

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: March 26, 2014

SUBJECT: Purchase Authorization – Information Technology Placement Firms for Technical Service Assistance

ACTION ITEM

RECOMMENDATION

It is recommended that the Board:

1. Authorize the award of contracts to the following fourteen Information Technology Placement firms for the provision of technical services assistance on the basis of highest total weighted score responses, for the period from Notification of Award to December 31, 2016, in the upset limit amounts (inclusive of all applicable taxes) as indicated below:

PricewaterhouseCoopers LLP	\$8,200,000
T.E.S. Contract Services Inc.	\$8,200,000
Eagle Professional Resources Inc.	\$5,500,000
Procom Consultants Group Ltd.	\$5,500,000
ADGA IT Systems Inc.	\$5,500,000
Calian Ltd.	\$5,500,000
Ian Martin IT Inc.	\$2,700,000
Altis Human Resources Inc.	\$2,700,000
Veritaaq Technology House Inc.	\$2,700,000
Bevertec CST Inc.	\$2,700,000
Imex Systems Inc.	\$2,700,000
KMPG LLP	\$2,700,000
Proex	\$2,700,000
Si Systems Partnership	\$2,700,000

<u>Total Upset Limit Amount all contracts</u>	<u>\$60,000,000</u>
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FUNDING

Sufficient funding for these expenditures has been included in Program 7.1 IT Systems and Infrastructure Projects (City Project # CTT061) as set out on pages 895 to 978 inclusively of the 2014 to 2023 TTC Capital Program, approved by City Council on January 30, 2014. Work releases for capital program-related contracts will be within current project approval limits.

Funds have also been included in the 2014 TTC Operating Budget and will be provided for in future Operating Budget as required.

BACKGROUND

TTC staff supports extensive computer systems and communications infrastructure throughout TTC's operations. This includes a full range of system development and "state of good repair" capital projects. The permanent staff available for these activities is limited and it is necessary to supplement staff with technical expertise from external staffing agency resources to meet their system project requirements which are part of the approved Capital Program. Consequently, TTC utilizes the services of Information Technology (IT) Placement firms to provide qualified resources on an "as required basis" for various TTC projects for periods ranging from 3 to 36 months.

Since 2001 these types of contracts have provided TTC staff with the flexibility to secure resources in a timely manner. The expertise these resources provided have either augmented staff's knowledge or provided specific expertise that TTC staff does not possess. These contracts support the requirement for short duration contractors with specialized skills.

Beginning in 2006, an annual review process was implemented within the TTC to identify longer-lasting work assignments and assess whether permanent positions would better fit the requirements. TTC ITS staff will continue this process of assessing requirements lasting longer than 2 years to identify whether the requirement would be better served with a temporary TTC employee or if the need justifies a permanent staff resource.

The City of Toronto undertook a competitive procurement process that concluded in March 2011 for the provision of the technical resources by IT placement firms. Based on the City's competitive process, TTC received approval to combine its requirements with the City at the July 2011 Board meeting and to award contracts to seventeen information technology firms in the upset limit amounts based on anticipated service requirements at the time. (Refer to Board meeting #1938, Item 4 b).

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2011/July 6 2011/Reports/PA Information Techn.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2011/July%206%202011/Reports/PA%20Information%20Techn.pdf).

DISCUSSION

The TTC has 84 information technology projects approved for the 2014 Capital Program with a similar number projected for future years. This has considerably increased in comparison to the previous contract which covered 29 projects. These projects will require technical services to be provided through temporary technical professional resources over the term of the projects in the next few years. In addition, an increasing volume of work that cannot be satisfied through internal staff resources will also require temporary technical expertise and services of temporary professional technical resources through IT Placement firms.

In May 2013, the City began their process for a new Request for Expression of Interest (REOI) for the subject requirement which indicated a contract period expiry date of December 31, 2016. A working team consisting of City and TTC staff was established to include TTC's requirements and develop a joint REOI.

The REOI indicated that a roster of qualified firms will be developed based on the stated evaluation criteria and this roster will be made available to the City's Agencies, Boards, Commissions and Corporations (ABCC's) for their respective IT resources requirements and it also stated that, if an ABCC elects to participate and use the roster, the vendors must extend to the ABCCs the same terms and conditions of the REOI. However, all of the vendors will enter into their own arrangements, agreements or contracts with the ABCCs on all matters regarding invoicing and payment.

