



**For Action
with Confidential Attachment**

Procurement Authority – Benefit Plan Carrier for the Provision of Employee and Pensioner Benefits

Date: November 22, 2023
To: TTC Board
From: Chief People Officer

Reason for Confidential Information

This report contains information about a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City or local board.

Summary

The TTC provides a full range of benefits to approximately 15,836 active employees and their eligible spouses and dependents, as well as to approximately 8,096 pensioners. These benefits are administered by benefit service carriers, whose contracts are set to expire December 31, 2023.

The purpose of this report is to award three contracts to respective benefit plan carriers that will provide administrative and underwriting services for all TTC employee and pensioner benefit plans over a five-year term, from January 1, 2024 to December 31, 2028, representing a total upset limit of \$66.65 million, inclusive of applicable taxes, with the option to extend each contract with two additional one-year terms to December 31, 2030 at a subsequent total upset limit of \$36.82 million.

To leverage economies of scale, a joint procurement effort between the TTC, City of Toronto and Toronto Police Service was undertaken, using a Negotiated Request for Proposal model to provide greater flexibility and promote more advantageous outcomes through negotiations. Approval of the contract award is contingent on the agreement and approval of all three parties.

Through the recommended awards, the percentage fee paid to administer health and dental benefits will decline by 26% relative to the current rate, and the rates for Life Insurance, Long Term Disability, and the Employee and Family Assistance Program are also lower, relative to the current rates.

Following the completion of this procurement, it is the TTC's intention to award a contract for each of the following benefits programs:

1. Administration of health and dental benefits and wellness;

2. Provision of Long Term Disability, Group Life Insurance, Line of Duty Death and Accidental Death and Dismemberment benefits; and
3. Provision of employee and family assistance programs.

The recommended vendors are the incumbent service providers.

Recommendations

It is recommended that the TTC Board:

1. Authorize the award of a contract for the administration of the TTC's health and dental benefits and health and wellness programs (Category A and Category E) to Green Shield Canada on the basis that the initial contract term is for a five-year period commencing January 1, 2024 and ending December 31, 2028, with an upset limit of \$18.50 million (inclusive of applicable taxes) for administration fees, premiums and stop loss pooling charges over the initial five-year contract term.
2. Authorize the award of a contract for the provision of Long Term Disability, Group Life Insurance, Line of Duty Death as well as Accidental Death and Dismemberment benefits (Category B and Category C) to Manufacturers Life Insurance Company, whereby the final agreement will be subject to terms and conditions acceptable to the TTC General Counsel, on the basis that:
 - a. The initial contract term is for a five-year period commencing January 1, 2024, and ending December 31, 2028, with an upset limit of \$40.36 million (inclusive of applicable taxes and exclusive of employee contributions) for administration fees, premiums, and stop loss pooling charges over the initial five-year contract term;
 - b. City Council has granted authority to the City of Toronto's Controller to enter into an agreement with Manufacturers Life Insurance Company subsequent to the conclusion of negotiations; and
 - c. Toronto Police Service's Chief of Police has authority to enter into an agreement with Manufacturers Life Insurance Company subsequent to the conclusion of negotiations.
3. Authorize the award of a contract for the provision of employee family assistance programs (Category D) to TELUS Health Virtual Care Inc. on the basis that the initial contract term is for a five-year period commencing January 1, 2024, and ending December 31, 2028, with an upset limit of \$7.79 million (inclusive of applicable taxes) for employee family assistance programs and related services over the initial five-year contract term.
4. Delegate authority to the CEO to exercise contract extension options, which allow up to a maximum of two additional one-year terms beyond the expiration of the initial five-year term for each contract, from January 1, 2029, to December 31, 2030, with estimated increases in contract upset limits as follows, if exercised:

- a. Green Shield Canada contract upset limit increase of \$10.08 million (including applicable taxes) for administration fees, premiums, and stop loss pooling charges;
 - b. Manufacturers Life Insurance Company contract upset limit increase of \$23.26 million (including applicable taxes and exclusive of employee contributions) for administration fees, premiums and stop loss pooling charges; and
 - c. TELUS Health Virtual Care Inc. contract upset limit increase of \$3.48 million (including applicable taxes) for employee family assistance programs and related services;
5. Approve the recommendations in the Confidential Attachment and authorize that the remain confidential until such time contracts are established to provide all services commencing in 2024.

