

FINAL FAIRNESS ATTEST REPORT TO
CITY OF TORONTO

Integrated Telecommunications Infrastructure RFP

December 16, 2009

Submitted by:
PPI Consulting Limited.



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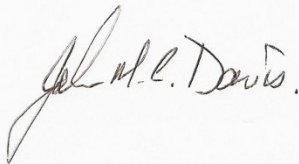
December 16, 2009

David Neil, Project Manager,
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Toronto, Ontario M5H 2N2

**RE: Integrated Telecommunications Infrastructure RFP Initiative (Formerly
COTTI) – Interim Fairness Report**

This Final Fairness Report covers the activities of the Integrated Telecommunications Infrastructure (ITI) project Request for Proposal (RFP) process from engagement of the Fairness Advisor prior to release finalization and release of the RFP through the closing of the bid process, and the evaluation of proposals submitted resulting in the selection of the recommended contractors for each of the 4 “service bundles” incorporated under the single umbrella ITI RFP.

As the Fairness Advisor for the Integrated Telecommunications Infrastructure project Request for Proposal process, we assure that all circumstances encountered over the course of the procurement process to date were managed in a manner consistent with the principles of fairness and transparency. We certify that, in our opinion, up to the delivery of this report, the procurement process was conducted in a fair, open and transparent manner.



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Executive Summary

PPI's Scope of Work

As stated in the Fairness Advisor Scope of Work, working with the Project Manager and the City's project team, PPI's role is to review the call document prior to call release, offer advice on critical aspects such as criteria, clarity and pertinence, or evaluation techniques.

Any advice on the call document itself will include the identification of the steps or procedures that can be taken to remove potential problems (such as unintended barriers to appropriate responses given unduly prescriptive requirements), and to oversee that satisfactory and timely communication takes place with proponents on any necessary call changes.

The fairness monitor would report on the fairness, openness and transparency of the procurement.

Review and comment on the final decision of the City's Selection Committee is not in scope and will not form part of any written report from the fairness advisor.

In addition to the above requirements, the Fairness Advisor:

- Provided regular progress/status information to the Project Manager;
- Complied with City procurement procedures and practices; and
- Provided knowledge and skill transfer to internal project staff where appropriate.

PPI had no actual, potential or perceived conflict of interest

No member of our professional services group at PPI has or will have any conflict of interest (real, potential or perceived) with the contractual obligations required as a Consultant to the City of Toronto.

The provision of partnering and procurement management services to public sector buyers is our sole business.

Summary of observations, Activities, Recommendations and Actions by Stage of Procurement

The table below summarizes the tasks undertaken and the associated actions and outcomes.

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
Pre-RFP posting stage	<p>The pre-RFP posting stage involved review of the RFP materials to ensure that the requirements, evaluation criteria and selection process were clearly articulated, and were fair, open and transparent consistent with City's procurement process.</p> <p>In summary, the Fairness review process indicated that:</p> <ol style="list-style-type: none"> 1. The intended business outcome was articulated in the published bid documents. Appendices to the RFP contained detailed materials with supplementary confidential materials provided on completion of a non-disclosure agreement by bidders. 2. The sourcing strategy incorporated 4 bundles of service requirements under a single RFP framework. Bid opportunity documents were published publicly on the City web site. Potential bidders were able to access these materials and addenda. The process for publication and transmission of the City requirements was fair, open and transparent. 3. The evaluation process was documented and defined within the RFP and included guidance with respect to evaluation of both mandatory and rated requirements. The relative weights of individual sections and subsections of the RFP bundles were published in Appendix E of the RFP. The guidelines under which rated criteria would be assessed were published in Section 4.3.2.1: Table 4-1 Scoring Standard. 4. The documents as published incorporated revisions suggested by the Fairness Advisor regarding clarification of requirements, evaluation process and criteria. Draft materials were reviewed to ensure that there was no real or 	Yes

