

Item 6



For Action

Award of Wheel-Trans Taxi Service Contracts

Date: February 25, 2020
To: TTC Board
From: Deputy Chief Executive Officer

Summary

The purpose of this report is to request approval to award taxi service contracts to the recommended proponents for a five-year term and to increase the total upset limits of the current service contracts through the transition period.

Wheel-Trans has utilized contracted taxi services since the early 1990's in order to supplement Wheel-Trans. With over 44,000 active customers, Wheel-Trans is the third largest paratransit service in North America, carrying over 15,000 customers daily on peak days. Legislative amendments in early 2017 expanded paratransit eligibility to include cognitive, mental health, and sensory disabilities, which has resulted in growth of customer applications to approximately 1,200 per month.

Recommendations

It is recommended that the Board:

1. Authorize the award of service contracts for the Accessible Taxi Service to the following companies, in the upset limit amounts indicated below, with a duration of five years from Notification of Award, on the basis of the highest total weighted scores:

	Upset Limit Amount
Associated Toronto Taxi-Cab Co-operative Limited (Co-op)	\$51,000,000
2605881 Ontario Inc. (Royal Taxi)	\$51,000,000
1210670 Ontario Inc. (Scarborough)	\$51,000,000
1145659 Ontario Limited (Checker)	\$51,000,000
Beck Taxi Ltd. (Beck)	\$51,000,000

Total Overall Upset Limit: \$ 255,000,000

2. Authorize the award of contracts for the Sedan Meter-Based Taxi Service to the following companies, in the upset limit amounts indicated below, with a duration of five years from Notification of Award, on the basis of the highest total weighted scores:

	Upset Limit Amount
Associated Toronto Taxi-Cab Co-operative Limited (Co-op)	\$49,000,000
1210670 Ontario Inc. (Scarborough)	\$49,000,000
Beck Taxi Ltd. (Beck)	\$49,000,000

Total Overall Upset Limit (Rounded) : \$ 147,000,000

3. Authorize amendments to increase the total upset limits of the four current Accessible Taxi Distance-Based Service Contracts in the amount of \$5,500,000 inclusive of all applicable taxes, increasing the total upset limit from \$216,000,000 to \$221,500,000 to allow for the transition start of new service contracts.
4. Authorize amendments to increase the upset limits of the two current Sedan Meter-Based Taxi Service Contracts in the amount of \$7,000,000 inclusive of all applicable taxes, increasing the total upset limit from \$147,000,000 to \$154,000,000 to allow for the transition start of new service contracts; and
5. Delegate authority to the Chief Executive Officer to allocate approved funds to the current Accessible Taxi Distance-Based and Sedan Meter-Based Taxi Service Contractors.

Financial Summary

The recommendations in this report request a combined upset limit authority of \$414.5 million for the provision of sedan and accessible taxi service until mid-2025, as summarized in the following table:

(\$Millions)	2020	2021	2022	2023	2024	2025	TOTAL
Existing Contract Authorization (Dec 31, 2019)	23.3						23.3
Increase to Existing Contracts							
Accessible Taxi	5.5						5.5
Sedan Taxi	7.0						7.0
New Contracts							
Accessible Taxi	28.4	48.9	49.7	50.6	51.5	25.9	255.0
Sedan Taxi	15.7	29.2	29.2	29.2	29.2	14.5	147.0
Authority requested through this report	56.6	78.1	78.9	79.8	80.6	40.4	414.5
Combined Contract Authority, Net of HST rebate	72.0	70.3	71.1	71.8	72.6	36.4	394.2

The requested authority increase for the existing Accessible and Sedan Taxi contracts (\$12.5 million combined), is required primarily due to greater than anticipated requirements in 2019. Where possible longer trips were shifted to contract services in order to facilitate meeting the Collective Bargaining Agreement provision to schedule 38% of rides on Wheel-Trans bus service in the most cost effective manner.

The combined 2020 requested contract authority of \$72.0 million is higher than the \$66.5 million allocated for contracted taxi service in the Wheel-Trans service budget approved by the TTC Board on December 16, 2019. \$1.2 million of this variance for 2020 (\$2.1 million annualized) is attributable to accessible taxi pricing achieved through the RFP being higher than the amount assumed for the 2020 budget. Staff will work to accommodate this variance within the overall 2020 budget for Wheel-Trans service. The balance of the variance will allow sufficient upset limit authority to be assigned to each contract to allow staff to effectively manage the transition to new service contracts with no impact to the delivery of service provided to our customers.

For 2021 to 2025 requested upset limit authority includes contractual price escalation and assumes that any increase in ridership demand or travel lengths, will be offset by reduced contract taxi requirements as a result of the continued implementation of the Family of Services model. Sufficient funding based on latest demand and requirement projections will be incorporated into future budgets for TTC Board consideration.

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

Equity/Accessibility Matters

A reliable transit network is critical for customers relying on TTC services to get to work, school, access health services, participate in recreational and cultural services, etc. Studies have shown that people who have less access to public services, including transit, typically have worse economic and health prospects. Access to transit that is accessible, safe, reliable, and that grows with or ahead of the population will help improve health outcomes, economic prosperity, and equity throughout the City of Toronto, regionally and nationally.

By 2025, the TTC's conventional services will be fully accessible as per the Accessibility for Ontarians with Disabilities Act (AODA). Improvements in Wheel-Trans systems have resulted in more detailed ride information, which includes a Customer's mobility profile that dictates the vehicle that best suits their needs. The software innovations that can determine travel patterns for efficiency, ensures that every customer that requests a ride receives a ride and cost-effectiveness.

The TTC's Legal Department, independent Consultant the Procurement Law Office Group (POG), Fairness Monitor and internal staff have reviewed the call document to ensure that the language used was clear, concise, and diversity, inclusion, dignity and respect. The call document maintains the highest quality service for Wheel-Trans customers and cost-effectiveness for the City of Toronto taxpayers.

Decision History

In November 2012, the Auditor General presented its recommendations to improve the efficiency and effectiveness of Wheel-Trans operations and services. Of the 23 recommendations, five focused on contract procurement and management activities.
<https://www.toronto.ca/audit/2012/Wheel-Trans-Sustaining-Level-and-Quality.pdf>

A competitive bid process was conducted in early 2014 for the Accessible Taxi service contract. As a result of this competitive bid process, contracts were awarded for a five-year term to July 4, 2019 with an option to extend for up to two additional one-year terms at the TTC's sole discretion.
[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2014/January 28/Reports/Procurement Authoriz.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/January%2028/Reports/Procurement%20Authoriz.pdf)

In May 2014, the TTC Board awarded contracts for Sedan Taxi meter-based services to supplement the Accessible Taxi contracts.
[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2014/May 28/Supplementary Reports/Sedan TaxiReport.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/May%2028/Supplementary%20Reports/Sedan%20TaxiReport.pdf)

In August 2014, the TTC Board approved an amendment to the Accessible Taxi service contract to add an amount equivalent to HST to the minimum driver rate portion of the all-inclusive rate, raising the rate from \$2.50/KM to \$2.83/KM.
[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2014/December 9/Minutes/Minutes August 19 2014.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/December%209/Minutes/Minutes%20August%2019%202014.pdf)

In May 2016, City Council approved a number of recommendations arising from report LS10.2 "A New Vehicle-for-Hire Bylaw to Regulate Toronto's Ground Transportation History, including a recommendation that the TTC use licensed taxicabs for when it requires vehicle for hire services.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.LS10.3>

At their meeting on January 25, 2018, the TTC Board acknowledged and affirmed its supported for this Council direction.
[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2018/February 15/Minutes/Minutes 25.jsp](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2018/February%2015/Minutes/Minutes%2025.jsp)

In July 2017 the TTC Board approved an increase of the upset limits to meet the growth experienced by the AODA and ensure sufficient funds were available to for the Wheel-Trans 10 Year plan for the Family of Services strategy.
[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2017/September 5/Minutes/index.jsp](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2017/September%205/Minutes/index.jsp)

In January 2018, the Auditor General presented its recommendations to improve Wheel-Trans Accessible Taxi procurement practices.
<https://www.toronto.ca/legdocs/mmis/2018/au/bgrd/backgroundfile-112962.pdf>

In January 2019, the TTC Board approved a one-year extension to the Sedan Meter-Based service contracts and the Accessible Taxi Distance-Based service contracts to July 4, 2020 in order to effectively facilitate the procurement of new service contracts. [http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/February 27/Minutes/minutes.jsp](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/February%2027/Minutes/minutes.jsp)

At the TTC Board meeting on November 12, 2019, the TTC Chief Executive Officer advised the TTC Board that a Request for Quotation would be released on MERX later that week for the Accessible Taxi Distance-Based and Sedan Meter-Based Taxi contracts.