Financial Summary

The recommendations in this report request a combined upset limit authority of \$66.65 million from January 1, 2024, to December 31, 2028, and an additional \$36.82 million for two additional one-year contract extension options, if exercised, as summarized in Table 1 below:

Table 1: Contract Upset Limit Authority Breakdown

Cost Description (\$ Millions)	2024	2025	2026	2027	2028	2024-2028 Total	2029 (Optional)	2030 (Optional)	2029-2030 Total
Manufacturers Life Insurance Company									
LTD Administrative Services	1.28	1.36	1.43	1.51	1.59	7.16	1.71	1.85	3.56
AD&D, LODD & Group Life	4.88	5.86	6.39	7.19	8.08	32.40	9.09	10.22	19.31
HST Recoverable	0.14	0.15	0.16	0.17	0.18	0.79	0.19	0.20	0.39
Total Manulife	6.31	7.36	7.98	8.86	9.85	40.36	10.99	12.27	23.26
Green Shield Canada									
Health Benefits Administrative Services	3.11	3.35	3.62	3.91	4.22	18.22	4.70	5.23	9.93
Out of Country	0.05	0.05	0.06	0.06	0.06	0.29	0.07	0.08	0.15
Total Greenshield	3.16	3.41	3.68	3.97	4.29	18.50	4.77	5.31	10.08
TELUS Health Virtual Care Inc.									
Employee Family Assistance Program	0.73	0.75	0.76	0.80	0.82	3.86	0.86	0.90	1.76
Trauma Assist, Trauma Services & Other	0.61	0.62	0.62	0.65	0.65	3.15	0.68	0.70	1.38
HST Recoverable	0.15	0.15	0.15	0.16	0.16	0.77	0.17	0.18	0.35
Total Telus Health	1.49	1.52	1.54	1.61	1.63	7.79	1.70	1.78	3.48
Total Net of HST Recoverable	10.66	11.99	12.89	14.11	15.43	65.08	17.10	18.97	36.08
HST Recoverable	0.29	0.30	0.31	0.33	0.34	1.57	0.36	0.38	0.74
Contract Upset Limit	10.95	12.29	13.20	14.44	15.77	66.65	17.46	19.35	36.82

The 2023 Operating Budget, approved by the TTC Board on January 9, 2023, and City Council on February 15, 2023, includes \$7.59 million, with a further \$1.26 million included for 2023 in the 2023-2032 Capital Budget and Plan, for the specified benefit services included in the Negotiated Request for Proposal, for a combined total of \$8.85 million in approved funding. Based on Negotiated Request for Proposal results and current benefit utilization trends, 2024 costs are estimated at \$10.66 million, representing an increase of \$1.82 million, as summarized in Table 2.

Table 2: 2023 Budget and 2024 Forecast

Description	(\$ In Millions)			
	Manulife	Greenshield	Telus Health	Total
2023 Operating and Wheel Trans	4.00	2.81	0.79	7.59
2023 Capital	0.69	0.56	-	1.26
Total 2023 Budget	4.70	3.37	0.79	8.85
2024 Operating and Wheel Trans	5.31	2.77	1.15	9.24
2024 Capital	0.85	0.38	0.19	1.42
Total 2024 Forecast	6.16	3.16	1.34	10.66
Variance (2024 vs 2023)	1.47	(0.21)	0.56	1.82

The TTC’s healthcare and dental care coverage is provided on an Administrative Services Only basis. Under this arrangement, the TTC is responsible for paying the benefits carrier the cost of all benefit claims, plus an administration fee, established as a percentage rate for each claim, to adjudicate the claims. Through the recommended award to Green Shield, the percentage fee paid to administer health and dental benefits will decline by 26% relative to the current rate, saving the TTC an estimated \$0.7 million annually. However, there is an overall net cost increase of \$1.82 million over the 2023 budget with an estimated 2024 cost of \$10.66 million.

