



STAFF REPORT ACTION REQUIRED

Procurement Authorization Construction Management Services Contract G85-335

Date:	November 23, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

The purpose of this report is to obtain authorization for the award of Contract G85-335 for Construction Management Services to MMM Group Limited (MMM) with an upset limit amount of \$60,000,000.00, in Canadian funds, with duration of five years upon the Notification of Award, on the basis of highest total weighted score.

This contract will replace existing Contract G85-313, Construction Management Services and provide TTC with Construction Management resources to supplement TTC staff in key positions.

Recommendations

It is recommended that the Board authorize:

1. Award of Contract G85-335 - Construction Management Services to MMM Group Limited (MMM) in the upset limit amount of \$60,000,000.00 Canadian dollars with duration of 5 years from Notification of Award.

Financial Summary

Sufficient funds for this expenditure are included in the 2015-2024 TTC Capital Program which was approved by City Council on March 10/11, 2015.

Contract work will be administered on an annual Work Plan basis. The actual time spent will be charged to approved projects for which the work is required, up to the \$60,000,000.00 limit amount.

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

Decision History

At its meeting of July 24, 2013, The Board approved award of Contract G85-313 for Construction Management Services.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2013/July 24/Reports/Procurement Authoriz1.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2013/July%2024/Reports/Procurement%20Authoriz1.pdf)

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2013/July 24/Reports/Decisions/P.A. Construction Management Services Contract G85-313.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2013/July%2024/Reports/Decisions/P.A.%20Construction%20Management%20Services%20Contract%20G85-313.pdf)

At its meeting of September 28, 2015, The Board approved an amendment to Contract G85-313 for Construction Management Services.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/September 28/Reports/Procurement Authorization Construction Management Services C.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2015/September%2028/Reports/Procurement%20Authorization%20Construction%20Management%20Services%20C.pdf)

Issue Background

The Construction Department organizational structure has internal consultants which supplement TTC staff in key positions including the Construction Management Services (CMS) section of the Construction Department. The CMS section manages assigned construction contracts from contract award to contract completion with minimal disruption to TTC Operations, with the aim to deliver the work safely on schedule, within budget, with requisite quality, and to minimize risk, claims and disputes. The use of consultants to supplement TTC staff provides flexibility in managing workforce levels when dealing with changing workloads, and is largely dependent on funding levels from year to year for the ongoing TTC Capital Program.

Currently, the TTC's CMS Section has 68 budgeted internal consultant positions and 71 TTC staff positions. The internal consultants perform the same tasks as TTC staff from the CMS section, in the same positions.

The services provided by the consultant for CMS include technical, analytical inspection and administrative support including, but not limited to, the following tasks:

- Inspect, monitor and report on the contractor's daily activities;
- Certify requests for contractor payments;
- Certify substantial performance and contract completion;
- Perform quality assurance audits;
- Provide survey services;
- Perform review, analysis and evaluation of contractor and third party claims;
- Perform construction reviews of design documents and construction documents;
- Monitor and assist in monitoring construction safety to protect the public, construction personnel and property;
- Provide construction management expertise; and
- Provide construction methods expertise.

Accessibility/Equity Matters

There are no accessibility or equity issues associated with this report.

Comments

A Request for Proposals (RFP) was publicly advertised on the Merx web site as well as the TTC's web site as of August 24, 2015, and twenty nine companies downloaded copies of the proposal documents, out of which three submitted a proposal by the closing date of October 1, 2015. During the proposal period, four addenda were issued.

Of the remaining twenty six companies that did not submit a proposal, the following reasons were provided: they did not have the depth of resources required; could not provide the number of employees in the amount of time the Scope of Services required; unable to design a solution for this project that fit their service delivery model; and their company was not prepared to be named as Constructor and neither were other companies they had approached for a possible joint venture.

Evaluation of Bid Submissions

Submissions from the following companies were received:

1. AECOM Canada Ltd.
2. Hatch Mott MacDonald Ltd.
3. MMM Group Limited

An evaluation team consisting of three members, two from the Construction Department and one from the Materials and Procurement Department evaluated the qualitative portion of the proposals in accordance with the criteria set out in the RFP and attached as Appendix A.

The recommendation for award is based on the highest total weighted score. 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. It was pre-determined that any proponent who scored a total qualitative rating of at least 70% would be considered qualified.

Proposals were first scored based on qualitative criteria at the associated weightings, as set out in the RFP documents. It was pre-determined that proposals achieving a total minimum of 56 points out of the maximum 80 points available for the qualitative evaluation would be considered qualified. Final scores for the qualitative evaluation of proposal submissions were arrived at by consensus, whereby Hatch Mott MacDonald Ltd. and MMM Group Limited (MMM) were considered qualified to perform the work. Upon completion of the qualitative evaluation, the pricing component of both qualified proponents was evaluated for the pre-defined key staff positions, as set out in the RFP 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.

Upon completion of the evaluation process, the proposal submitted by MMM had the highest overall evaluated score based on the stated evaluation criteria amongst the compliant bids.

MMM has previously satisfactorily performed work of similar size and nature for the TTC.

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Attachments – Appendix A

**APPENDIX A
PROCUREMENT AUTHORIZATION
CONSTRUCTION MANAGEMENT SERVICES G85-335**

Evaluation Criteria

A. Corporate Qualifications

- Background and Capabilities
- Number of Years in Business
- Depth of Proposed Available Resources at Proponent's Office, by Discipline
- Relevant Corporate Experience by project

B. Project Team Qualifications / Experience

- Number of Years of Related Working Experience
- Number of Years of Direct Experience
- Technical Qualifications
- Capsule CV Description / Relevant Experience by Project