<https://www.youtube.com/watch?v=YK9LH1nwX-g>

The CEO's Report – January 2020 Update further advised that the contract awards would be coming forward to the February 2020 TTC Board meeting for consideration by the TTC Board.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/January 27/Reports/1 CEO Report January 2020 Update.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/January%2027/Reports/1%20CEO%20Report%20January%202020%20Update.pdf)

Issue Background

Wheel-Trans has utilized contracted taxi services to supplement its paratransit services since the early 1990's. In the past thirty years, the total number of trips delivered by Wheel-Trans has grown from 1.2 million annually to a projected 4.2 million trips in 2020 (see Appendix 1(A): Evolution of Contract Taxi Services). Contracted services also account for the majority of same day on-demand service requests, late add-on and transferred trips. Currently, Wheel-Trans operated vehicles account for approximately 38% of all customer trips scheduled with the remaining 62% scheduled to a combination of accessible taxis and sedan taxis.

Service cost on the street in 2019 for delivering customers (Bus and Taxis combined) to their destination was approximately \$124.5 million dollars whereas if the complete on-street service was provided by Bus service alone that cost would have been approximately \$210.5 million dollars. The current service delivery modal split saved taxpayers at a minimum approximately \$83.2 million dollars without taking into account capital costs related to a larger facility, bus procurement, expanded control-centre environment and staff.

The importance of the new taxi service contracts cannot be understated as contracted taxi services provide a substantial percentage of Wheel-Trans service with emphasis on delivering a high quality service to customers while maintaining lower overall operating costs. The new contract ensures Wheel-Trans' ability to comply with the AODA while providing the flexibility to respond to any significant or sudden surge in customer demand.

On January 28, 2014, the TTC Board authorized the award of contracts for Accessible Taxi Distance-Based service to supplement Wheel-Trans service. The contract period began on July 5, 2014 and expired on July 4, 2019. On May 28, 2014 the TTC Board authorized the award for contracts for Sedan Meter-Based Taxi service to supplement

Wheel-Trans service. Both contracts were for a period of five years with an option to exercise two additional one-year contract extensions under the same Terms and Conditions.

In May 2016, City Council approved, as part of a report entitled “A New Vehicle-for-Hire Bylaw to Regulate Toronto’s Ground Transportation Industry a number of recommendations, including recommendation no. 86 which provides that “City Council direct that City Agencies, Boards and Commissions shall be required to utilize licensed taxicabs to service contracts, when they require vehicle for hire services.

In January 2018, the TTC Board acknowledged and supported the May 3, 2016 Council decision and passed its own motion to adopt.

To prepare for the new service contracts, the TTC Board at their meeting on January 24, 2019 approved an extension to the current Taxi Contracts by one (1) year to July 4, 2020 to allow staff the proper time to effectively address the Auditor General’s (AG) Recommendations (See Appendix 2), the needs of internal and external stakeholders, and in order to meet the TTC’s legislated accessibility commitment and Transformation Plan.

In April 2018, the TTC retained the Procurement Law Office Group (POG, to assist with the preparation of the Request for Quotation (RFQ) documents and to provide assistance throughout the various stages of the procurement process, including but not limited to, reviewing background material and industry best practice standards, coordination during meetings with industry representatives as part of the Request for Information (RFI) stage and advising on the strategic plan for the RFQ process.

On December 7, 2018, an RFI for the TTC Wheel-Trans Contract Services was publically advertised on the MERX and TTC websites. The RFI was intended to survey the industry’s capacity to assist in the determination of future purchasing options or requirements and to gather information about the marketplace. The RFI also indicated that the TTC was looking to identify best practices and current trends in the industry and was interested in obtaining any useful and pertinent information to assist in the design of the next Wheel-Trans service contracts procurement while taking into account the recommendations from the Auditor General.

Ten (10) companies downloaded copies of the RFI documents, of which six (6) submitted a response by the closing date of January 3, 2019. Submissions were received from the following companies: Autzu Inc., Checker, City Taxi, Mobility Transportation Specialists, Royal Taxi, and Scarborough City Cab.

Concurrently, in December 2018, the TTC held two separate public consultations for the purpose of gathering additional information for staff to analyse and review and consider when preparing the RFQ. These consultations were communicated through various news outlets, social media, and in the Wheel-Trans newsletter to inform and encourage participation from as many stakeholders as possible. Drivers also participated in on-line surveys, providing feedback for staff to review and assess.

The first consultation was held on December 7 and focused on collecting feedback from stakeholders including Contractors, drivers, non-profit groups and alternative transit providers. The second consultation was held on December 10 and focused on collecting information from customers, the public, nursing homes, assisted living facilities and members of the Advisory Committee on Accessible Transit (ACAT).

The following information was gathered through the consultation process:

- the need to increase the number of Contractors and review the scheduling process and shift hours
- request for increased driver break durations
- taxi-zone service
- Improved driver screening processes and training to increase sensitivity, awareness and empathy
- safer driving practices
- increased interior vehicle capacity
- the need for improved lines of communication between centres
- continuity and on-time delivery of service.

As a result, several recommendations were considered and incorporated into the RFQ documents, which included but are not limited to: opening the award to additional Contractors to allow for increased competition, continuing with the minimum driver guarantee, better screening for drivers, continuity in the delivery and on-time delivery of service.

In May 2019, a Fairness Monitor, John Campbell of JD Campbell and Associates, was retained by the TTC to provide an independent third party observation and assessment of the procurement process. The role of the Fairness Monitor was to make certain that the procurement process took place in accordance with the requirements established and set out in the RFQ documents and to ensure openness, fairness and transparency throughout the procurement. Should it be required, the Fairness Monitor is also available to attend debriefing meetings with the unsuccessful respondents in order to comment on the fairness of the process. Appendix 5 to this report confirms the fairness of the procurement process.

Comments

Wheel-Trans commenced a comprehensive request for information in July 2018 with key internal stakeholders from Materials & Procurement (M&P, Legal and Finance. The TTC's M&P staff retained the services of POG to assist in developing a detailed work plan and to execute a comprehensive information and industry review. Throughout this procurement process, a definitive timeline with set milestones for the process was managed (See Appendix 1(B)) in order to release new contracts. The objective was to structure the best possible taxi service contracts while ensuring a fair and transparent process that met the requirements as set by the Auditor Generals' office and to provide an opportunity for external stakeholders to provide feedback for the benefit of both Wheel-Trans customers and the City of Toronto. Staff developed a strategy that addressed a number of critical factors, both internal and external, that might impact the terms and requirements within the contract.

Issues reviewed and acted on included:

1. The City of Toronto Auditor General's recommendations as identified in the January 31, 2018 report.
2. Lessons learned from existing Accessible Taxi and Sedan Taxi service contracts.
3. How other transit agencies are managing and structuring their taxi service contracts.
4. Industry best practices in order to attain the highest industry standard for both the taxi service contracts and the overall customer experience.
5. Interdependencies and impacts from the projects within the Wheel-Trans Transformation Program, specifically the scheduling system upgrade and the automation of intermodal trip booking as well as the Family of Services model.
6. Service requirement and distribution of trips in order to forecast, model and determine service level requirements that meet our customer's expectation.
7. Municipal Licensing and Standards report, which began in September 2018 to assess any impact to licensed taxicab drivers and taxicab vehicles.
8. Retained a Fairness Monitor to oversee the contract Request for Quotation (RFQ) process to ensure transparency throughout the procurement process up to and including the award of the service contracts.
9. Engaged multiple Stakeholders through public consultations (Taxi Industry, alternative transportation providers and Customer/Public focused) as well as on-line driver and customer surveys (*See Appendix 3 for Detail Summary).

In addition, staff presented the final version of the RFQ to staff in the Auditor General's office prior to releasing the documents on MERX.