The anticipated cost increase is driven by the following three key factors:

1. Employee and Family Assistance Program
 - Increase in quoted cost for onsite trauma support services and the addition of a new employee support program, also known as Trauma Assist, which is a structured program focusing on early intervention and treatment for employees who experience a traumatic incident at work and have mild to moderate post-traumatic stress symptoms.

2. Accidental Death and dismemberment, Line of Duty Death and Group Life Insurance
 - The total rate charged is based on the coverage provided to the employee (i.e. payment of replacement income to the beneficiary). The increase in insurance cost is due to projected 2024 wage increases and higher Line of Duty Death rates.

3. Higher underlying cost for rate-based benefit costs
 - The rate charged to administer health, dental and long-term disability claims is a percentage rate based on the underlying cost of the benefit itself. Based on 2023 year-to-date trends, both the unit cost of the benefits (i.e. dental fee guide and medical costs) and benefit utilization are increasing, which will have a corresponding effect on the associated administration costs.

Utilization and other trends will be monitored, and forecasts for associated costs anticipated under these contracts will be adjusted accordingly. Updated requirements will be included in the 2024 Operating Budget and 2024-2033 Capital Budget and Plan submissions for the Board’s consideration.

Equity/Accessibility Matters

The TTC has an ongoing commitment to equity, diversity, and inclusion. As a result, TTC, the City of Toronto, and Toronto Police Services included evaluation criteria in the procurement process that contributes to improving supplier diversity and inclusion.

The TTC's Diversity and Culture Group was consulted in the development of the requirements and evaluation criteria to ensure that services will be provided in such a way as to support the diverse needs of employees, pensioners, and their families.

Decision History

At its June 18, 2003 meeting, the TTC Board approved the award of a five-year contract to Great West Life Assurance Company (GWL) for the provision of administrative and underwriting services for the TTC's healthcare, dental and out-of-province emergency medical benefit plans and to Sun Life Financial for the provision of administrative and underwriting services for the TTC's group life insurance, accidental death and dismemberment, and long-term disability plans for the period from January 1, 2004 to December 31, 2008.

At its March 3, 4, and 5, 2008 meetings, Toronto City Council adopted the recommendations of the Auditor General as outlined in a report to the Audit Committee entitled, Employee Benefits Review, which provided the following recommendation:

"The Director, Pension, Payroll, and Employee Benefits, in consultation with senior management representatives of the City's agencies, boards and commissions, review and consider the cost-effectiveness of expanding the current City of Toronto benefits umbrella to include other City of Toronto agencies, boards and commissions."

The purpose of this recommendation was to determine if the City of Toronto and its agencies, boards and commissions (ABCs) might benefit from lower overall costs due to lower administration rates charged by a single benefits carrier, as a result of the purchasing power of such a large group. At its September 18, 2008 meeting, the TTC Board approved the extension of the contracts with GWL and Sun Life Financial to December 31, 2010. Subsequently, staff extended these contracts to December 31, 2011, to allow the TTC, the City of Toronto, and the Toronto Police Service benefit contract expiration dates to coincide with each other and to provide sufficient time to coordinate and issue a joint Request for Proposal (RFP).

A joint RFP with the TTC, the City of Toronto, and the Toronto Police Service as participants was undertaken to select a benefit carrier(s) to provide the required services after the common contract expiry date of December 31, 2011.

Based on the results of the joint RFP, at its June 8, 2011 meeting, the TTC Board approved entering into a contract with Manufacturers Life Insurance Company (Manulife) for the provision of administrative and underwriting services for all of the TTC

employee and pensioner benefit plans for a five-year period effective January 1, 2012, and ending December 31, 2016.

[Procurement Authorization – Benefit plan Carrier for Provision of Employee and Pensioner Benefits](#)

Based on the same RFP, the City of Toronto, and the Toronto Police Service also entered into contracts with Manulife for the same period.

In 2016, a joint RFP with the TTC, the City of Toronto, and the Toronto Police as participants was undertaken to select a benefit carrier(s) to provide the required services after the common contract expiry date of December 31, 2016. In order to encourage greater participation from the marketplace, the RFP was divided into two categories: Category A – Health and Dental, and Category B – Group Life Insurance, Accidental Death and Dismemberment, Line of Duty Death and Long Term Disability.