The REOI included the TTC's Terms of Reference, which are additional requirements to the REOI that will apply to the TTC's participation and use of the roster. The REOI indicated that, for the purposes of the TTC, (i) the Terms of Reference shall form part of the REOI and be referenced in the TTC Purchase Order; and (ii) in the event of a conflict or inconsistency the order of precedence shall be, in descending order of priority, as follows: (i) The TTC Purchase Order, (ii) The TTC's Terms of Reference, (iii) The Vendor's Proposal and (iv) The REOI.

The TTC's process differs from the City's in that the City issues individual Purchase Orders at the Division level for each requirement within their prescribed authorization limits and TTC staff request approval from the Board for the aggregate upset limit amount (\$60M) which is awarded in the respective individual upset limit contract amounts (Purchase Orders) to each of the recommended firms. Once the TTC Purchase Orders are in place, individual work assignments are issued by TTC ITS staff in accordance with the Work Assignment Process as detailed on the attached Appendix A, and the upset limits are drawn from on an "as required basis". Authority to increase these upset limits for any of the awarded contracts can only be processed in accordance with the TTC Authorization for Expenditure and Other Commitments Policy. This centralized control provides TTC staff with a method of monitoring the program's expenditures, delivering a responsive and accountable administrative process.

On September 26, 2013, the City publicly advertised a REOI on the City's website, 82 companies downloaded the REOI, out of which 52 companies submitted a response by the closing date of November 1, 2013.

The City and TTC established 3 categories for which the resources were required consisting of 1 Standard Category and 2 Specialized Categories as follows:

1. Standard Services Category: Standard which includes the requirement of resources such as: Application Architect, Application Designer, Business Analyst, IT Asset Manager, Project Manager and/or Coordinator, Software and Infrastructure Tester, System Analyst, Technical Writer;

2. Specialized Category: Information Management Services and Business Intelligence Services (IMS/BIS) which includes the requirement of resources such as: Data Warehouse ETL Developer, Data Warehouse Data Modeler, Database Developer, Enterprise Architect and Information Architect; and
3. Specialized Category: SAP which includes the requirement of resources such as: SAP Project Management, SAP Application Developer Specialist, Accounting & Logistics Specialist, Business Analyst\Configuration Specialist (HR) and Business Analyst\Configuration Specialist (for Payroll).

The REOI indicated that respondents may submit a response to one or more categories for consideration and that they should provide a separate response for each category to which they are seeking selection.

The REOI was split into 2 stages; Stage 1 - Mandatory Administrative and Technical requirements consisted of evidence that the respondent has been in business for a minimum of 2 years; financial viability demonstrating a minimum revenue of \$2,000,000 a year for the last 2 years; and include 1 reference from clients (preferably from the broader public sector) for each occasion described in performing similar services completed.

The REOI stipulated failure to meet these minimum requirements will result in deeming the response non-compliant and be disqualified from the process and not be considered further. Only the compliant responses would move on to Stage 2 consisting of 2A – Detailed Evaluation, and if required by the City, Stage 2B – Interview. All responses were evaluated based on pre-determined weighted criteria such as: Respondent's Profile; Respondent's Capability, Experience and Qualifications with respect to previous contracts of a similar nature; Proposed Staff Team Qualifications; Methodology; and Organizational Quality of Responses as detailed on the attached Appendix B. Each roster category had its own separate evaluation team representing the City and TTC.

The REOI stated that each of the 3 roster categories would be evaluated and awarded separately. A response for each roster category must achieve a minimum overall score of 70 out of 100 points in order to be considered qualified and for inclusion on the applicable roster category. Further, it indicated a maximum of 10 of the highest scoring respondents for the Standard Category and a maximum of 6 Respondents for the Specialized Categories would be selected to the rosters.

Of the 52 responses received, 6 failed to meet the mandatory requirements and were considered non-compliant: Dytrem, Ivedha Inc., TEKsystems Canada Inc. and Tundra Temporary Services known as Technical Solutions did not submit the financial information required, and SAP Canada Inc. took exceptions to the City's Terms and Conditions.

A total of 46 responses were considered compliant and moved on to Stage 2A of the evaluation phase for each of the respective roster categories (Refer to attached Appendix C). The Standard Category consisted of 37 responses. A total of 31 responses met the minimum

70% requirement and were considered qualified; and a total of 6 responses did not meet the 70% minimum requirement.

The following 10 highest scoring companies are being recommended for award of the Standard Category.

Eagle Professional Services	Altis Human Resources Inc.
PricewaterhouseCoopers LLP	Procom Consultants Group Ltd
ADGA IT Systems Inc.	Veritaaq Technology House Inc.
Calian Ltd.	Bevertec CST Inc.
Ian Martin Limited	TES Contract Services Inc.