Lastly, in order to meet the start date of service, which is anticipated to be May 31, 2020 for Accessible Taxi service and June 16, 2020 for Sedan Taxi service, an increase to the current upset limit is required for the transition period. The increase, of \$11.5 million combined is required to allow for a transition timeframe necessary for new service providers to transition their business, ramp up for the additional staff requirement and call-centre requirement, required procedural and AODA training, technical link to the Wheel-Trans scheduling and PRESTO system to effectively meet and deliver service.

The increase to the current upset limits is also tied to increased service expenditures which is attributed to changes in the scheduling software system, meeting AODA requirements, keeping the unaccommodated rate to the budgeted 0.5%, accommodating on-demand requests and providing a vehicle that meet our customer's specific needs. As important, the designed longer trip lengths scheduled on the cheaper modes (taxis) permits the TTC's ability to meet the Collective Bargaining Agreement modal split scheduling requirements, while achieving cost-efficiencies.

Discussion

A summary review of the Request for Quotation (RFQ) for Accessible Taxi Distance-Based and Sedan Meter-Based Taxi service contracts is outlined here:

1. Accessible Distance-Based Taxi Contract

An RFQ was publicly advertised on the MERX and TTC websites on November 15, 2019 requesting to award five (5) service contracts. Twenty-five (25) companies downloaded copies of the documents, out of which eight (8) submitted a quotation by the closing date of December 17, 2019.

Evaluation of the Submissions

Submissions from the following companies were received for the Accessible Taxi Service:

1. Associated Toronto Taxi-Cab Co-operative (Co-Op)
2. 2605881 Ontario Inc. (Royal Taxi)
3. 1210670 Ontario Inc. (Scarborough City Cab)
4. 1145659 Ontario Limited (Checker Taxi)
5. Beck Taxi Ltd. (Beck)
6. 1437217 Ontario Ltd. (Active Ride Taxi)
7. 9432531 Canada Inc. (Fethi) 2569220 Ontario Ltd.

An Evaluation team consisting of three (3) members from the Wheel-Trans Department, conducted the formal review and rating for both RFQ's. A Fairness Monitor was retained to provide an independent third party observation and assessment to ensure that the procurement process took place in accordance with the requirements established as set out in the RFQ documents and to ensure openness, fairness, and transparency during this process. Staff from the Materials and Procurement Department, acted as the facilitator during the evaluation process. It should be noted that a report (Appendix 5) prepared by the Fairness Monitor for the procurement of Accessible Taxi Service and Sedan Taxi Meter-Based Service confirmed the fairness of the procurement process based on his observations.

The recommendation for award is based on the highest total weighted score. The evaluation of quotations was based on a three-stage process and consisted of the following:

Stage 1 – Mandatory Submission Requirements – consisted of a review to determine which quotations complied with all of the mandatory submission requirements. If a quotation failed to satisfy all of the mandatory submission requirements, the TTC would issue the respondent a rectification notice. If the respondent failed to satisfy the mandatory submission requirements within the Rectification Period, its quotation would be rejected.

Stage 2 – Evaluation – consisted of the mandatory technical requirements to be evaluated on a pass/fail basis and the qualitative criteria at the associated weightings as set out in the RFQ document. Respondents who did not meet the pass/fail requirements would not proceed to the qualitative component of the evaluation process. The qualitative component would only be evaluated for those respondents that passed the mandatory technical requirements. It was pre-determined that quotes achieving a total minimum of 42 points out of the maximum

60 points (70%) available for the qualitative evaluation would be considered qualified.

Stage 3 – Pricing – The pricing information was evaluated for only those respondents that achieved the minimum 70% in the qualitative evaluation. The pricing component of all qualified respondents was then evaluated, utilizing the estimated kilometres stipulated in the price schedule. Respondents were required to provide a per kilometre rate for year one (1) as set out in the RFQ document for evaluation purposes only. TTC staff then used this provided rate to calculate and determine a total evaluated 5-year price. The Respondent with the lowest cost per kilometre received the maximum 40 points available and all other respondents receive points accordingly (using the formula as detailed in the RFQ document).

Selection of Top-Ranked Respondents – After completion of Stage 3, all scores from Stage 2 and Stage 3 were added together and the respondents were ranked based on their total scores. The top five (5) ranked respondents who passed the evaluation thresholds and achieved an overall minimum score of 70 points will be invited to enter into an Agreement in accordance with RFQ document

Final scores for the qualitative evaluation of submissions were arrived at by consensus, whereby the following five (5) companies are considered qualified to perform the work:

- ✓ Associated Toronto Taxi-Cab Co-operative (Co-Op)
- ✓ 2605881 Ontario Inc. (Royal Taxi)
- ✓ 1210670 Ontario Inc. (Scarborough City Cab)
- ✓ 1145659 Ontario Limited (Checker Taxi)
- ✓ Beck Taxi Ltd. (Beck)

Non-Compliant Accessible Submissions

2569220 indicated “Yes” to having a valid City Brokerage licence and in good standing with the ML&S. Staff contacted the ML&S who confirmed that there was no record of this company meeting the above requirements. Staff also searched the City website to confirm whether 2569220 had a valid licence, however, no results were found. In accordance with RFQ documents, a rectification notice was issued to 2569220 to provide evidence that they had a valid brokerage licence and were in good standing with ML&S. 2569220 provided their licence, however, the evidence indicated that the licence was issued by the City as of January 9, 2020 and not on/prior to the date of closing of the RFQ.

The mandatory technical requirements form was a mandatory submission requirement (which was to be provided at the time of closing of the RFQ) that asked respondents to provide a “Yes” or “No” answer and as such, the respondent should have had a valid licence at the time of closing. The intent of the rectification notice is not to allow respondents to repair after the fact for which their submission should have met the mandatory requirements at the time of closing. The rectification notice was meant for the respondent to provide evidence/proof that they did indeed have their licence at the

time of closing. Consequently, their submission was deemed non-compliant and not evaluated further.

Fethi also indicated “Yes” to having a valid City Brokerage licence and in good standing with ML&S. M&P staff contacted ML&S who confirmed that Fethi did not meet the above mentioned requirements. TTC staff also searched the City website to confirm whether Fethi had a valid licence, however, no results were found. A rectification notice was issued to Fethi to provide evidence that they had a valid brokerage licence and were in good standing with ML&S. Fethi provided their licence, however, the evidence indicated that the licence was issued by the City as of January 8, 2020 and not on/prior to the date of closing of the RFQ. For the same reasons mentioned above, their submission was deemed non-compliant and not evaluated further.

2. Sedan Meter-Based Taxi Contract

An RFQ was publicly advertised on the MERX government website as well as the TTC’s website on November 22, 2019 requesting to award up to three (3) service contracts. Thirteen (13) companies downloaded copies of the bid documents, out of which six (6) submitted a quotation by the closing date of January 6, 2020.

Evaluation of the Bid Submissions

Submissions from the following companies were received for the Sedan Meter-Based Taxi Service for Wheel-Trans:

1. Associated Toronto Taxi-Cab Co-operative (Co-Op)
2. 1210670 Ontario Inc. (Scarborough City Cab)
3. Beck Taxi Ltd. (Beck)
4. 2028488 Ontario Limited (City Taxi)
5. 1113837 Limo Club Inc. (Swift Six).
6. Equinox Bus Lines Corp. (Equinox)

The recommendation for award is based on the highest total weighted score. The evaluation of quotations was based on a three-stage process and consisted of the following:

Stage 1 – Mandatory Submission Requirements – consisted of a review to determine which quotations complied with all of the mandatory submission requirements. If a quotation failed to satisfy all of the mandatory submission requirements, the TTC would issue the respondent a rectification notice. If the respondent failed to satisfy the mandatory submission requirements within the Rectification Period, its quotation would be rejected.

Stage 2 – Evaluation – consisted of the mandatory technical requirements to be evaluated on a pass/fail basis and the qualitative criteria at the associated weightings as set out in the RFQ document. Respondents who did not meet the pass/fail requirements would not proceed to the qualitative component of the evaluation process. The qualitative component would only be evaluated for those respondents that passed the mandatory technical requirements. It was pre-determined that quotes achieving a total minimum of 42 points out of the maximum

60 points (70%) available for the qualitative evaluation would be considered qualified.

Stage 3 – Pricing – The pricing information was evaluated for only those respondents that met the mandatory submission requirements as indicated in stage 1 and passed the mandatory technical requirements and minimum threshold(s) as indicated in Stage 2.