Based on the results of the joint RFP, at its July 11, 2016, meeting, the TTC Board approved entering into a contract with Green Shield Canada (Green Shield) for the provision of Category A Services, and with Manulife for the provision of Category B services for the TTC employee and pensioner benefit plans for a five-year period effective January 1, 2017, and ending December 31, 2021, with the option to extend the contract by two one-year extensions, ending December 31, 2023. The City of Toronto and Toronto Police also entered into similar agreements with the same recommended vendors and contract terms.

[Procurement Authorization – Benefit Plan Carrier for Provision of Employee and Pensioner Benefits](#)

At its June 14, 2023 meeting, City Council granted the City of Toronto's Controller the delegated authority to enter into five-year term agreements with the recommended suppliers, and to exercise the options to extend for up to two additional, separate one-year extensions.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG4.13>

Since then, the City of Toronto's Controller has executed agreements with Green Shield and TELUS Health Virtual Care Inc. (TELUS). The Manulife agreement is pending to be finalized.

Issue Background

The TTC provides a full range of benefits to approximately 15,836 active employees and their eligible spouses and dependents, as well as to approximately 8,096 pensioners. The TTC's healthcare, dental care and long-term disability coverage is provided on an Administrative Services Only basis. This means that the TTC is responsible for paying the benefits carrier the cost of all benefit claims, plus an administration fee for adjudicating the claims. In addition, Group Life Insurance, Accidental Death and Dismemberment, Line of Duty Death and Long Term Disability insurance are provided on an insured basis, which means that the TTC pays insurance premiums to the benefits carrier for these benefits.

Historically, the procurement of this service was conducted as a joint procurement between the City of Toronto, the TTC, and the Toronto Police Service (Stakeholders). In 2016, the joint Request for Proposal was enhanced from its previous version with the inclusion of fraud detection controls and reporting, and a disability management process.

As part of the strategy to improve and to allow for the Stakeholders in this joint procurement to obtain the best value from the responses received from the marketplace, the three agencies discussed and agreed to issue a joint Negotiated Request for Proposal (nRFP). By doing so, the procurement would be structured differently than the previous 2016 procurement to provide greater flexibility and promote more advantageous outcomes through negotiations. Discussion topics included, but were not limited to, the reduction of costs and risks, opportunities for potential efficiencies and the elimination of assumptions made in order to provide better clarity.

Prior to issuing the nRFP, the Stakeholders undertook a market-sounding exercise with 11 suppliers in order to obtain industry feedback respecting best practices, current market conditions and suggestions that could be utilized to structure the nRFP. This process promoted competition and sought to obtain best value for money.

Comments

As per previous practice, to achieve economic benefits by leveraging aggregate spend, the Stakeholders continued a joint procurement initiative for the contract renewal of administrative and underwriting services for all TTC employee and pensioner benefit plans. Since this is a joint initiative between the TTC, the City of Toronto and the Toronto Police Service, the award of contracts to the three recommended companies will only proceed if all three Stakeholders are in consensus with the award of their respective contracts.

Given the size and financial impact of the joint nRFP, an independent fairness monitor, P1 Consulting, was retained to review procurement documents and provide oversight throughout the nRFP process. The application of the fairness lens from this independent advisor provided assurance that the integrity of the procurement process was maintained. The Fairness Monitor's Report dated May 1, 2023 is attached.

The intent of this procurement was to select the supplier(s) that represented the greatest value (based on a combined qualitative score and pricing score) when considering the combined requirements of the Stakeholders. The nRFP indicated that, at a minimum, the Stakeholders would issue their own contracts to the selected supplier(s). The nRFP divided the required benefits into five distinct categories:

- Category A: Health and Dental
- Category B: Long-Term Disability and Group Life Insurance
- Category C: Accidental Death and Dismemberment and Line of Duty Death
- Category D: Employee Family Assistance Program
- Category E: Health and Wellness Programs

The nRFP was structured by category in order to promote competition, as some suppliers specialize in specific categories while others may be able to provide multiple services.

