and 43 to provide for an SRT replacement bus shuttle service during the originally planned construction of a Scarborough LRT. As City Council approved the construction of a Scarborough Subway extension last fall (in lieu of a Scarborough LRT), a SRT bus shuttle service is not immediately required. However, the 52 Nova RTS bus fleet, budgeted and funded separately for replacement in 2016, is in poor condition due to accelerated corrosion and reduced vehicle reliability and, accordingly, it is recommended that the commencement of replacement of this bus fleet be advanced by one year to 2015 in place of the no longer currently required 43 SRT shuttle buses. By so doing, there will be no net impact on the 2015 Capital Budget. It should be noted that the overall bus fleet plan will undergo a comprehensive review as part of the 2015-2024 Capital Budget process.

BACKGROUND

As part of the annual Capital Budget process, a rolling 10-year Bus Fleet Plan is updated for adjustments made to the Service Level Forecast and Fleet condition. Following City of Toronto budget submission guidelines, the Bus Fleet Plan is typically completed by early fall in order to be included in the following year's Capital Budget submission to City Council.

The approved 2014-2023 Capital Budget includes the procurement of 55 Forty Foot Low Floor Buses (Buses) in 2015. The breakdown for this quantity is comprised of 12 Buses for ridership growth and 43 Buses for a SRT-replacement bus shuttle in late 2015 due to the SRT Line being shutdown to accommodate the construction of the Metrolinx LRT Project. To ensure timely delivery of Buses, typically in the current economic conditions, a lead time of 18-24 months is required from release of an RFP to delivery of the first bus. Therefore, a Request for Proposals (RFP) for new Forty Foot Low Floor Diesel Buses was subsequently posted on the TTC's web site and on Merx on July 12, 2013, with a closing date of November 12, 2013 for an estimated quantity of 50 Buses.

On October 8, 2013, City Council approved a subway extension of Line 2 (Bloor-Danforth) in lieu of the Metrolinx LRT Project. Design options for the subway extension are in progress and staff is also evaluating options regarding the extension of life for SRT infrastructure and rolling stock. As a result, the immediate need for the 43 Buses to replace SRT service is not required. The procurement of 12 Buses for ridership growth is still required but the procurement of only 12 Buses is not considered cost effective for the TTC from a procurement, maintenance and procedural perspective.

Staff has identified a requirement that would maintain the procurement level at 55 Buses by commencing retirement of the Nova RTS Fleet (Standard Floor/Lift Equipped) one year early. The total number of buses in the Nova RTS Fleet is 52. The scheduled retirement year is 2016 at which time the fleet will be 18 years of age. Accelerated corrosion and reduced vehicle reliability is typically seen on buses after 16 years of age. Significant corrosion of the suspension system and structural components is evident on the Nova RTS Fleet. The reliability of the Nova RTS Fleet is also on the decline. Due to the age of the Fleet, replacement components for this fleet are also difficult to source and to obtain. Long lead times and expensive replacement costs are associated with outdated technology. To maintain this fleet in a state of good repair, major structural and mechanical repairs are required on an on-going basis.

Staff therefore recommends continuing with the procurement of 55 Buses. This will allow for the planned service improvements and will provide the opportunity to commence retirement of the Nova RTS Fleet early. Retirement of the Nova RTS Fleet one (1) year early at 17 years of age, will improve vehicle availability, vehicle reliability and customer service. The 43 Buses will also be available should there be a future need for an SRT bus shuttle.

DISCUSSION

Specifications were prepared and a Request for Proposals (RFP) was posted on the TTC's Web site and Merx as of July 12, 2013, with a closing date of November 12, 2013. The RFP indicated an estimated requirement for 50 Buses for delivery in 2015 based on preliminary data on service forecasts and included specified option pricing for Buses for delivery in 2016 and 2017, and optional pricing for Buses for delivery in 2018. The proposed Buses are required to meet the TTC's Canadian content requirement of 40% and Canadian direct assembly labour of 50%.