The pricing form identified the administration fee as a percentage (%) to be provided by the respondent which would remain firm for the duration of the contract. The total monthly fee payable will be calculated using the administration fee (%) of the total monthly meter receipts based on the work performed. The respondent with the lowest administration fee received the maximum 40 pricing points available and the balance of the respondents received pricing points based on a relative pricing formula identified within the RFQ document.

Selection of Top-Ranked Respondents – After completion of Stage 3, all scores from stage 2 and stage 3 were added together and the respondents were ranked based on their total scores. The top three (3) ranked respondents who passed the evaluation thresholds will be invited to enter into an Agreement in accordance with RFQ document.

Final scores for the qualitative evaluation of submissions were arrived at by consensus; whereby, the following three (3) companies are considered qualified to perform the work:

- ✓ Co-op
- ✓ Scarborough City Cab
- ✓ Beck Taxi Ltd.

Non-Compliant Submissions

Equinox had indicated “No” to having a valid City Brokerage licence and in good standing with the City ML&S and further stated that they were licenced by the Ontario Highway Transport Board as they operate vehicles with more than ten (10) seats. Having a valid City Brokerage licence and in good standing with the City ML&S was a mandatory requirement as stated in the RFQ document. Consequently, their submission was deemed non-compliant and not evaluated further.

Justification

A new Accessible Taxi Distance-Based and Sedan Meter-Based Taxi contract is required to continue to provide service to Wheel-Trans Operations. The Accessible bids submitted by 1210670 Ontario Inc. (Scarborough City Cab), Associated Toronto Taxi-Cab Co-Operative Limited (Co-Op), 2605881 Ontario Inc. (Royal Taxi), 1145659 Ontario Limited (Checker Taxi) and Beck Taxi Ltd. have been recommended for the Accessible Taxi Distance-Based Service Contract Award as they have the highest overall weighted rated score.

The Sedan bids submitted by Associated Toronto Taxi-Cab Co-Operative Limited (Co-Op), 1210670 Ontario Inc. (Scarborough City Cab) and Beck Taxi Ltd. have been recommended for the Sedan Meter-Based Taxi Service Contract Award as they have the highest overall weighted rated score.

Contact

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Signature

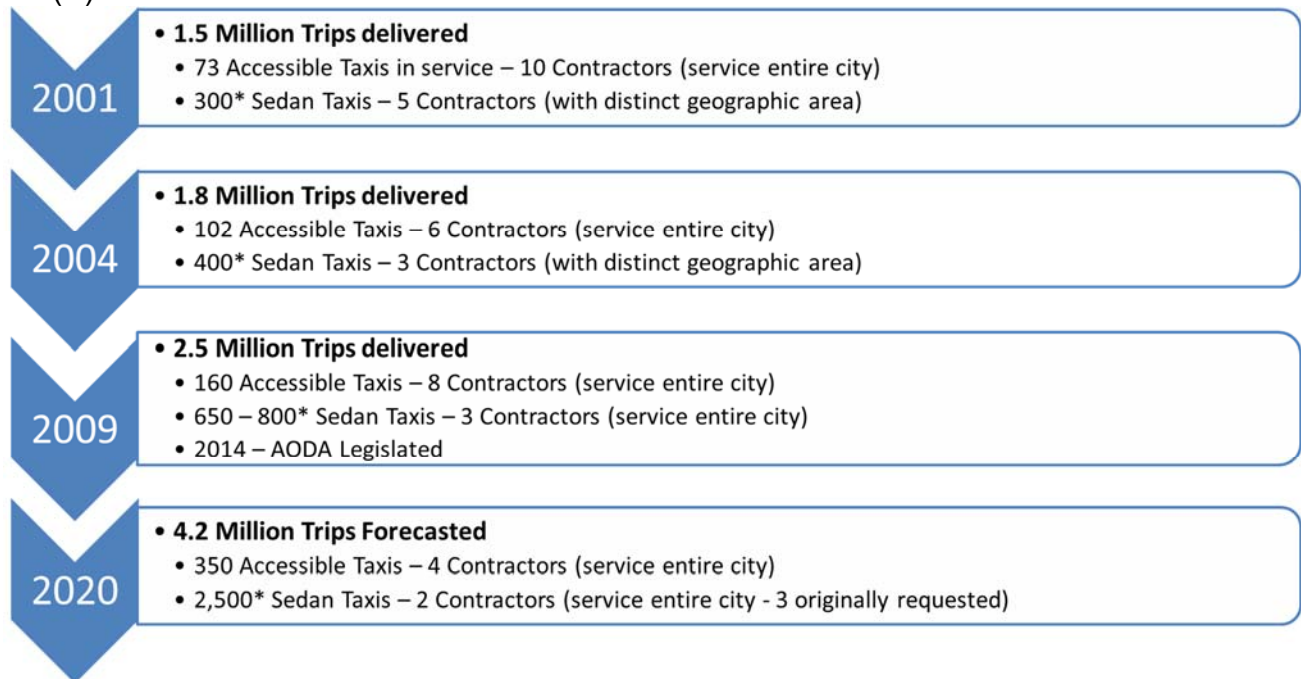
Kirsten Watson
Deputy Chief Executive Officer, Operations

Attachments

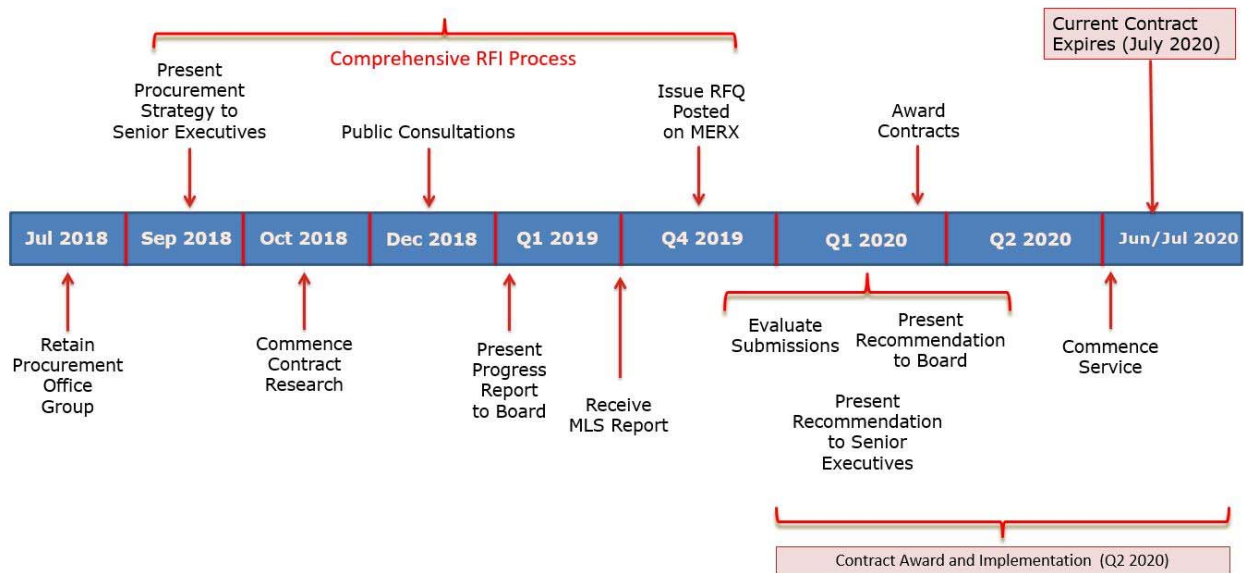
Appendix 1 – Evolution of Contract Services
 (A) Evolution
 (B) – RFI-RFQ Procurement Time
Appendix 2 – Auditor General Recommendations & Staff Response
Appendix 3 – Details of Summary Reviewed and Considered
Appendix 4 - Critical Milestones/Workplan
Appendix 5 – Fairness Monitor Report – Accessible and Sedan Report
Appendix 6 – Fairness Monitor Report – Sedan Meter Based Taxi Service