The IMS/BIS Category consisted of 32 responses. A total of 25 responses met the minimum 70% requirement and were considered qualified; and a total of 7 responses did not meet the 70% minimum requirement.

The following 6 highest scoring companies are being recommended for award of the IMS/BIS Category.

Eagle Professional Services	Imex Systems Inc.
PricewaterhouseCoopers LLP	Procom Consultants Group Ltd
ADGA IT Systems Inc.	TES Contract Services Inc.

The SAP Category consisted of 18 responses. A total of 11 responses met the minimum 70% requirement and were considered qualified; and a total of 7 responses did not meet the 70% minimum requirement.

The following 6 highest scoring companies are being recommended for award of the SAP Category.

Calian Ltd.	Si Systems Partnership
PricewaterhouseCoopers LLP	Proex Inc.
KMPG LLP	T.E.S. Contract Services Inc.

The Stage 2B was not required for the evaluation and all 3 roster categories are being recommended for award.

The overall upset limit amount of \$60M is being awarded and split equally to all fourteen recommended companies at approximately \$2.7M per category and those firms being recommended for 2 categories will be awarded \$5.5M and the firms being recommended for 3 categories will be awarded \$8.2M (Refer to attached Appendix D).

The award of these contracts covers the additional resources required for the IT Systems and Infrastructure Projects during the term of the contract. TTC staff reserves the right to assess the value and complexity of the larger projects and/or programs to determine whether there is an overall benefit to issuing the requirement on a stand-alone basis as a separate competitive procurement process.

The individual work assignments are filled consistent with the process outlined in Appendix A . The schedule and specific deliverables and are set out in each Work Assignment. This process allows projects with a burn rate to be accommodated with resources in a shorter turn-around time than is currently available through normal hiring practices. An assessment of these deliverables is conducted at regular intervals.

JUSTIFICATION

The authorizations requested will allow the appropriate level of technical resources for approved Capital Programs and Operating initiatives to proceed to a successful conclusion.

March 12, 2014
9-118-75

- Attachments: Appendix A Work Assignment Process
Appendix B REOI Evaluation Criteria
Appendix C Compliant Responses
Appendix D Recommended Contract Awards

APPENDIX “A”

WORK ASSIGNMENT PROCESS

1. Need identified by Project Manager or Supervisor
2. Requisition approved by Director of the section requesting a resource.
3. I.T. Services Contract Administrator (ITCA) contacts qualified companies for the applicable category and provides job details (scope of work duration of assignment) and required skills/qualifications and requests up to 3 candidates per company. Companies have up to 3 days to respond.
4. The proposed candidates' resumes/hourly rates are submitted to the ITCA, who forwards the information to the originator for review, interview and selection. Human Resources are invited and may participate in the interviews. The evaluation of candidates is conducted as follows:
 1. Mandatory Requirements (pass / fail). Candidates that pass are evaluated.
 2. Candidates are rated based on their technical qualifications. Technical submission (85% weighted) – candidates must achieve a minimum score of 70% in order to be considered qualified.
 3. Interviews are conducted with technically qualified candidates.
 4. Price - Hourly Rates-are evaluated (15% weighted).
 5. The highest overall rated candidates are recommended for the assignment.
5. The recommended selection is approved by Director – Client Services or Head-ITS
6. The TTC's Materials & Procurement Department conducts periodic Administrative/process reviews of these contracts and provides the results to the Head – ITS Department. Internal Audit and Human Resources may also perform periodic reviews of the contracts and processes.

APPENDIX 'B'

REOI EVALUATION CRITERIA

A. RESPONDENTS PROFILE (15%)

- Executive Summary
- History
- Future Plans
- Installed Base
- Size of Company

B. RESPONDENTS CAPABILITY, EXPERIENCE AND QUALIFICATIONS WITH RESPECT TO PREVIOUS CONTRACTS OF A SIMILAR NATURE (40%)

- The Respondent's perspective of the critical success factors associated with the Services listed in the REOI
- The Respondent's recent experience on a minimum of three (3) occasions (one occasion for each reference) of providing similar Services for the applicable Roster Category for the purpose of evaluating the Respondent's experience and track record of success. Each reference must be from a different organization
- Public Sector Reference
- Length of Contract
- Service Description relevance to the Roster Category
- Contract Value
- How recent the service rendered