Six companies downloaded copies of the proposal documents out of which two submitted a proposal by the closing date of November 12, 2013. It should be noted that out of the six companies that downloaded copies of the proposal documents, only two are major bus manufacturers. The remaining companies downloaded the proposal documents for information purposes only as they consisted of other transit agencies or suppliers of parts for the Bus industry.

City Council approved the TTC Capital Budget including a requirement to procure a total of 55 buses in 2015. While the evaluation of the RFP was based on an estimated quantity of 50 buses, the amount recommended for award is based on the approved budgeted quantity of 55 buses.

TTC staff adopted a four step process for the evaluation of proposals for this RFP, the evaluation criteria for each of the four steps is summarized as follows:

- Step 1 involved a commercial compliancy review of the contents of the proposal to assess its compliance with the terms and conditions of the proposal documents, including whether all documents required to be submitted have been appropriately submitted.
- Step 2 consisted of the review of the proposal to ensure compliance of the Pass/Fail criteria. Seven Pass/Fail criteria were identified and are summarized in Appendix A. Proponents were required to achieve a Pass in all seven criteria in order to continue to Step 3 of the evaluation process.
- Step 3 consisted of a qualitative technical evaluation based on the pre-established evaluation criteria and weighting and are summarized in Appendix B. Proponents were required to achieve a total overall score of at least 80% in order to be considered qualified to continue to Step 4 of the evaluation process.
- Step 4 consisted of the evaluation of pricing for those Proponents who successfully completed Steps 1 to 3 above. Pricing information was required to be submitted in a separate sealed envelope which would only be opened upon the successful completion of Steps 1 through 3 of the evaluation process described above. Proponents were required to provide unit prices based on several specified ranges of quantities of Buses such as "1 to 30 Buses", "31 to 50 Buses", up to a quantity of 250 Buses, which would be used for both the evaluation of pricing of the RFP and the calculation of the amount recommended for award.

Pricing for the base contract would be evaluated separately on the basis of the total evaluated proposal price which would be calculated using the unit price per Bus submitted for the “31 up to 50 Buses” range and multiplied by the estimated quantity of 50 Buses for delivery in 2015 as indicated in the RFP documents.

The basis of award is the lowest priced qualified proponent.

A Fairness Monitor, John Campbell of JD Campbell and Associates, was retained by the Commission to provide an independent third party observation to ensure that the procurement process took place in accordance with the requirements established as set out in the RFP and to ensure fairness and transparency during this process. The report provided by JD Campbell and Associates (Appendix C) confirms the fairness of the process based on their observations.

The proposals submitted by Nova and New Flyer Industries Canada ULC (New Flyer) were reviewed for commercial compliancy in accordance with Step 1 of the evaluation process, and it was determined that the two proposals successfully met the requirements allowing the evaluation team to proceed to Step 2 of the evaluation process.

New Flyer stated an exception on Document 00300 – Form of Proposal, indicating that the “Vendor Cross Reference Parts List” would not be provided to the TTC as required in the contract documents under general condition clauses GC40 – Contract Delivery Schedule and Build/Delivery Schedule and GC46 – Contract Deliverables. Instead, details on a specific part would only be provided on a part by part basis by New Flyer to the TTC and only in the event that a part requested by the TTC has not been received within two working days and a Bus is out of service due a specific part not being available.

Prior to the closing date, proponents were given the opportunity to submit for review by the TTC any exceptions of a commercial nature or to identify any requirements that would prevent them from submitting a compliant proposal. If the proposed exceptions were accepted by the TTC, an addendum would be issued to incorporate these changes. This specific exception was raised by New Flyer during the proposal period, however after review by TTC staff, it was decided that no changes would be made to the wording of the RFP. Proponents were advised, prior to the closing of the RFP, that no changes would be made to the requirement to submit a “Vendor Cross Reference Parts List” as access to this technical information pertaining to the Work described in the subject proposal is fundamental for the operation and maintenance of the Buses after the warranty period has expired.