The nRFP was posted on the City of Toronto's website on August 31, 2022, and the deadline to submit a proposal was October 26, 2022. The following companies submitted proposals for the following five respective categories:

Category A: Health and Dental

- Green Shield
- Manulife
- Sun Life Financial

Category B: Long Term Disability and Group Life Insurance

- Manulife
- Sun Life Financial

Category C: Accidental Death and Dismemberment and Line of Duty Death

- American International Group Inc.
- Manulife
- Sun Life Financial

Category D: Employee Family Assistance Program

- CloudMD Software & Services
- Green Shield
- Homewood Health
- TELUS

Category E: Health and Wellness Programs

- Green Shield
- Manulife
- Sun Life Financial
- TELUS

The nRFP model was a non-binding, multi-stage process that allowed for negotiations and provided flexibility for suppliers to submit a response on various options. It included the five aforementioned categories and suppliers were allowed to submit proposals for one category or multiple categories. The nRFP also included "multi-category pricing" options, where suppliers can submit more competitive pricing in the event they are awarded multiple categories. This multi-category pricing option is only applied if the supplier was already considered the top-ranked supplier for those individual categories first.

Pricing was requested for the general administration and insured premiums currently offered in the TTC's plan documents. Additional service options were requested from the suppliers, which were not evaluated, but would be available to the TTC during the term of the contract at firm pricing, as applicable.

The resulting agreements provide the flexibility to amend benefits as a result of City Council direction and/or collective bargaining during the term of the contract.

The proposal evaluation process included five stages as follows:

- Stage 1 – Mandatory Submission Requirements
- Stage 2A – Mandatory Technical Requirements
- Stage 2B – Rated Evaluation, Technical Proposal
- Stage 2C – Rated Evaluation, Interview/Presentation (if required)
- Stage 3 – Pricing and Ranking
- Stage 4 – Contract Negotiations

Stage 1: Mandatory Submission Requirements

Consisted of a review of proposals submitted to determine compliance with all the mandatory submission requirements, which included the submission form, technical proposal and qualification form, and the pricing form.

The RFP also included a rectification mechanism to allow suppliers an opportunity to correct an error that would otherwise cause the proposal to be disqualified.

All suppliers passed Stage 1 and moved on to the next stage for further evaluation.

Stage 2: Rated Criteria Evaluation

Stage 2A: Mandatory Technical Requirements

Proposals were evaluated on a pass/fail basis. A series of questions were included in this section, and suppliers were required to indicate “Yes” or “No” in the spaces provided. Indicating “No” as a response to any question would result in the proposal being considered non-compliant.

One supplier, American International Group (AIG), was considered non-compliant.

Stage 2B: Rated Evaluation, Technical Proposal

Proposals were evaluated based on non-price-related criteria. Suppliers were required to achieve an overall minimum score of 75% in order to be considered qualified to move forward to the next stage for further evaluation (Stage 2C – Rated Evaluation, Interview/Presentation and/or Stage 3 – Pricing and Ranking). The maximum score one can achieve for Categories A and B was 120 points, and for Categories C, D and E, a maximum score of 75 points.

Provided in this stage, as specified in the nRFP, in the event a category would have less than three suppliers meeting the required minimum of 75% in Stage 2B, at the Stakeholders’ discretion, the threshold may be decreased by a 5% decrement (with no scores less than 70%) to ensure up to a minimum of three suppliers per category would be considered qualified to proceed with the next stages. The Stakeholders agreed to

lower the threshold to allow one supplier to enter into Stage 2C – Rated Evaluation, Interview/Presentation, as applicable to the following categories:

Category A – Sun Life Financial

Category B – Sun Life Financial

Suppliers that have met or exceeded the minimum score in Stage 2B would either proceed to Stage 2C – Rated Evaluation, Interview/Presentation or Stage 3 – Pricing and Ranking.