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
	<p>implied preference towards a specific technology solution or incumbent supplier within the scope of the requirement.</p> <p>5. The development of guidelines and worksheets in support of the detailed evaluation of the technical and financial components of the bid packages were completed and reviewed prior to bid closing. The guidelines were reviewed to ensure that the evaluation addressed the requirement as expressed in the RFP and that the guidelines did not introduce new (“hidden”) criteria.</p> <p>6. The project required that all participants in the evaluation process declared any potential conflict of interest by completing a formal Non-Conflict of Interest statement. The project manager ensured that all participants involved in the evaluation process completed a Conflict of Interest declaration before exposing the bid materials.</p> <p>7. The project manager instigated a process of document tracking through which electronic and hard copies of the bid and evaluation materials would be distributed and tracked.</p> <p>8. The guidelines for evaluating the RFP responses to each bundle were reviewed with the evaluation teams. For rated criteria, the process for consolidating the scoring from the individual evaluators was based on the average of the individual evaluator’s scores on a criterion by criterion basis. A “group session” was convened for reviewing the individual scores on an item-by-item basis and discussing the reasons for differing scores across evaluators for each of the Service Bundle evaluations. These group sessions ensured consistent interpretation of the requirement and scoring approaches.</p> <p>9. The Fairness Advisor participated in all group sessions.</p>	
RFP Posting Stage	<p>1. All procurement documentation was provided to all potential proponents at the same time. Non-sensitive materials including the RFP documents were published through the City Call Document facility on the City’s web site in accordance with published City Policy. Confidential documents were made available through PMMD on signing of a non-disclosure</p>	Yes

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
	<p>agreement by potential bidders.</p> <ol style="list-style-type: none"> 2. All addenda were published on the City web site in accordance with the published City policy. 3. A vendor briefing was held on February 10, 2009 as published in the Notice to Proponents cover page of the RFP. The list of attendees was published on February 10 through Addendum #3. 4. Site visits for Network cabling were organized for February 12-13 as also published in the Notice to Proponents cover page of the RFP. 5. Amendments were published using the City web site in accordance with published City policy. 6. The Fairness Advisor reviewed all Addenda prior to release. 7. Potential proponents were provided the opportunity to ask questions of the buyer organization relating to the project. This is a key technique that ensures vendors have all the required information to submit their proposals and that vendors fully understand both the contractual requirements and the evaluation process for submitted proposals. 8. To maintain fairness and transparency, all questions and all answers were distributed to all potential proponents through the same channels as the procurement documentation. This ensured fair treatment of all the vendors. 	
Evaluation Team Selection and Training	<ol style="list-style-type: none"> 1) Dedicated evaluation teams were selected for each service bundle. Training materials and the evaluation process were presented to the evaluation teams by the Project Manager prior to commencement of the evaluation of individual service bundles. 2) Evaluation Team material included a formal requirement and confirmation that the individual evaluators and other project participants had completed the required Conflict of Interest declaration prior to commencing with the evaluation process. 3) The training materials covered included: 	Yes

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
	<ul style="list-style-type: none"> a) Introductions & Purpose of the Session b) Overview & Objective of the ITI RFP, Evaluation & Selection Process c) Getting Started, Evaluation Tools & Scoring Rated Requirements d) Group Sessions, References & Presentations e) Cost & Selection of Preferred Proponent f) Q & A <p>4) The role of the Fairness Advisor was also covered during this session.</p>	
Evaluation of Mandatory Requirement	<ul style="list-style-type: none"> 1. PMMD reviewed the proposals in accordance with the mandatory requirements as stated in the RFP. 2. The evaluation teams for each bundle confirmed that the proposals as provided were compliant with the technical mandatory requirements. 3. The process followed was consistent with the process as defined in the RFP. 	Yes
Evaluation of Rated Requirements	<ul style="list-style-type: none"> 1. Across all 4 Service Bundles, the overall evaluation approach was consistently applied. 2. The scoring standard was published in the RFP as Table 4-1: Scoring Standard. This scoring standard was reflected in the scoring sheets used by the evaluators in each of the 4 Service Bundles. 3. Changes to individual criteria resulting from the addenda issued during the bid posting period were reflected in the scoring sheets. 4. Each proposal was evaluated individually by each member of the evaluation team assigned to specific Service Bundles. 5. Consensus sessions were held with the evaluation teams for each Service Bundle. The consensus sessions were attended by the 	Yes