The basis for this decision was that maintenance of the Buses by the TTC would be adversely impacted if parts were not identified with the Original Equipment Manufacturer (OEM) part number. The “Vendor Cross Reference Parts List” stipulated by the TTC and prepared by the Bus Manufacturer provides the TTC the information of all the components on a Bus and lists both the bus manufacturer’s component number and the OEM part number which can then be cross reference against the TTC’s existing database to determine whether contracts for the supply of a particular part already exist or whether the component is shared between other TTC buses from previous fleets and is currently stocked by the TTC which avoids duplication of inventory.

Proponents were also advised that the TTC would not consider any submissions that take a material exception to the provision of the "Vendor Cross Reference Parts List" or any of the documents listed in GC46 – Contract Deliverables.

The exception stated by New Flyer was reviewed with the Legal Department, Legal and Claims Section and the Fairness Monitor and New Flyer's Proposal was deemed to be non-compliant as they did not pass all 7 mandatory requirements. A "Fail" was given for item 1, which indicated no exceptions of a commercial nature stated in Document 00300 – Form of Proposal, of Step 2 of the evaluation process. Consequently, as New Flyer did not meet the requirements of Step 2 of the evaluation process, their proposal was not evaluated any further.

Nova's Proposal was evaluated by the TTC evaluation team made up of representatives from the Materials and Procurement, and Bus Maintenance Departments. Nova successfully met the requirements of Step 2 of the evaluation process allowing the TTC evaluation team to proceed with Step 3 of the evaluation process. The qualitative technical evaluation of Nova's proposal was completed in accordance with Step 3 described above for which Nova achieved an overall score of 90.85%.

Nova offered the same unit price per Bus regardless of the quantities identified in the specified ranges in the price schedule up to 250 Buses. The unit price per bus submitted by Nova represents a Bus that is 90.85% compliant with TTC specifications, as such, changes will result from the design review process which may increase the unit price per bus in order for the Buses to come closest to meeting the overall requirements of the Bus specified by TTC. Changes as a result of the design review process, recommended special tools, options and alternatives will be covered by the allowance amount recommended for authorization by the Board and will be issued as contract amendments which will be authorized in accordance with the TTC's Authorization for Expenditures Policy.

When compared to prices paid for Nova Buses by other transit agencies, Nova's proposed unit price per bus was found to be within 5% to 12% of the price paid by the City of Montreal, 16% lower than the price paid by the Waterloo Region and within 16% of the price paid by the City of Laval in the last 3 years. It is important to note that the TTC's Specification requirements for this type of Bus may include unique systems and components which are not utilized by other transit agencies such as the air conditioning system, twin tower air dryer, surface vehicle automatic stop announcement system and security camera system which may result in a higher cost per vehicle. On the basis of the above, Nova's unit price per bus was found to be reasonable.

JUSTIFICATION

The procurement of 55 Forty Foot Low Floor Clean Diesel Buses is required to improve customer service and meet ridership growth in 2015 and future years.

The procurement of 12 Forty Foot Buses is not recommended. A quantity of 12 buses in a fleet of 1800 buses is not cost effective on a per bus basis. In comparison to the remainder of TTC's Bus Fleet, a quantity of 12 Buses will be considered unique vehicles in the large TTC Bus Fleet. The need for a specialized operator and maintenance training program, parts procurement, and storage requirements will reduce operating efficiencies and flexibility.