Stage 2C: Rated Evaluation, Interview/Presentation

As stipulated in the nRFP, the Stakeholders reserve the right to have Stage 2C waived whereby suppliers meeting the 75% threshold will proceed directly to Stage 3 – Pricing and Ranking. The Stakeholders elected to exercise Stage 2C for the following categories and their respective suppliers:

Category A – Health and Dental

- Green Shield
- Manulife
- Sun Life Financial

Category B – Long Term Disability and Group Life Insurance

- Manulife
- Sun Life Financial

Category E – Health and Wellness

- Green Shield
- TELUS

Interviews were conducted and during this stage, suppliers were given the opportunity to clarify their respective proposals and to allow the evaluators to ask questions in order to validate and make final adjustments to the evaluations. The interviews/presentations were not scored, but were used to allow evaluators to revise and refine the scoring conducted in Stage 2B, if applicable.

Subsequently, the Stakeholders held a consensus meeting and the final scores were ratified.

Stage 3: Pricing and Ranking

The proposed pricing was evaluated for those suppliers that had successfully passed Stages 1 and 2. The maximum score one can achieve for the pricing component in Categories A and B was 40 points, and for Categories C, D and E was 25 points. Points were determined based on established pricing formulas stipulated on the pricing forms.

As a result of Stage 3 evaluations, the following top-ranked suppliers were determined for each category, in accordance with the nRFP document, where it indicates it is the

intention of the Stakeholders to contract with one supplier per category or multiple categories (depending on submissions received for the category), as follows:

Category A: Health and Dental

- Green Shield

Category B: Long-Term Disability and Group Life Insurance

- Manulife

Category C: Accidental Death and Dismemberment and Line of Duty Death

- Manulife

Category D: Employee Family Assistance Program

- TELUS

Category E: Health and Wellness Programs

- Green Shield

Stage 4: Contract Negotiations

The Stakeholders entered into negotiations with the three suppliers (respective to their categories) to finalize the terms of the proposed agreements. As a result of negotiations, the following price-related results were secured:

Category A: Health and Dental

- Reduction in the Administrative Services Only rate for extended health care and dental.
- Extended fixed rate and pricing guarantees from a two-year period to a five-year period.

Category B: Long-Term Disability and Group Life Insurance

- Reduction in the Administrative Services Only rate for long-term disability.
- Extended fixed Administrative Services Only rate guarantee from a two-year period to a five-year period.

Category C: Accidental Death and Dismemberment and Line of Duty Death

- Reduction in the Accidental Death and Dismemberment rate.

Category D: Employee Family Assistance Program

- Fixed rates for the first three years and a fixed rate for the subsequent year four and year five period (to be negotiated prior to the end of the third year).
- Upgrade to the new TELUS LifeWorks platform and online services.

Category E: Health and Wellness Programs

- Extended fixed rates and pricing guarantee from a three-year period to a five-year period.
- Core services provided at \$0.00 charge on the successful award to Green Shield Canada for Category A: Health and Dental.

TTC's negotiated agreement with Manulife is in the process of being finalized, whereas negotiations with Green Shield and TELUS are complete and the expectation is for all three contracts to have a start date of January 1, 2024. A transition period is not required as all three recommended suppliers are currently providing the same services for the TTC.

Contact

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Signature

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Attachments

Attachment 1 – Fairness Monitor's Report

Attachment 2 – Confidential Information

**Negotiated Request for Proposals
For the City of Toronto, Toronto Transit
Commission, and Toronto Police Services**

Fairness Monitor's Report

May 1, 2023



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1. Project Highlights

1.1 Introduction and Project Background

On August 31, 2022, The City of Toronto (the “City”) released a Negotiated Request for Proposals # 3518771019 (“nRFP”) on behalf of the City, Toronto Transit Commission (“TTC”), and Toronto Police Services (“TPS”; collectively referred to as the “Stakeholders”). The nRFP sought prospective Suppliers to submit bids for the provision of services to underwrite, adjudicate and/or administer group benefits for active and retired employees for the following categories:

- Category A: Health and Dental
- Category B: Long Term Disability and Group Life Insurance
- Category C: Accidental Death and Dismemberment and In Line of Duty Death
- Category D: Employee Family Assistance Program
- Category E: Health and Wellness Programs

As a result of the procurement process the Selected Supplier(s) were requested to enter into direct contract negotiations to finalize an agreement with the City, TPS, and TTC for the provision of the nRFP Deliverables.