APPENDIX 1 – EVOLUTION OF CONTRACT SERVICES

(A) - Evolution



(B) RFI-RFQ Timeline



APPENDIX 2 – AUDITOR GENERAL RECOMMENDATIONS & STAFF RESPONSE

1. **Recommendation:** Review the necessity and the risks associated with stipulating a minimum driver rate in the upcoming accessible taxi services procurement.
Response: Staff engaged a third party consultant, The Procurement Office Group (POG), to assist in the procurement process. Working under the direction and management of Wheel-Trans staff during this process, initiatives undertaken included: a review of current service contracts, the structure of service contracts from other paratransit properties, as well as scope for the accessible taxi contract renewals and the development of the evaluation criteria used to assess the bids.
2. **Recommendation:** Ensure that the appropriate financial staff assesses the accuracy, completeness, and reasonableness of the financial estimate of drivers income.
Response: Staff engaged Finance to participate in the review of the financial aspects for accuracy of the financial estimates of driver income.
3. **Recommendation:** Ensure the draft call document for Accessible Taxi services and other Wheel-Trans contracted services is sufficiently and thoroughly reviewed to minimize the need for addendums and changes.
Response: POG assisted to develop, in writing, the Request for Quotation (RFQ), and with Wheel-Trans staff, internal stakeholders such M & P, Legal and Fairness Monitor. In addition, the TTC's M & P and Legal staff reviewed the outcome of each draft iteration of the RFQ to minimize gaps and impacts to TTC.
4. **Recommendation:** Ensure the appropriate Subject Matter Experts including finance and risk management staff are involved at the planning stage of the upcoming Accessible Taxi service procurement process and final review of the call document.
Response: Staff with the POG Consultant, developed a detailed work plan that identified all key stakeholder groups from the start of the procurement, roles and responsibilities and critical delivery dates for all subject matter experts involved in the planning and review of the call document. In addition, staff presented the final version of the RFQ to the Auditor General staff to review and discuss prior to releasing the documents on Merx government website.

APPENDIX – 3 DETAILED SUMMARY REVIEWED AND CONSIDERED

City of Toronto Auditor General's Recommendations

In January 2018, the City of Toronto's Auditor General presented the TTC with four recommendations for consideration when preparing the next taxi service. A list of recommendations and staff responses is included in Appendix 2 of this report. The TTC has committed significant time and resources to ensure that all of the Auditor General's findings and recommendations were thoroughly reviewed and effectively incorporated through each step of the tendering process to address the structure of these taxi service contracts.

The Auditor General recommended that Wheel-Trans complete a thorough review of the current contracts to assess the 'competitive pricing' aspect and to ensure the appropriate stakeholder staff from finance, legal and purchasing are involved in future contract drafts. Incorporating these different stakeholders from within the TTC into the process ensured a multi-level view of our strategy, which was of paramount importance to creating and fulfilling a comprehensive RFI and RFQ process while also addressing the necessity and validity of stipulating a minimum driver rate for these contracts.

The Auditor General also recommended that staff engage with the proper subject matter experts when designing the new contract terms and language to ensure it is carefully reviewed for accuracy before its release in order to minimize addendums and changes. In response to this, Wheel-Trans retained a third party consultant, the Procurement Office Group (POG), to assist in this matter. Under the direction and supervision of Wheel-Trans staff, the consultant reviewed the current Taxi service contracts with an external and impartial view in order to simplify and clarify language and terms within our existing contracts which has been incorporated into the next set of service contracts.

Service Requirements (Distribution Levels)

Business requirements are of paramount importance in determining service level distribution. Service distribution levels (%) between bus and contracted taxis (such as the annual/monthly service kilometers value requirement) has been clearly specified within the terms of the contract in order to support the proponents' ability to submit a legitimate business bid for providing service.

Interdependencies from the Wheel-Trans Transformation Program

The Wheel-Trans Transformation Program has three interdependencies that impact the implementation and delivery of contracted services.

Service Model (May 2017 – 2020)

Family of Services has defined a new service delivery model based upon intermodal transit travel for customers who are able to make use of the accessible, conventional system for all or part of their trip. As trip profiles evolve based on an increased use of conventional transit, the need for, and use of, accessible taxis and sedan taxis will continue to grow. Implementation of the Family of Services began in 2017. Understanding the requirements for contracted services over the next five-year period until the TTC is fully accessible by 2025 will impact service delivery provided by new

proponents and as such, these requirements were described as part of the RFQ process in order to ensure all proponents were familiar with these requirements prior to bid submission.

Updated Reservations, Scheduling and Dispatch system (October 2018 – 2020)

The upgraded scheduling and dispatch system will introduce functions such as automating multi-modal trip planning, on-demand trip booking, dynamic scheduling, multi-regional scheduling and vehicle location and connection protection scheduled to be completed by the end of 2020. The system will interface with real-time transit data from conventional operations for subways and surface fixed-route vehicles, systems that monitor the status of elevators and escalators essential for certain subway stations and terminals to be considered accessible. This will create a heightened need for contracted services as a majority of on-demand service and adjustments may be directed to taxi services as a more cost-efficient alternative. This makes the new set of taxi contracts of even higher importance in support of transformative changes coming to Wheel-Trans. Technical specification requirements are being developed, and have been conveyed to all proponents through the scope of the RFQ documents, which will allow for greater integration of on-time as well as the customer's ability to effectively determine vehicle location.

City of Toronto Municipal Licensing and Standards (ML&S) Review

The City's ML&S staff have conducted a comprehensive review of Chapter 546, Vehicles-for-Hire, with a report provided at the General Government and Licensing Committee in 2019. This review analyzed the City of Toronto's accessible requirements, including analyzing the effectiveness and outcomes of the current regulations and recommended changes as it relates to driver requirements, availability of services, vehicle specifications, the ML&S Accessibility Fund and driver training. Consultations on the accessibility strategy began in September 2018 and the TTC participated in these consultations and attended meetings with the ML&S to discuss changes and how they could affect the taxi service contracts. The changes were reviewed and included in the drafting the RFQ (licensed taxicab driver and licensed taxicab vehicle requirements).

Retaining a Fairness Monitor

Staff (M & P and Wheel-Trans) retained a Fairness Monitor for the RFQ procurement process. The Fairness Monitor was responsible for overseeing the various commercial and technical correspondences, evaluation criteria, and review of the final Quotation document as well as the review of submissions to ensure that the procurement process proceeded in accordance with the pre-established guidelines as set out in the RFQ to ensure fairness and transparency during the procurement process. A copy of the Fairness Monitor's Report is attached in Appendix 5.

Stakeholder Consultations

The TTC held two separate public consultations in December 2018. One consultation held on December 7, focused solely on the industry (including contractors, drivers, non-profit groups and alternative transit providers). The second consultation held on December 10 focused on customers, the public and nursing homes, as well as ACAT members. These consultations were communicated through various news outlets, social

media, and the Wheel-Trans newsletter to inform and encourage participation from as many stakeholders as possible in the request for information. The consultations were successful in gathering additional information from both set of groups for staff to analyse and review. In addition, drivers also participated in on-line surveys for feedback to review. General themes received for consideration were; increased number of contractors, better scheduling, reviewing hours of scheduled shifts, increased break durations, taxi-zone service, improved training, increased sensitivity, awareness and empathy by drivers for customers, better screening of drivers, increased interior vehicle capacity, improved lines of communication, safe driving, continuity in the delivery and on-time delivery of service. Several key themes were considered and incorporated into the RFQ documents.

APPENDIX 4 – CRITICAL MILESTONES/WORKPLAN

July 2018	Third Party Procurement Consultant hired (POG)
Jul 2018 to Sep 2018	Detailed Work Plan developed with Consultant
Sep 2018 to Dec 2018	Kick-off meetings held with internal stakeholders and initial research to begin (6 different Transit agencies, current contractors, and public consultations (Industry and public))
Jan 2019 to Mar 2019	Consultant research & review
Jul 2019 to Sep 2019	Scope of RFB finalized
Oct 2019	Scope & recommendation presented to senior management
Nov 2019	RFB posted on Merx
Dec 2019 to Jan 2020	Submissions received
Jan 2020	Submissions evaluated
Feb 2020	<ul style="list-style-type: none">- Recommendations presented to CEO and Head of Wheel-Trans- TTC Board Meeting to Recommend Award
March- May 2020	Transition
May - June 2020	Contracts Begin

JD CAMPBELL & ASSOCIATES

**TORONTO TRANSIT COMMISSION
ACCESSIBLE TAXI SERVICE
FOR WHEEL TRANS**

RFQ No. P34PE19793

Fairness Monitor's Report

Note that this is confidential information and is not for general circulation.