5.92.91

Attachments: Appendix A
Appendix B
Appendix C

APPENDIX A – PASS OR FAIL CRITERIA

PASS OR FAIL CRITERIA	
Description	
1	No exceptions of a commercial nature stated in Document 00300 - Form of Proposal
2	The Proponent demonstrates that Altoona testing has been successfully completed by providing a copy of the Altoona Test Report or a letter from the Altoona Bus Research and Testing Center confirming that testing has been scheduled with completion prior to the delivery of the first Bus in 2015.
3	The Proponent demonstrates successful completion of the Shaker Test by Exova (previously Bodycote or ORTECH) or a similar test facility, or completion of a similar design life validation test (i.e. "Rough Road Test") by providing a copy of the fully detailed Test Report or a letter from the test facility confirming that the Shaker Test or Rough Road Test has been completed or confirming that testing has been scheduled with completion prior to the delivery of the first Bus in 2015.
4	Proposed design complies with the specified requirements for the provision of a Stainless Steel Structure (North American Materials and Construction)
5	The Proponent demonstrates that the TTC's Canadian Content and Direct Assembly requirements can be met.
6	The Proposed design includes the provision of a Rear Mounted "T" Drive Powertrain Configuration.
7	Proponent's facility is ISO 9001 registered.

APPENDIX B – QUALITATIVE TECHNICAL EVALUATION CRITERIA

Technical Evaluation		Weight
PROVEN FIELD EXPERIENCE (10%)		
Maturity of Design		10%
Properties currently using the proposed vehicle		
Length of time properties have been using proposed vehicle		
Mileage on fleets of properties currently using proposed vehicle		
TECHNICAL COMPLIANCY (60%)		
General requirements of the proposed vehicle	Description of Bus	4%
	Reliability	
	Maintainability	
	Service Life	
Design parameters	Bus Dimensions	4%
	Performance Requirements	
	Weight and Axle Loading	
	Passenger Capacity	
Exterior Body and Structure	Body structure	4%
	Body Panels	
	Floor Construction	
	Windows and Glazing	
	Battery Compartment	
	Towing and Lifting	
Bus Interior	Interior Finish	4%
	Fire Extinguisher	
	Passenger Seats	
	Personal Mobility Device Positions	
	Emergency Exits	
Doors and Door Controls	Door Opening Dimensions	4%
	Door System and Related Components	
	Construction and Finish of Doors	
	Door Master Switch	
	Entrance and Exit door, control and operation	
Operator's Workstation and Controls	General description of layout and ergonomics	4%
	Operator's seat	
	Operator's Distress Alarm System	
	Operator's Workstation Rear Barrier	
	Operator's Workstation Side Security Barrier	
	Operator's Coat Hanger	
	Destination Signs and Route Selection Control	

APPENDIX B – QUALITATIVE TECHNICAL EVALUATION CRITERIA

Technical Evaluation		Weight
	Farebox Installation Footprint	
	Audible and Visual Annunciators/ Gauges	
	Parking Brake Control	
	Operator's Equipment Locker	
Engine, Driveline, Exhaust, Cooling and Braking	General Description	4%
	Diesel Engine for Bus with Conventional Powertrain	
	Transmission for Bus with Conventional Powertrain	
	Radiator and Fan	
	Exhaust and System	
	Fire Suppression System	
	Drive Axle	
	Brakes	
Suspension and Steering System	Steering	4%
	Front Axle	
	Wheels	
	Suspension System	
	Automatic Ride Levelling Feature	
	Kneeling Feature	
Fuel System	General Description	4%
	Diesel Fuel and DEF Storage Tanks	
	Diesel Fuel Fill System	
Heat, Ventilation and Air Conditioning	General Description	4%
	Heating System	
	Fresh Air Ventilation	
	Air Conditioning	
	Temperature Control	
Lighting and Electrical	Exterior Lighting	4%
	Interior Lighting	
	Batteries for Engine Start and Bus Accessories	
	Wiring	
	Dual Voltage 12/24 V D.C. System	
Air System and Mechanical Accessories	General Description	4%
	Air Lines	
	Air Compressor	
	Air Dryer	
	Entrance Door Ramp	
Materials and Workmanship	Corrosion Prevention	4%