1.2 Scope of the Fairness Monitor Engagement

P1 Consulting was retained in July 2022 to perform fairness monitoring services and provide an independent attestation on the nRFP procurement process. Our mandate was to review and monitor the Bid documents and communications, provide advice on best practices, review and monitor the evaluation and decision-making processes that are associated with the nRFP to ensure fairness, equity, objectivity, transparency and adequate documentation throughout the evaluation process. We are also to attend, observe and provide guidance at meetings with the Stakeholders, as well as Supplier interactions. In particular, in our role as Fairness Monitor, we ascertained that the following steps were taken to ensure an open, fair and transparent process:

- **Review of the nRFP and Addenda:**
P1 Consulting reviewed the nRFP and addenda, as required, and all other documents related to the procurement process to confirm that they were fair, open and transparent.
- **Review of Questions and Answers (Q&A), Clarification Questions and the Responses:**
P1 Consulting reviewed all Q&As and the responses submitted to the Suppliers. P1 Consulting also reviewed any clarifying questions submitted by City along with their responses during the evaluation period.
- **Review of Evaluation Criteria and Procedures:**

P1 Consulting reviewed the evaluation criteria and procedures for the nRFP to confirm that the requirements were met.

- **Advice on Best Practices:**

P1 Consulting attended training sessions to confirm that evaluation participants were provided with briefings on best practices including the principles and duties of fairness, care and protection of confidential information, avoidance and disclosure of conflict of interest, bias and undue influence, scoring procedures and sign-off on individual scoring sheets, preparation, treatment and retention of evaluation documents.

- **Evaluation Meetings:**

P1 Consulting observed evaluation meetings, including the evaluation training sessions, and consensus meetings. Additionally, during the evaluation process, we provided verbal and written advice with respect to fairness, objectivity, consistency of process, conflict of interest and confidentiality to ensure strict accordance with the specifications and criteria set out in the nRFP documents.

- **Supplier Interaction:**

P1 Consulting attended and monitored all briefing sessions, presentations, and interviews with Suppliers.

We confirm that all of the tasks above were completed in a manner that was fair, open and transparent by the Stakeholders.

2. Competitive Selection Process – Request for Proposals

2.1 Development of the Request for Proposals

P1 Consulting reviewed the nRFP prior to it being posted to the Suppliers and our comments related to fairness were satisfactorily addressed by the Stakeholders. We confirm that, from a fairness perspective, the requirements were clear and the nRFP provided the Suppliers a fair process.

2.2 nRFP Open Period Process

Throughout the nRFP open period, the Stakeholders responded to the questions from the Suppliers and the City issued addenda to provide greater clarity on the requirements and process. P1 Consulting reviewed all documents that were posted to confirm that they were acceptable from a fairness perspective

2.3 Evaluation Preparation

The City developed fulsome Evaluation Guide in advance of the evaluation process, which was reviewed and approved by the Fairness Monitor. All Stakeholder Selection Committee participants were required to participate in a training session in preparation for their role in the process, which described roles and responsibilities and the approach to the evaluation. Each Selection Committee member was required to sign a participant undertaking, which included a continued commitment to the avoidance of conflicts and respect of confidentiality commitments. Selection Committee members were notified of the appointment of a Fairness Monitor. There were no conflicts identified of which we were aware, which prevented a member of the Selection Committee from participating in the nRFP evaluation.

2.4 Proposal Receipt

The nRFP Closing Date was October 26, 2022, at 12:00 noon (Local Toronto Time). As per the nRFP, bids must have been submitted through the City Online Procurement System prior to the Submission Deadline for them to be compliant. Bids from the following Suppliers were received in advance of the Submission Deadline through the City Online Procurement System for each Category:

- **Category A: Health and Dental**
 - Green Shield Canada
 - Manulife Financial
 - Sun Life Financial
- **Category B: Long Term Disability and Group Life Insurance**
 - Manulife Financial
 - Sunlife Financial
- **Category C: Accidental Death and Dismemberment and In Line of Duty Death**
 - American International Group Inc.