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
	<p>Fairness Advisor. Through the consensus session process, the evaluation team consistently applied the scoring standards resulting in a consistent scoring for each proposal.</p> <ol style="list-style-type: none"> 6. The Fairness Advisor challenged the team where scoring was inconsistent. The challenge process resulted in assessments that were consistent with the published requirements and scoring standards, consistent assessments across bids and across bundles (where common criteria were used). 7. During the consensus sessions, where a proponent's response was determined by an evaluation team to be incomplete or otherwise required clarification with respect to how it addressed the requirement, the team posed clarification questions to the proponents through PMMD. Clarification questions and proponent responses were reviewed by the Fairness Advisor. This review ensured that no new requirements were introduced through the questions posed by the evaluation team and that no new materials were introduced by the proponent in the response (i.e. the responses clarified or pointed to materials already provided in the original proposal). 8. Review sessions were held to ensure that the evaluation of criteria for which clarifications questions were issued were scored consistent with the scoring standards. 9. Individual evaluators verified that their scores as represented in the scoring rollup performed by PMMD corresponded to their individual scoring of each proposal. 10. The aggregated score as collected by PMMD represented the score as determined by calculating the average of the individual evaluator's scores on a paragraph by paragraph basis and applying the paragraph weight to the average score. This approach was applied consistently across all paragraphs and across all Service Bundles. 11. As indicated in RFP Section 4.3.2.2: Stage 2B: Presentations/Demonstration and Due Diligence Vendor, the City determined that presentations/demonstrations would be 	

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	<p>held for the Unified Communications bundle. The option to conduct presentations/demonstrations for the other three Service Bundles was not exercised. The Unified Communications presentations/demonstrations were conducted based on a consistent agenda and presentation format as provided for in the RFP.</p> <p>12. Reference checks were conducted in a manner consistent with the requirements of the RFP.</p> <p>13. The calculation of the final evaluated scores was performed using an automated spreadsheet tool for each Service Bundle. The spreadsheet tool for each Service Bundle conforms to the weights and evaluation process as published in the RFP. The spreadsheet tool was tested and validated prior to the closing of the RFP.</p> <p>14. As published in the RFP, where a proposal failed to meet a required minimum score within a section of the RFP or across the rated criteria as a whole, the proposal was determined to be non-compliant.</p> <p>15. Financial evaluations were not performed on Proposals that were determined to be non-compliant.</p> <p>16. The final evaluated scores for each Service Bundle are provided directly by PMMD under separate cover.</p>	
Financial Evaluation	<p>1. Across all 4 Service Bundles, the overall financial evaluation approach was consistently applied based on the financial response worksheets provided in the RFP for each Service Bundle.</p> <p>2. The financial evaluation was performed by representatives of Finance independently of the technical evaluation team.</p> <p>3. The financial evaluation process included issuance of clarification questions to proponents where required to ensure an “apples to apples” comparison of pricing and to clarify the commitment to pricing adjustments as provided in the financial</p>	Yes

<u>Stage</u>	<u>Task</u>	<u>Fair (Yes or No)</u>
	response. 4. The final evaluated financial scores as calculated by Finance for each Service Bundle are provided directly by PMMD under separate cover.	
Selection of Winning Bids	The recommended proponents for contract award are as determined through the selection process as published in the RFP and as resulting from the documented evaluation process.	Yes

Summary and Conclusion

The procurement effort was conducted in a fair, open and transparent manner. The scoring reflected a consistent application of the evaluation and selection process as published.

The financial evaluation was conducted in a manner that ensured apples to apples comparison across bids within a service bundle.

Where the evaluation team required clarification, the process as defined in the RFP was employed. The team exercised this clarification process to ensure that bidders were given the maximum opportunity to clarify where in their response the City could find statements that supported the compliance of the bidder.

The selection of the recommended proponents for contract award reflects a fair and consistent application of the evaluation criteria and selection process as published in the RFP.