APPENDIX B – QUALITATIVE TECHNICAL EVALUATION CRITERIA

Technical Evaluation		Weight
	Plumbing and Electrical Routing	
Documentation, Software/Firmware, Manuals and Training	Bus Parts Vendors Cross Reference List	4%
	Software and Firmware availability	
	Drawings, Schematics, Diagrams and Illustrations	
Special On-Board Electronic Equipment	General Description - Communications and Information System (CIS) Contractor supplied components and installation	4%
	CIS Wiring and Electrical Connections	
	General Description - Antennas and Installation	
	CIS Public Address System (Handset and Speaker Installations)	
	CIS Odometer Interface Board	
	General Description - Stop Annunciation System (SVASAS) Contractor supplied components and installation	
	General Description - Security Camera System (SVSCS) Contractor supplied components and installation	
	Traffic Signal Priority R.F. Transponder	
AFTER SALES SUPPORT (15%)		
Warranty Limitations and Adjustments		5%
Description of warranty claim process		3%
Manufacturer's process to be followed when Latent Defect is triggered		3%
Field Service and local representation by manufacturer		4%
ESTIMATED LOAD CAPACITY OF DESIGN (2%)		
Strategy to Achieve Design Goal for Bus passenger load carrying capability.		1%
Using TTC criteria, state the Bus crush load @ rated GVWR.		1%
QUALITY CONTROL PROGRAM (3%)		
Describe Quality Control Program & reporting structure.		2%
Inspection Control Documents.		1%
PARTS SUPPLY NETWORK (2%)		
Strategy for urgent part requirement for Buses down.		2%
DELIVERY SCHEDULE (8%)		
Describe Strategy to achieve TTC's requirements for delivery rates and completion date.		8%
Total Weighting		100%

JD CAMPBELL & ASSOCIATES

TORONTO TRANSIT COMMISSION

**SUPPLY OF FORTY FOOT LOW FLOOR
CLEAN DIESEL BUSES**

FAIRNESS MONITOR'S REPORT

APPENDIX C – FAIRNESS MONITOR REPORT

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

This report presents our findings and conclusions for the Toronto Transit Commission (TTC) regarding the Request for Proposals (RFP) for the Supply of Forty Foot Low Floor Clean Diesel City Busses.

Our role, as Fairness Monitor was to review the Commission's procurement process from the release of the RFP to the identification of Preferred Proponent. This monitoring included:

- Application of the evaluation criteria;
- Consistency of Proponent treatment;
- Adherence of TTC staff to conflict of interest and confidentiality requirement;
- Communications and information to Proponents and Proponent meetings;
- Security of proposals and evaluation documents;
- Qualifications of the evaluation team;
- Objectivity and diligence respecting the evaluation process;

The role of Fairness Monitor, focused on a monitoring of practices to ensure consistency with the stipulations of the RFP and the TTC's procurement policy. This involved taking the stipulations of the RFP and policy as a standard against which to audit the process.

The report is based on our first hand observations, a review of the RFP and information provided by TTC staff. This report has been prepared for the TTC, any other person who wishes to review this report must first obtain the written permission of the TTC. JD Campbell & Associates, and the individual author, bear no liability whatsoever for opinions that unauthorized persons may infer from this report.

1.2 Findings

As Fairness Monitor we can attest to the fact that;

- The evaluation process was consistent with that outlined in the RFP;
- The evaluation criteria and process used were applied in accordance with the stipulations of the RFP ;

- All proponents were treated consistently and in accordance with the RFP;
- TTC staff adhered to conflict of interest and confidentiality requirement.