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1.0 Executive Summary

1.1 Introduction

This report presents our findings for the TTC Accessible Taxi Service- Request for Quotations (RFQ) No. P34PE19793. In our capacity as Fairness Monitor, we reviewed and monitored the communications, evaluation and decision-making associated with the procurement process with a view to ensuring consistency with the stipulations of the Procurement document and standard TTC procurement practice.

Wheel-Trans is a department of the TTC providing specialized accessible service which operates primarily within the City of Toronto. The TTC is seeking services from up to five (5) respondents to supplement Wheel-Trans service. Each successful Respondent will be required to service the entire service area including subway stations, accessibility hubs, and transfer points. It was a requirement that each Respondents need to pass an overall evaluation threshold.

Each of the five (5) contracts available for award are for five (5) service packages which includes sixty (60) shifts (vehicles and drivers) per package. If there are fewer than five (respondents) that have passed the evaluation thresholds, the remaining service packages will be awarded to the top ranked respondent. No one (1) respondent will be awarded more than three (3) service packages. If the top ranked respondent has reached their maximum number of service packages, any remaining service packages will be awarded to the second ranked respondent.

The term of the contract is to be for a period of five (5) years, with an option to extend for additional two (2) one (1) year extensions.

Our role, as Fairness Monitor was to review this procurement from the release of the RFQ to the selection of the Successful Respondent(s). This monitoring entailed:

- Review of the evaluation criteria;
- Consistency of Respondent treatment;
- Adherence of staff to conflict of interest and confidentiality requirement;
- Communications and information to Respondents;
- Security of Proposal s and evaluation documents;
- Objectivity and diligence respecting the evaluation process;

This Report is based on our observations of the processes used, a review of the procurement documents and information provided by the project team. Note that the Fairness Monitor attended the consensus review meeting.

This report was prepared for the staff of the TTC. Any other person who wishes to review this report must first obtain the written permission of the TTC. JD Campbell & Associates, or the individual author of this report, bear no liability whatsoever for opinions that unauthorized persons may infer from this report. This report is in no manner to be considered a legal opinion.

1.2 Findings

As Fairness Monitor, we can attest to the fact that:

- Evaluation decisions concerning the Quotations were consistent with the stipulations outlined in the RFQ document;
- During the open period, all Respondents were treated consistently and in accordance with the stipulations of the RFQ;
- TTC staff adhered to conflict of interest and confidentiality requirement;
- Evaluations were conducted using only the evaluation criteria stipulated.

Particular note was made of the following:

- **Communication** – The opportunity was publicly advertised and Quotations were submitted the TTC Bonfire Portal. This meant that all interested vendors would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was November 15, 2019 and closed on December 10, 2019. The closing date was subsequently extended by Addendum to December 17, 2019. This was considered a reasonable posting time for an RFQ of this nature
- **Conflict of Interest** – Project Team members and evaluators were bound by employment obligation were required to declare any conflicts. They also were required to sign a declaration in this regard.
- **Confidentiality and Security of Documents** – Steps were taken to ensure that procurement materials and Quotations were kept secure when not in use. The use of the Bonfire electronic distribution of procurement materials internally within the TTC assisted in this effort. To our knowledge, no inappropriate information about the procurement documents, or the evaluations, was communicated to Respondents or other parties outside of the TTC.
- **Incumbent Advantage** - Due diligence was done to ensure that no Respondent that had done work for the TTC in the past, had received access to confidential information that might have represented an undue advantage.

Staff also indicated that no such Respondent had been involved in the development of the RFQ;

- **Full Disclosure** - The RFQ contained a suitable description of deliverables, terms and conditions, evaluation criteria and background information such that adequate Quotations could be created;
- **Consistency of Format** – Wording in the RFQ encouraged Respondents to provide their Quotations in a like-manner such that they could be consistently evaluated;
- **Reserved Rights** – While the reserved rights for the TTC, as detailed in the RFQ, gave broad latitude to act in an arbitrary manner, our observation of the evaluation process was such that no unfair action was evident;
- **Evaluator Qualifications** – Project staff provided assurance that evaluators had been selected specifically for the relevance of their expertise.

1.3 *Outcome*

- Eight quotations were received;
- Six quotations passed the pass/fail section of the evaluation (See Section 3.4 under Communications for a discussion of Rectification letters issued in coming to this determination.)
- One quotation did not meet the minimum score threshold to be considered further;
- Based on having submitted a compliant quotation and having received the highest cumulative scores, five successful Respondents were identified and will be recommended for contractual arrangements as per the original RFQ intent.

1.4 *Report Organization*

The remainder of this Report is organized into short sections that focus on the major aspects of the procurement process and give description of evidence of appropriate actions.

2.0 *Wording of the RFQ Document*

2.1 *Overview*

The RFQ document provided the framework within which the evaluation process was to be conducted. It outlined such items as the purpose, definitions, schedule, requirements and conditions, deliverables, scope, material disclosures, evaluation and selection process, as well as expected proposal content and format.

Forms were included that helped Respondents to organize their quotations to ensure all necessary and relevant information would be included and to make consistent evaluation of the quotations easier. Such Forms included:

Submission Form;
Mandatory Technical Requirements;
Corporate Summary;
Proposed Work Methodology;
Proposed Key Staff Summary;
Price Schedule.

2.2 Form of Agreement

While this RFQ was not binding, a Form of Agreement was included. Wording in the RFQ indicated that the Successful Respondents would need to sign a contract that would materially follow the Form of Agreement. This helped Respondents to fully understand what their full obligations would be.

2.3 Reserved Rights

Reserved right wording was included that gave broad discretion to TTC staff and could potentially have been used in an arbitrary and unfair manner. As Fairness Monitor, I paid particular attention to the exercise of these rights and found no evidence of them being used in an unfair manner. It was stated that References and past performance could be considered in evaluation and that Past Performance or Past Conduct could be grounds for prohibiting a Respondent from participating. Note that these rights were not used in this procurement.

2.4 Debriefing and Dispute Procedure

The RFQ offered the opportunity of a debriefing to unsuccessful Respondents. Note that this was an opportunity for the Respondent to learn from the experience and receive feedback rather than as an opportunity to dispute the outcome. A separate Dispute Procedure was also offered.

2.5 Pre-Conditions of Award

The RFQ indicated that the selected Respondents would be required to comply with the requirements dealing with insurance and to provide the evidence of insurance as specified. The selected Respondents would also be required to complete and submit an executed Performance Bond or an Irrevocable Letter of Credit (Contract Security) in a form satisfactory to the TTC in accordance with the RFQ Supplementary Conditions.

2.6 Evaluation

Mandatory Technical Requirements

Each quotation needed to include the completed Mandatory Technical Requirements Form and include:

1. Valid City of Toronto taxi brokerage license and in good standing with ML&S.
2. Have been in business since January 1, 2018.

Respondents unable to meet this requirement were not considered further.

See Section 3.0 Communications for a description of the Rectification process.

Rated Evaluation

The Rated evaluation was scored using the grid below. Note that for each criterion, a more detailed breakdown of sub-criteria with weightings were provided. There was a threshold score of 42 points out of a possible 60 points for the rated criteria. Respondents not meeting this threshold score could not be considered further.

Rated Criteria Category	Weighting (Points)	Minimum Threshold
i. Corporate Qualifications	23.00 points	42.00 points out of 60.00 points
ii. Proposed Work Methodology	32.00 points	
iii. Project Team Qualifications and Experience	5.00,	
iv. Pricing (See Appendix C for details)	40.00 points	N/A
Total Points	100.00 points	70.00

Pricing

Pricing worth 40%. It was evaluated based on formula and included a minimum driver rate. This was done to help ensure a high quality and continuous level of service for vulnerable clients.

3.0 Communication and Information to Respondents

3.1 *One Point of Contact*

Provision was made for one designated source of information for the procurement process. Respondents that wanted additional information were

instructed to submit their questions in writing. This was done to control the communication to Respondents and to discourage lobbying activity.

3.2 Distribution

The RFQ was posted electronically. Responses were to be submitted through the TTC Bonfire electronic submission process. This meant that all Respondents would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was November 22, 2019 with a closing of December 17, 2019. This was considered a reasonable posting time for an RFQ of this nature.

3.3 Addenda and Respondent Questions

Three addenda were published. The TTC also responded to numerous Respondent written questions. In each instance, this communication was provided to all Respondents at the same time. Staff assurance was obtained that the answers provided were designed to improve clarity and understanding rather than to advantage a particular Respondent.