- Manulife Financial
- Sun Life Financial
- **Category D: Employee Family Assistance Program**
 - CloudMD Software & Services
 - Green Shield Canada
 - Homewood Health
 - Telus Health Solutions Inc.
- **Category E: Health and Wellness Programs**
 - Green Shield Canada
 - Manulife Financial
 - Sun Life Financial
 - Telus Health Solutions Inc.

2.5 **Mandatory Requirements Review**

Each Bid was reviewed by the City's Procurement Representative and/or Stakeholders to determine compliance with the mandatory requirements. Only those Bids that met the mandatory requirements were eligible to proceed to the rated evaluation by the Stakeholder Selection Committee. One Bid did not meet the mandatory requirements, that of American International Group Inc., submitted for Category C.

2.6 **Rated Evaluation and Interview/Presentations**

Members of the Selection Committee undertook an independent evaluation of each qualified Bid on the basis of the non-price rated criteria described in the nRFP. Subsequent to completion of their individual evaluations, a consensus evaluation process was applied to evaluate the Bids collectively by the Selection Committee. The Selection Committee members engaged in a fulsome exchange of views leading to evaluation results, which were agreed to for each Supplier. All participants performed their roles diligently throughout the evaluation process.

For Categories A, B and E, Interviews were undertaken with the Suppliers to provide them the opportunity to present on important aspects of their proposal and respond to questions from the Selection Committee. Care was undertaken to ensure the meetings were handled in a consistent manner, maintaining the confidentiality of the Supplier Bids and evaluation process as a whole. The Interviews/Presentations were not scored, however, they were used as a mechanism for the Selection Committee to review, revise, and refine the scoring of the provided Bid content. P1 Consulting attended all of the consensus meetings, and all evaluation meetings with the Suppliers, including Interview/Presentation discussions and observed that the proceedings were in accordance with the nRFP and the City's Evaluation Guide. P1 confirms that the process was undertaken in a fair, transparent and unbiased manner.

In order to proceed to the pricing evaluation stage, Bids were required to achieve the established minimum technical threshold as defined within the nRFP. The following

Suppliers did not meet the minimum threshold identified in accordance with the nRFP and did not proceed to the pricing stage:

- **Category D: Employee Family Assistance Program**
 - CloudMD Software & Services
 - Green Shield Canada
- **Category E: Health and Wellness Programs**
 - Manulife Financial
 - Sun Life Financial

2.7 **Pricing Evaluation**

In accordance with the nRFP the City's Procurement Representative completed the pricing evaluation by applying the relative pricing formula applied to the Supplier's rates for the qualified bids within each category. P1 Consulting reviewed the results of the pricing evaluation and confirm that it was undertaken in a fair manner and in accordance with the nRFP.

2.8 **Final Result**

As a result of the evaluation process, the following were identified as having achieved the highest total overall score, and identified as the top-ranked Suppliers for each category, eligible to proceed to contract negotiations with the City, TTC and TPS:

- **Category A: Health and Dental**
 - Green Shield Canada
- **Category B: Long Term Disability and Group Life Insurance**
 - Manulife Financial
- **Category C: Accidental Death and Dismemberment and In Line of Duty Death**
 - Manulife Financial
- **Category D: Employee Family Assistance Program**
 - Telus Health Solutions Inc.
- **Category E: Health and Wellness Programs**
 - Green Shield Canada

2.9 **Debriefing**

At the time of this report, no debriefings have been conducted related to this procurement.

3. Conclusion

Our fairness review was conducted without influence and as of the date of this report, we confirm that we are satisfied that, from a fairness perspective, the processes undertaken related nRFP for Employee Benefit Programs for the City of Toronto, Toronto Transit Commission, and Toronto Police Services have been conducted in a fair, open and transparent manner. As Fairness Monitor for this Project, we are satisfied that Stakeholders have followed the procedures in accordance with the applicable nRFP and policy documentation and that the participants followed the procedures and fairly applied the evaluation criteria.

A handwritten signature in blue ink that reads "Jill Newsome".

Jill Newsome
P1 Consulting Inc.