Particular note was made of the following:

- **Communication** – The procurement was advertised on the TTC website and MERX. A single point of contact was identified for Proponents to communicate with;
- **Proponent Meeting** – A Proponent meeting was held to explain key elements of the RFP and to answer Proponent's questions. All Proponents attended and were provided with detailed minutes of the meeting. It was also indicated that only material provided in writing from the TTC's single point of contact could be relied on;
- **Conflict of Interest** – Project Team members who would participate in the evaluation of the RFP were bound by employment obligation. Further, wording in the RFP required Proponents to declare any such conflicts;
- **Confidentiality and Security of Documents** – Steps were taken to ensure that procurement materials and proposal submissions were kept under lock and key when not in use. To our knowledge, no inappropriate information about the RFP, proposal submissions or the evaluations, was communicated to Proponents;
- **Past Proponent Involvement** – Project staff provided assurance that, while some of the Proponents had provided buses to the TTC in the past, that, in doing so, they had not been privy to confidential information that would have placed them at an undue advantage;
- **Evaluations** – Proposals were first reviewed by TTC Materials and Procurement staff to perform a commercial compliancy review of the contents of the Proposal including ensuring that all documents required to be submitted had been appropriately submitted. This review was followed by formal consensus meetings where the official scoring with rationale was documented. These sessions were well facilitated;
- **Undue Influence** – Throughout the evaluation process, all decisions were made by more than one person;

1.3 Final Outcome

Proposals were received from two Proponents.

- Proposals were reviewed for adherence to the RFP's mandatory requirements. One of the Proponents stated in Section 4 – Statement of Compliance of the Form of Proposal that they declined to comply with the requirements of General Condition GC40 – contract Delivery Schedule and GC46 – Contract Deliverables. This was deemed to be an exception of a commercial nature and their proposal was deemed to be non-compliant;
- The remaining Proponent met all the mandatory requirements;
- During the evaluation of weighted criteria, an issue was identified in their proposal needing clarification to determine its compliance. The initial response from the Proponent was not clear and a second clarification was sent. This second clarification was deemed to be satisfactory in providing assurance of a compliant bid.
- Staff are recommending that a contract is awarded to the Proponent.

2.0 WORDING OF THE RFP DOCUMENT

2.1 Overview

The RFP provided the framework within which the evaluation process was conducted. A number of its attributes are described to provide context. The RFP outlined the purpose, approach, requirements and evaluation process relevant to this procurement process. Information and instruction was also provided to Proponents on:

- Background and scope of the proposed purchase;
- Procurement process, including the evaluation process as well as the evaluation categories and their weighting;
- Proposed schedule and timing;
- RFP requirements;
- Terms and conditions;
- Instruction on the manner in which submissions should be provided;

- TTC reserved rights;
- Evaluation and disqualification provisions;
- Negotiations (if applicable);

The RFP contained a number of appendices which provided a solid basis for the preparation of an appropriate proposal.

The RFP included definitions which aided common understanding. Other components included: a Form of Proposal, Bid bond, Proposal Security, Irrevocable Letter of Credit (Contract Security) , proposal submission information, Articles of Agreement, Options List, Alternatives list, General Conditions, Specifications and Contract drawings.

A two envelope system of proposal submission was used to help ensure the evaluation of pricing information was kept separate from consideration of the rated criteria.

In a number of instances specifications stated manufacturer's name and part number. While Proponents were allowed to propose equivalent parts, the TTC reserved the right to deduct marks if it was felt that the part was not equivalent or, if by accepting the equivalent part, the operations of the TTC would be negatively affected e.g. parts storage, staff training, etc. While it may make good business sense to limit part selection to a manageable number of manufacturers for replacement and maintenance purposes, using manufacturer named specifications creates a degree of acquisition without competition at the manufacturer level. It is thus recommended that this practice be reviewed and, where feasible and practical, a more generic (performance based) approach to specification writing be adopted.

2.2 Evaluation

The evaluation steps were defined as follows:

- Stage 1 - Commercial compliance review and completeness of proposal submissions;
- Stage 2 - Pass/ Fail Criteria evaluation;
- Stage 3 - Weighted Criteria evaluation;
- Stage 4 - Pricing evaluation.