3.4 Rectification

The RFQ contained reserve right language that allowed the TTC to issue a rectification request to the Respondent if it was determined, during the review of a quotation, that it failed to satisfy all of the mandatory technical requirements. The TTC could identify the deficiencies and provide the Respondent an opportunity, of up to three days, to rectify the deficiencies. If the Respondent failed to satisfy the mandatory technical requirements within the Rectification Period, its quotation would be rejected.

In this procurement there were three Respondents that were sent such letters.

- The first Respondent was sent a Rectification request asking for required evidence that the company had been in business since January 1, 2018. This information had not been provided in the initial submission but was satisfactorily provided within the Rectification period. They were thus allowed to proceed in the evaluation process.
- The second Respondent was sent two Rectification requests. The first dealt with the issue of providing required evidence the company had been in business since January 1, 2018. This request was satisfactorily responded to.

A second request concerned the fact that they had indicated “Yes” to having a valid City of Toronto Taxi Brokerage License and in good standing with ML&S. TTC contact with the ML&S and checking of the City of Toronto website failed to substantiate that this was the case. In response to the Rectification request, the

Respondent provided documentation showing that the license was issued on January 8, 2020. This date was after the RFQ closing. A decision was thus made not to consider this quotation further. Note that the RFQ wording indicated that the TTC could check with the ML&S in this regard.

- The third Respondent was also sent two Rectification requests. The first dealt with the need to fully complete the second page of the Submission Form. This request was satisfactorily complied with.

The second Rectification request concerned the fact that they had indicated “Yes” to having a valid City of Toronto Taxi Brokerage License and in good standing with ML&S. TTC contact with the ML&S and checking of the City of Toronto website failed to substantiate that this was the case. In response to the Rectification request, the Respondent provided documentation showing that the license was issued on January 9, 2020. This date was after the RFQ closing. A decision was thus made not to consider this quotation further. Note that the RFQ wording indicated that the TTC could check with the ML&S in this regard.

4.0 Confidentiality/Conflict of Interest

4.1 *Security of Proposals and Evaluation Documents*

The evaluators were instructed to ensure that all procurement related documents in their possession remained confidential and secure. The use of the Bonfire electronic system assisted with secure internal communications in this regard.

4.2 *RFQ Development*

The RFQ document was developed by a small team of TTC staff. There was no input from vendors.

The Quotations were evaluated by TTC employees. They were bound by the stipulations of their employment relationship. They were also asked to sign a Confidentiality and Conflict of Interest Declaration.

4.3 *Present / Past Respondent Involvement*

Project staff provided assurance that no Respondent had obtained confidential information that would have given them an undue competitive advantage nor had any Respondent been involved in the development of the RFQ.

4.4 *Respondent Provisions*

The RFQ document contained standard Conflict of Interest provisions, prohibited contacts between Respondents, lobbying, and collusion. Respondents were also offered the opportunity to raise issues of concern or complaint.

5.0 The Evaluation Process

5.1 *Clarity of Roles and Evaluator Training*

There was an orientation session provided for evaluators to explain the process and to provide an understanding of why it was important that the appropriate steps be followed. Topics covered included:

- Project overview;
- Roles and responsibilities;
- Need for confidentiality and treatment of conflict of interest;
- Evaluation steps;
- Review of scoring procedures;
- Use of evaluation forms;
- Group meetings and procedures.

5.2 *Management of Undue Influence*

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

5.3 *Common Scoring Sheets and Process Description*

Common evaluation forms were developed. The use of these forms helped ensure the Quotations would be judged on the same basis making consistency of treatment much easier. They also were designed to aid appropriate documentation.

For a description of the evaluation stages refer to Section 2.0 of this Report.

5.4 *Evaluation*

During the individual evaluations, evaluators were asked to do their work independently.

It was agreed that no substitutions would be allowed for committee members and that the group evaluations would not take place unless all were present and had

completed their evaluations. This helped to promote fairness, completeness and consistency.

Based on observations of the process we found no instance in which evaluation criteria were used other than those that had been identified in the RFQ document. The participants came prepared to engage in meaningful discussion. Participants recognized the value of group discussion and did not rush to a final decision. No one individual was in a position to unduly influence the entire process and there was no undue pressure to conform to the group opinion.

5.5 *Outcome*

- Eight quotations were received;
- Six quotations passed the pass/fail section of the evaluation (See Section 3.4 Communications for a discussion of Rectification letters issued in coming to this determination.)
- One quotation did not meet the minimum score threshold to be considered further;
- Based on having submitted a compliant quotation and having received the highest cumulative scores, five successful Respondents were identified and will be recommended for contractual arrangements as per the original RFQ intent.

JD CAMPBELL & ASSOCIATES

**TORONTO TRANSIT COMMISSION
SEDAN METER-BASED TAXI SERVICE
FOR WHEEL TRANS**

RFQ No P34PE19792

Fairness Monitor's Report

Note that this is confidential information and is not for general circulation.

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1.0 Executive Summary

1.1 Introduction

This report presents our findings for the TTC Sedan Meter - Based Taxi Service for Wheel Trans - Request for Quotations (RFQ) No. P34PE19792. In our capacity as Fairness Monitor, we reviewed and monitored the communications, evaluation and decision-making associated with the procurement process with a view to ensuring consistency with the stipulations of the Procurement document and standard TTC procurement practice.

Wheel-Trans is a department of the TTC providing specialized accessible service to registered Wheel-Trans Customers which operates primarily within the City of Toronto. In addition to the existing Wheel-Trans bus service, the TTC sought services from up to three (3) respondents to supplement Wheel-Trans with Sedan Taxi Meter-Based Service. Each respondent will be required to service the entire service area including subway stations, accessibility hubs, and transfer points.

It was TTC's intention to contract with three (3) legal entities, provided each Respondents had passed overall evaluation thresholds. Each of the three (3) contracts available for award were for thirty-three percent (33%) of the sedan service (which includes a minimum vehicle and driver requirement of 500). If there are fewer than three (3) (respondents) that passed the evaluation thresholds, the remaining services will be equally divided. No one (1) respondent was to be awarded more than fifty percent (50%) of the sedan service.

The term of the contract is to be for a period of five (5) years, with an option to extend for additional two (2) one (1) year extensions.

Our role, as Fairness Monitor was to review this procurement from the release of the RFQ to the selection of the Successful Respondent(s). This monitoring entailed:

- Review of the evaluation criteria;
- Consistency of Respondent treatment;
- Adherence of staff to conflict of interest and confidentiality requirement;
- Communications and information to Respondents;
- Security of Proposal s and evaluation documents;
- Objectivity and diligence respecting the evaluation process;

This Report is based on our observations of the processes used, a review of the procurement documents and information provided by the project team. Note that the Fairness Monitor attended the consensus review meeting.

This report was prepared for the staff of the TTC. Any other person who wishes to review this report must first obtain the written permission of the TTC. JD Campbell & Associates, or the individual author of this report, bear no liability whatsoever for opinions that unauthorized persons may infer from this report. This report is in no manner to be considered a legal opinion.

1.2 Findings

As Fairness Monitor, we can attest to the fact that:

- Evaluation decisions concerning the Quotations were consistent with the stipulations outlined in the RFQ document;
- During the open period, all Respondents were treated consistently and in accordance with the stipulations of the RFQ;
- TTC staff adhered to conflict of interest and confidentiality requirement;
- Evaluations were conducted using only the evaluation criteria stipulated.

Particular note was made of the following:

- **Communication** – The opportunity was publicly advertised and Quotations were to be submitted the TTC Bonfire Portal. This meant that all vendors would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was November 22, 2019 and closed on December 17, 2019. This closing date was later adjusted via Addendum to January 6, 2020. This was considered a reasonable posting time for an RFQ of this nature.
- **Conflict of Interest** – Project Team members and evaluators were bound by employment obligation to declare any conflicts and signed a Declaration in this regard. Respondents were also required to identify any such conflicts.
- **Confidentiality and Security of Documents** – Steps were taken to ensure that procurement materials and Quotations were kept secure when not in use. The use of the Bonfire electronic distribution of procurement materials internally within the TTC assisted in this effort. To our knowledge, no inappropriate information about the procurement documents, or the evaluations, was communicated to Respondents or other parties outside of the TTC.
- **Incumbent Advantage** - Due diligence was done to ensure that no Respondent that had done work for the TTC in the past, had received access to confidential information that might have represented an undue advantage. Staff also indicated that no such Respondent had been involved in the development of the RFQ;

- **Full Disclosure** - The RFQ contained a suitable description of deliverables, terms and conditions, evaluation criteria and background information such that adequate Quotations could be created;
- **Consistency of Format** – Wording in the RFQ encouraged Respondents to provide their Quotations in a like manner such that they could be consistently evaluated;
- **Reserved Rights** – While the reserved rights for the TTC, as detailed in the RFQ, gave broad latitude to act in an arbitrary manner, our observation of the evaluation process was such that no unfair action was evident;
- **Evaluator Qualifications** – Project staff provided assurance that evaluators had been selected specifically for the relevance of their expertise.

