

FAIRNESS MONITOR'S REPORT



City of Toronto's

Request for Proposal for Insurance Broker Services
RFP # 2759379260

RFP Issued: September 17th, 2021

RFP Closing: October 12th, 2021 at 12:00 Noon (Local Toronto Time)

REPORT ISSUED: OCTOBER 25th, 2021



**ROBINSON
GLOBAL
MANAGEMENT**

October 25th, 2021



Mr. Michael Pacholok
 Chief Purchasing Officer
 Purchasing and Materials Management Division
 City Hall, 18th Floor, West Tower
 100 Queen Street West
 Toronto, Ontario M5H 2N2

**Re: Fairness Monitor Report - Request for Proposal for Insurance Broker Services
 RFP #2759379260**

Dear Mr. Pacholok,

Background

Robinson Global Management Inc. (RGM) was retained as the Fairness Monitor for the above-mentioned procurement in September 2020 to oversee the procurement process administered to identify a Successful Proponent to provide, to the City of Toronto, insurance broker services, as more particularly described in Part 3 of the RFP.

We have monitored the RFP development, open period in-market process, and evaluation process which identified the highest ranked Proponent. This letter details our summarized fairness findings for the RFP process we monitored. Neither Robinson Global Management Inc. nor any individual author(s) of this report are responsible for any conclusions that may be drawn from this opinion. For further detail on the above-mentioned process, we recommend that communication be sought from the City of Toronto's RFP Contact directly.

Our monitoring in the capacity as Fairness Monitor was strictly limited to our responsibilities and deliverables listed in the numbered list below. In completing this report, we took the City of Toronto's Procurement Policy and By-law, Canadian Free Trade Agreement, and the provisions of the RFP as a standard against which to audit the process.

We have no objections to the recommendation made by the City of Toronto's Corporate Financing, Risk Management Unit, and the identified highest scoring Proponent of the administered RFP process.

Fairness Monitor Responsibilities and Deliverables for the RFP

The following Fairness Monitor's responsibilities and deliverables for the RFP have been taken:

1. Attend a kick-off meeting with the City and the City's industry advisor on this project;
2. Review of the RFP – Fairness Monitor is to identify potential inconsistencies or lack of clarity in the RFP and provide feedback to the City within five (5) business days of receipt of the documents for review;
3. Review of Evaluation Criteria with respect to clarity and consistency;
4. Attend the Proponent's Voluntary Information Meeting (if required); [City determined not required]
5. Oversee any questions, comments or communications submitted by potential Proponents and review responses posted via Addendum;
6. Attend any Commercial in Confidence Meetings (if required) [City determined not required];
7. Attending Meeting Re: Evaluation Weightings and Criteria;

8. Provide advice to the Selection Committee and PMMD as requested;
9. Attend Selection Committee evaluation sessions;
10. Attend Proponent interview sessions: it is anticipated that a full day will be available for interested parties drawn by the marketing and exposure campaign to meet with members of the Project Team and another day for Commercial in Confidence meetings with short-listed respondents to the RFP; [City determined not required]
11. Ensure that evaluation scores are accurate and the documented methodology was adhered to;
12. Review evaluation results;
13. Prepare a draft report and present to Selection Committee prior to providing Final Attest Report; address comments/issues raised by Selection Committee prior to finalizing report;
14. Complete and distribute the Final Attest Report (which should be 1-2 pages in length);
15. Attend debriefing sessions related to the RFP as required.

RFP and Addenda Drafting

Notice of Intended Procurement

Notice of Intended Procurement	City posted a Notice of Intended Procurement on September 14 th , 2021. RGM reviewed the NOIP and had no fairness issues.
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RFP Development and Issuance

RFP Development and Issuance	RGM provided initial fairness comments to the City while the RFP was in development.
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Addenda Drafting and Issuance

Addenda Drafting and issuance	Two (2) were issued by the City. RGM confirms that the City provided both addenda for fairness review prior to issuance.
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RFP Open Period

The Request for Proposals was issued on September 17th, 2021. Two (2) addenda were issued prior to the Deadline for Issuing Addenda (October 5, 2021) (the Request for Proposals and all addenda collectively referred to as the “RFP”).

The RFP stated all proposal and performance requirements, evaluation criteria and associated weightings of those criteria, evaluation methodology, proposal evaluation scoring system scale and evaluation approach to be administered during all stages of the evaluation processes.

Where there were minimum scoring thresholds and/or pass/fail requirements for all mandatory requirements evaluation sections, these were disclosed with a clear indication when such thresholds or pass/fail tests would be applied, and the impact that failing to satisfy any of them; these remained unchanged post-close.