Pass/ Fail Criteria

The Pass/ Fail Criteria were crafted such that they could be evaluated in a clear comply/not comply manner. They were stipulated as:

- No exceptions of a commercial nature and an appropriate Form of Proposal;
- The Proponent demonstrates they have met the RFP requirements for Altoona testing completed or scheduled;
- The Proponent demonstrates compliance with the RFP requirement for Shaker Test by Exova or completion of a similar design life validation test ("Rough Road Test")
- Proposed design complies with the specified requirements for the provision of a Stainless Steel Structure (North American Materials and Construction);
- The Proponent demonstrates that the Canadian Content and Direct Assembly requirement can be met;
- The Proposed design includes the provision of a Rear Mounted "T" Drive Power train Configuration;
- Proponent's facility is ISO 9001 registered.

Weighted Criteria

The Rated Criteria were defined and weighed as follows:

- Proven field experience 10%;
- General Requirements of the Proposed Vehicle 4%;
- Design Parameters 4%;
- Exterior Body and Structure 4%;
- Bus Interior 4%;
- Doors and Doors Controls 4%;
- Operator's Workstation and Controls 4%;
- Engine, Driveline, Exhaust, Cooling and Braking 4%;

- Suspension and Steering System 4%;
- Fuel System 4%;
- Heat, Ventilation and Air Conditioning 4%;
- Lighting and Electrical 4%;
- Air System and Mechanical Accessories 4%;
- Materials and Workmanship 4%;
- Documentation, Software/Firmware, Manuals and Training 4%;
- Special On-Board Electronic Equipment 4%;
- After Sales Support 5%;
- Estimated Load Capacity of Design 2%;
- Quality Control Program 3%;
- Part Supply Network 2%;
- Delivery Schedule 8%.

The Proponent needed to achieve an 80% score to have price considered. Price at that point was the sole determiner. Options, alternatives, special tools and recommended maintenance parts list were not part of the pricing consideration and were to be only considered after the successful Proponent was identified.

Pricing

The evaluation of Pricing was to be scored on a formula basis based on a quantity of 50 Buses for delivery in 2015.

3.0 COMMUNICATION AND INFORMATION TO PROPONENTS

3.1 *Single Point of Contact*

A provision was made in the RFP for a single point of contact to provide information pertaining to the procurement process. Proponents that required additional information were instructed to submit their questions in writing.

Proponents were warned that they had to abide by City of Toronto Municipal Code requirements regarding lobbying.

3.2 *Distribution*

The RFP was issued on July 12, 2013 and was to close on October 24, 2013. This end date was later extended to November 12, 2013. This was considered an appropriate length of time to allow Proponents to appropriately respond.

3.3 *Proponents Meeting*

An information session for Proponents was held. The information provided was general in nature focusing on highlights from the RFP document. Proponent's questions also were entertained. It was emphasized that the answers provided were informal and any official questions should be put in writing and would be responded to. Detailed minutes of the meeting were sent to all Proponents. The Fairness Monitor was present and we can attest to the fact that the meeting was conducted in accordance to the stipulations of the RFP document.

3.4 *Proponent Questions Concerning the RFP Documents*

The RFP indicated that Proponents were allowed to submit questions of a general nature as well as confidential questions. Answers to general questions were to be provided to all Proponents. Answers to confidential questions were to be kept confidential. The TTC reserved the right to make the judgement. If a question that had been posed as being confidential, was deemed to be general, the Proponent was given the opportunity to withdraw the question.

Proponents submitted numerous questions. As Fairness Monitor we reviewed the responses to these questions. We found that the questions were handled in a manner that passed the test of fairness in that there was no obvious bias in the responses, the answers did not appear to favour one Proponent over another, and decisions on the confidentiality of answers appeared to be based on the commercially proprietary nature of the issue at hand.