C. PROPOSED STAFF TEAM AND RESOURCES QUALIFICATIONS AND METHODOLOGY (40%)

- The proposed Account Manager, recruiter(s), interviewers, and any other key staff.
- An organization chart, with clearly defined roles and responsibilities, of the Account Manager and personnel that would be assigned to Work Assignments
- Resumes for all Key Internal staff individuals
- Strategies and individuals that can fulfill the roles and responsibilities for any unforeseen events requiring replacement of team members
- a brief description outlining why they should be selected to provide the services

- a summary of the risks/problems/issues associated with the Services and how they will mitigate against such risk/problem/issues
- Methods employed by the Respondent to ensure that the Respondent's Account Manager, recruiters and interviewers are kept up-to-date with current recruitment and selection practices
- The methodology used by the Respondent in sourcing and selecting the proposed resources, including pre-screening, screening, and interviewing techniques; and background/reference checks/education methods
- All employment policies and compliance statements with respect to the Human Rights Code, Equal Opportunity Employment and workplace
- Copies of the Terms and Conditions of Employment
- The approach to ensuring Specialists are aware of typical office behaviour protocols
- The approach to ensure that Specialists are aware and understand their obligations regarding workplace legislation
- The processes that are in place to allow for continuous improvement in order to provide better service to the City
- Details on the Respondent's client service process including the management of client complaints

D. ORGANIZATIONAL QUALITY OF RESPONSE (5%)

- Is the Response detailed, comprehensive and well organized
- Has the Respondent provided clarity of language, adherence to suggested structuring and adequate documentation to allow the City to conduct a thorough evaluation

APPENDIX “C”
COMPLIANT RESPONSES

01 Millennium Consulting	Imex Systems Inc.
Adastra Corporation	Infotek Consulting Services Inc.
Addmore Group	Iserve Technology Consulting Ltd
ADGA IT Systems Inc.	ISG Search Inc.
Altis Human Resources Inc.	KPMG LLP
Asset Computer Personnel Corporation	Lintex Computer Group Inc.
Bagg Technology Resources Inc.	NTT Data Canada Inc.
Bevertec CST Inc.	Planet Personal Agency Inc. (Planet4iT)
Biond Consulting	Precision ERP Incorporated
Calian Ltd.	PricewaterhouseCoopers LLP
CGI Information Systems and Management Consultants Inc.	Procom Consultants Group Ltd
CM Inc.	Proex Inc.
Comtech Group Inc.	ProVision IT Resources Ltd.
Contax Inc.	Randstad Technologies, a division of Randstad Interim Inc.
CSI Consulting Inc.	Redwood Global Inc.
Dean Group	Si Systems
Eagle Professional Resources	SRA Staffing Solutions Ltd.
emergiT <small>E</small> L Inc.	Sundiata White Group - Intellistaff Ltd.
Esri Canada Limited	SyLogix Consulting Inc.
Global Village Consulting Inc.	Systematix Technology Consultants Inc.
GroupeX Inc.	TeraMach Technologies Inc.
GSI International Consulting Group	TES Contract Services Inc. o/a The Employment Solution
Ian Martin Limited	Veritaaq Technology House Inc.

APPENDIX 'D'

RECOMMENDED CONTRACT AWARDS

Recommended Companies	Standard	Info Mgmt Services & Business Intelligence	SAP Services	Upset Limit Amount	Number of Categories
PricewaterhouseCoopers LLP	\$2,800,000	\$2,700,000	\$2,700,000	\$8,200,000	3
T.E.S. Contract Services Inc.	\$2,800,000	\$2,700,000	\$2,700,000	\$8,200,000	3
Eagle Professional Resources Inc.	\$2,800,000	\$2,700,000		\$5,500,000	2
Procom Consultants Group Ltd.	\$2,800,000	\$2,700,000		\$5,500,000	2
ADGA IT Systems Inc.	\$2,800,000	\$2,700,000		\$5,500,000	2
Calian Ltd.	\$2,800,000		\$2,700,000	\$5,500,000	2
Ian Martin IT Inc.	\$2,700,000			\$2,700,000	1
Altis Human Resources Inc.	\$2,700,000			\$2,700,000	1
Veritaaq Technology House Inc.	\$2,700,000			\$2,700,000	1
Bevertec CST Inc.	\$2,700,000			\$2,700,000	1
Imex Systems Inc.		\$2,700,000		\$2,700,000	1
KMPG LLP			\$2,700,000	\$2,700,000	1
Proex			\$2,700,000	\$2,700,000	1
Si Systems Partnership			\$2,700,000	\$2,700,000	1

\$60,000,000.00