



STAFF REPORT ACTION REQUIRED

Procurement Authorization Consultant Design Services Contract G85-323E

Date:	March 26, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

Contract G85-323 is a miscellaneous design services contract which was awarded for a three year period from August 20, 2014 to August 19, 2017, in the total aggregate upset limit amount of \$20M, to four different consultants in the total upset limit amount of \$5M each for the provision of design and engineering services for various small scale, renewal type projects.

The process of awarding specific assignments to any one of these four consultants is based on a competitive evaluation of work plans or responses submitted by each of the four consultants. The TTC will evaluate and rank the work plans on the basis of the submitted content considering schedule, quality of work plan, demonstrated understanding of the assignment and total cost to the TTC.

AECOM Canada Ltd. (AECOM) and URS Canada Inc. (URS) are two of the four consultants that were awarded a contract in August 2014. In October 2014, AECOM submitted notification to staff stating that AECOM and URS have merged and are legally one company, and they would only submit one work plan under the lead of AECOM, for any upcoming assignments. As TTC's intent is to obtain four competitive quotes for each work plan, this notification from AECOM will restrict this competitive process to three consultants only, therefore, TTC is recommending to terminate the contract with URS, and award the fourth contract to the next highest ranked proponent of the previous Request for Proposals (RFP) call that resulted in this original award.

Recommendations

It is recommended that the Board authorize:

1. Termination of Contract G85-323C with URS for Consultant Design Services in the upset limit amount of \$5M and transfer of active assignments to Contract G85-323B with AECOM as a result of a merger between the two firms.
2. Award Contract G85-323E for Consultant Design Services to Morrison Hershfield Limited in the upset limit amount of \$5M for a contract term to commence upon notification of award to August 19, 2017.

Financial Impact

Sufficient funds of \$5 million are included in the TTC's 2015-2024 Capital Budget that will be considered by City Council at its meeting of March 10/11, 2015. There is no financial impact beyond what has already been approved by the TTC Board at its meeting of February 2, 2015.

Payment for design services will be based on actual work performed and approved staff rates and in accordance with the approved projects. No work will be initiated on any project unless the funds are available and work plans have been approved.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

Decision History

In May 2014, a RFP was issued for Contract G85-323 for the provision of miscellaneous design services and twenty proposals were received. The RFP stated that the TTC intended to award up to four contracts with equal upset limit amounts for each contract.

The evaluation of proposals was based on a two envelope process and consisted of qualitative and pricing components; 80 points allocated to the qualitative merit and 20 points allocated to the pricing. Proposals were first scored based on qualitative criteria at the associated weightings as set out in the proposal documents. It was pre-determined that proposals achieving a total minimum of 64 points out of the maximum 80 points available for the qualitative evaluation would be considered qualified. The pricing component of all qualified proponents was then evaluated, utilizing the percentage dedication for the pre-defined key staff positions, as set out in the proposal documents for evaluation purposes only, to determine a composite hourly billing rate. The total weighted score was calculated as a sum of the weighted qualitative score and the weighted pricing score. The recommendation for award was based on the four highest total weighted scores.

Seventeen of the twenty proposals received passed the qualitative evaluation bar and had their pricing component evaluated. HDR Corporation, AECOM, URS and NORR Limited, were the four proposals with highest total weighted scores and were each awarded a contract in the total upset limit amount of \$5M for a three year period.

Morrison Hershfield Limited (MH) was the fifth highest ranked proposal. As the proposal validity had expired, staff contacted MH to inquire whether they were agreeable to extend the validity for their previous RFP submission to March 31, 2015 and they confirmed to the affirmative. MH has previously satisfactorily performed work for the TTC.

The award of the contract to MH is on a justifiable sole source basis of “similar or same work” through a recent competitive procurement process, in accordance with TTC Procurement Policy. Awarding a contract to MH, will allow the TTC to maintain four competitive quotes for future assignments as originally intended in the RFP.

Refer to August 19, 2014 Board Report:

[http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Reports/P.A. Consultant Design Services - Contract G85-323.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Reports/P.A._Consultant_Design_Services_-_Contract_G85-323.pdf)

Decision: Approved

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2010/Jan_20_2010/Minutes/index.jsp

Issue Background

The TTC Capital Program requires considerable design efforts to ensure successful implementation and delivery of various projects. Since sufficient resources to perform all required design services are not readily available in-house, as they are fully utilized in support of complex and substantial projects, it is essential that qualified companies be retained to provide the necessary design services for miscellaneous small scale projects.

The intent of these contracts is to provide design and engineering services for various small scale, renewal type projects within the approved 2014-2023 Capital Program. For large multi-million dollar contracts, the design services will continue to be procured separately. These design services contracts have proven to be effective by enabling staff to quickly acquire design services needed to improve project delivery.

Accessibility/Equity Matters

MH may be required to complete assignments impacting accessibility/equity. All assignments will be completed in accordance with TTC standards and regulations.

Comments

Award of this contract to Morrison Hershfield Limited will allow for a more competitive process as originally intended.

Contact

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