Proponents were allowed to submit exceptions of a commercial nature during the open period requesting changes to the RFP by the TTC. If accepted they were to be included as an Addenda to the RFP. Any exceptions to the commercial conditions after the open period in a proposal were to be considered non-compliant.

3.5 *Addenda*

Eight addenda were issued. Assurance was provided by TTC staff that all changes made were based on business need rather than for the preference of one Proponent over another.

3.6 *Questions of Clarification*

See Section 5.0, The Evaluation Process, for description of two questions of clarification asked of a Proponent as a part of the evaluation process.

4.0 CONFIDENTIALITY/CONFLICT OF INTEREST

4.1 *Security of Proposals Evaluation Documents*

The Project Team took steps to ensure that all procurement related documents in their possession remained under lock and key when not in use.

4.2 *Staff*

All TTC staff that participated in the evaluation of proposals were bound by the stipulations of their employment relationship.

4.3 *RFP Proponent Provisions*

The RFP contained a standard Conflict of Interest clause that required the Proponent to declare any conflict, controlled lobbying and warned against collusion.

5.0 THE EVALUATION PROCESS

5.1 *Clarity of Roles*

Two TTC Procurement staff acted as part of the evaluation team and assisted by:

- Managing the evaluation process;
- Ensuring that proper process was followed;
- Tabulating the results;
- Documenting the process;
- Acted as full members of the evaluation team.

Note that the evaluators were all experienced and no orientation was provided. It is suggested that the TTC consider developing an Evaluator's Guide to assist with orientation in the future.

The evaluation committee consisted of members of the TTC's Materials and Procurement and Vehicle Engineering Departments. They collectively were responsible for:

- Reviewing proposals and conducting a substantial compliance check;
- Allocating individual preliminary rationale;
- Attending group meetings to discuss results;
- Amending preliminary scores in light of group review;
- Signing off on the documentation concerning group scores.

5.2 *Management of Undue Influence*

At no point in the process were decisions affecting the outcome of the evaluation process made by one individual. All final decisions, at each stage, were signed off by evaluation Committee members.

5.3 *Common Scoring Sheets*

Common evaluation forms were developed for each stage of the evaluation. The use of these forms helped ensure that the proposals were judged on the same

basis making consistency of treatment much easier. They also aided appropriate documentation.

The preliminary evaluations were not scored but commentary was documented. It is suggested that, in future, the TTC consider having individual evaluation forms that require evaluators to both score and provide rationale for their score.

5.4 Consensus Meetings

The Fairness Monitor attended the Consensus meetings. Based on observations of the process, we found no instance in which evaluation criteria were used, other than those which had been identified in the RFP document. Participants came prepared to engage in meaningful discussion. They recognized the value of such discussion and did not rush to a final decision.

5.5 Clarification Question

During the rated portion of the evaluation a question of clarification was asked of one of the Proponents concerning warranty coverage as identified in the RFP. The question was properly structured so as not to solicit bid repair. It was explained that any additional information provided would not be taken into consideration.

5.6 Outcome

- Proposals were received from two Proponents.
- Proposals were reviewed for adherence to the RFP's mandatory requirements. One of the Proponents stated in Section 4 – Statement of Compliance of the Form of Proposal that they declined to comply with the requirements of General Condition GC40 – contract Delivery Schedule and GC46 – Contract Deliverables. This was deemed to be an exception of a commercial nature and their proposal was deemed to be commercially non-compliant;
- The remaining Proponent met all the Pass/ fail criteria.
- During the review of weighted criteria, an issue was identified in their proposal needing clarification to determine its compliance with warranty requirement. The initial response from the Proponent was not clear and a second clarification was sent. This second clarification was deemed to be satisfactory in providing assurance of a compliant bid.
- Staff are recommending that a contract is awarded to the Proponent.

6.0 DEBRIEFING

6.1 *Description of Process*

It is our understanding that the TTC will provide a debrief session if requested. The Fairness Monitor's report was submitted before any requests for debriefings were received.

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