1.3 *Outcome*

- Six quotations were received;
- Five quotations passed the Mandatory Requirements section of the evaluation;
- One Respondent did not pass the Mandatory Requirements section due to not being able to show evidence of a valid taxi licence;
- Two Respondents did not pass the threshold scores in the RFQ;
- Based on having submitted a compliant quotation and having received the highest cumulative scores, three successful Respondents were identified as per the original intent of the RFQ.

1.4 *Report Organization*

The remainder of this Report is organized into short sections that focus on the major aspects of the procurement process and give description of evidence of appropriate actions.

2.0 *Wording of the RFQ Document*

2.1 *Overview*

The RFQ document provided the framework within which the evaluation process was to be conducted. It outlined such items as the purpose, definitions, schedule, requirements and conditions, deliverables, scope, material disclosures, evaluation and selection process, as well as expected proposal content and format.

Forms were provided to assist Respondents to submit information in a complete and consistent manner - Appendix A – RFQ Submission Forms:

Forms were included that helped Respondents to organize their quotations to ensure all necessary and relevant information would be included and to make consistent evaluation of the quotations easier. Such Forms included:

Submission Form;

Mandatory Technical Requirements;

Corporate Summary;

Proposed Work Methodology;

Proposed Key Staff Summary;

Price Schedule.

2.2 Form of Agreement

While this RFQ was not binding, a Form of Agreement was included. Wording in the RFQ indicated that the Successful Respondents would need to sign a contract that would materially follow the Form of Agreement. This helped Respondents to fully understand what their full obligations would be.

2.3 Reserved Rights

Reserved right wording was included that gave broad discretion to TTC staff and could potentially have been used in an arbitrary and unfair manner. As Fairness Monitor, I paid particular attention to the exercise of these rights and found no evidence of them being used in an unfair manner. It was stated that References and past performance could be may consider in evaluation and that Past Performance or Past Conduct could be grounds for prohibiting a Respondent from participating.

2.4 Debriefing and Dispute Procedure

The RFQ offered the opportunity of a debriefing to unsuccessful Proponents. Note that this was an opportunity for the Respondent to learn from the experience and receive feedback rather than as an opportunity to dispute the outcome. A separate Dispute Procedure was also offered.

2.5 Pre-Conditions of Award

The RFQ indicated that the selected Respondents would be required to comply with the requirements as specified dealing with insurance and provide the evidence of insurance as specified. The selected Respondents would also be required to complete and submit an executed Performance Bond or an

Irrevocable Letter of Credit (Contract Security) in a form satisfactory to the TTC in accordance with the RFQ Supplementary Conditions.

2.6 Evaluation

Mandatory Technical Requirements

Each quotation needed to include the completed the Mandatory Technical Requirements Form and include:

1. Valid City of Toronto taxi brokerage license and in good standing with ML&S.
2. In business since January 1, 2018.

Respondents unable to meet this requirement were not considered further.

See Section 3.0 Communications for a brief description of the Rectification process.

Rated Evaluation

The Rated evaluation was scored using the grid below. Note that for each criterion, a more detailed breakdown of sub-criteria with weightings were provided. Note that there was a threshold score of 42 points out of a possible 60 points for the rated criteria. Respondents not meeting this threshold score could not be considered further.

Rated Criteria Category	Weighting (Points)	Minimum Threshold
i. Corporate Qualifications	23.00 points	42.00 points out of 60.00 points
ii. Proposed Work Methodology	32.00 points	
iii. Project Team Qualifications and Experience	5.00	
iv. Pricing (See Appendix C for details)	40.00 points	N/A
Total Points	100.00 points	N/A

Pricing

Pricing worth 40%. It was evaluated based on formula which pro rated marks.

3.0 Communication and Information to Proponents

3.1 *One Point of Contact*

Provision was made for one designated source of information for the procurement process. Respondents that wanted additional information were instructed to submit their questions in writing. This was done to control the communication to Respondents and to discourage lobbying activity.

3.2 Distribution

The RFQ was posted electronically. Responses were to be submitted the TTC Bonfire electronic submission process. This meant that all Respondents would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was November 22, 2019 with a closing of December 17, 2019. The closing date was later adjusted via Addendum to January 6, 2020. This was considered a reasonable posting time for an RFQ of this nature. This was considered a reasonable posting time for an RFQ of this nature.

3.3 Addenda and Respondent Questions

One addendum was published. The TTC also responded to numerous Respondent written questions. In each instance, this communication was provided to all Respondents at the same time. Staff assurance was obtained that the answers provided were designed to improve clarity and understanding rather than to advantage a particular Respondent.

3.4 Rectification

The RFQ contained reserve right language that allowed the TTC to issue a rectification request to the Respondent if it was determined, during the review of a quotation, that it failed to satisfy all of the mandatory technical requirements. The TTC can issue the rectification notice identifying the deficiencies and providing the respondent an opportunity of up to three days to rectify the deficiencies. If the respondent fails to satisfy the mandatory technical requirements within the Rectification Period, its quotation will be rejected.

Note that in this procurement, no Rectification requests were issued.

4.0 Confidentiality/Conflict of Interest

4.1 Security of Proposal s Evaluation Documents

The evaluators were instructed to ensure that all procurement related documents in their possession remained confidential and secure. The use of the Bonfire electronic system assisted with secure internal communications in this regard.

4.2 *RFQ Development*

The RFQ document was developed by a small team of TTC staff. There was no input from vendors.

The Quotations were evaluated by TTC employees. They were bound by the stipulations of their employment relationship. They were also asked to sign a Confidentiality and Conflict of Interest Declaration.

4.3 *Present / Past Respondent Involvement*

Project staff provided assurance that no Respondent had obtained confidential information that would have given them an undue competitive advantage nor had any Respondent been involved in the development of the RFQ.

4.4 *Respondent Provisions*

The RFQ document contained standard Conflict of Interest provisions, prohibited contacts between Respondents, lobbying, and collusion. Respondents were also offered the opportunity to raise issues of concern or complaint.

5.0 The Evaluation Process

5.1 *Clarity of Roles and Evaluator Training*

There was an orientation session provided for evaluators to explain the process and to provide an understanding of why it was important that the appropriate steps be followed. Topics covered included:

- Project overview;
- Roles and responsibilities;
- Need for confidentiality and treatment of conflict of interest;
- Evaluation steps;
- Review of scoring procedures;
- Use of evaluation forms;
- Group meetings and procedures.

5.2 *Management of Undue Influence*

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

5.3 *Common Scoring Sheets and Process Description*

Common evaluation forms were developed. The use of these forms helped ensure the Quotations would be judged on the same basis making consistency of treatment much easier. They also were designed to aid appropriate documentation.

For a description of the evaluation stages refer to Section 2.0 of this Report.

5.4 *Evaluation*

During the individual evaluations, evaluators were asked to do their work independently.

It was agreed that no substitutions would be allowed for committee members and that the group evaluations would not take place unless all were present and had completed their evaluations. This helped to promote fairness, completeness and consistency.

Based on observations of the process we found no instance in which evaluation criteria were used other than those that had been identified in the RFQ document. The participants came prepared to engage in meaningful discussion. Participants recognized the value of group discussion and did not rush to a final decision. No one individual was in a position to unduly influence the entire process and there was no undue pressure to conform to the group opinion.

5.5 *Outcome*

- Six quotations were received;
- Five quotations passed the Mandatory Requirements section of the evaluation;
- One Respondent did not pass the Mandatory Requirements section due to not being able to show evidence of a valid taxi licence;
- Two Respondents did not pass the threshold scores in the RFQ;
- Based on having submitted a compliant bid and having received the highest cumulative scores, three successful Respondents were identified as per the original indent of the RFQ.