The RFP designated a single point of contact and explained the process for communication during the open period, evaluation process and contract finalization phase. Questions on all matters which occurred during the RFP open period process received responsive and detailed answers from the City.

The RFP open period represented a total of twenty six (26) calendar days in market for Proponents to respond to the City’s request. We deemed this to be sufficient time for qualified Proponents to prepare and submit compliant Proposals. Diligent effort was taken to effectively manage any advantage, disadvantages and potential geographical impediments in the process from document development through to evaluation process completion.

Further, we were not made aware of any matters of this kind being raised during the process.

The RFP articulated detailed evaluation criteria that objectively reflected the legitimate needs of the City and to produce an RFP that was clear and could be consistently applied.

Submission Deadline & Evaluation Process

Submission Deadline	October 12, 2021, 12:00 NOON local Toronto Time
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The Submission Deadline, in accordance with the RFP, was October 12, 2021, 12:00 NOON local Toronto Time. Three (3) proposals (1. Aon Reed Stenhouse Inc., 2. Marsh Canada Limited; and 3. Willis Towers Watson) were received before the Submission Deadline. The City has confirmed that the Ariba system does not allow late proposals to be received after the Submission Deadline.

RFP Evaluation Process

The evaluation stages provided in the RFP were as follows:

1. Stage 1 - Mandatory Submission Requirements Evaluation

Stage 1 was evaluated by PMMD, the qualified Procurement department; we were not involved in this stage. We were advised by PMMD that the three (3) proposals successfully received a pass during this stage and proceeded to Stage 2.

2. Stage 2 – Mandatory Technical Submission Requirement Evaluation & Technical Rated Criteria Evaluation

➤ **Stage 2 – Mandatory Technical Submission Requirements Evaluation**

The initial part of Stage 2 was evaluated by one of the members of the Evaluation Team, on behalf of the entire Evaluation Team, with consultation with PMMD and with us, as the Fairness Monitor. A clarification was deemed necessary and pursuant to RFP, Part 1, Section 2.3.7, Right to Seek Clarification of Bids and Section 3.14, the City prepared a clarification to one of the proponents, Aon Reed Stenhouse Inc.

We reviewed the proposed clarification and approved same, from a fairness perspective, following which the City proceed to issue the clarification. The response relating to the clarification was received, reviewed and deemed satisfactory to pass the mandatory technical requirement. RGM reviewed and agreed with this determination.

As such, all three (3) proposals successful received a pass during this stage and proceeded to the next part of Stage 2.

➤ **Stage 2 – Technical Rated Criteria Evaluation (135 points)**

Following the Mandatory Technical Submission Requirements Evaluation, the technical rated criteria were evaluated by an evaluation team, selected by the City and comprised of four (4) qualified staff from the City of Toronto (Insurance and Risk Management and the Corporate Services units) (the “Evaluation Team”). All had the expertise to both critically review and evaluate the proposals against the criteria they were assigned.

During the individual stage of the evaluations, it came to light that one of the proponents, Willis Towers Watson, had included pricing information in its technical submission. The inclusion of the pricing

information was in breach of the RFP, Section 2.1.3 of Part 4, Form B – Technical Proposal and Qualifications, which states: "No cost information shall be included in the body of the Technical Proposal portion of the Bid or it will be rejected". As well, the City had a reminder in Ariba to this effect, "PLEASE NOTE PRICING MUST BE SUBMITTED UNDER PART 5 AS A SEPARATE RESPONSE. OTHERWISE IT WILL BE DECLARED AS NON-COMPLIANT BID". PMMD assessed this issue, in consultation with us, as the Fairness Monitor, and the Willis Towers Watson's proposal was deemed non-compliant and removed from continuation in the evaluation process.

Both proposals that were evaluated during this technical written evaluation stage successfully met the minimum overall threshold of 75% or 101.25 points set out in the RFP. Accordingly, both proposals proceeded to the next stage in the evaluation process.

Prior to the commencement of the evaluation process, the City prepared an Evaluation Workbook. RGM confirms that we reviewed the workbook and provided fairness feedback. We confirm that all outstanding fairness feedback was incorporated into the Evaluation Workbook prior to the evaluation training.

The Evaluation Team was given a mandatory detailed evaluation training by the PMMD and RGM, as Fairness Monitor, on all aspects of the evaluation process and how to execute their roles and responsibilities. In the training, the Evaluation Team received a fairness training from the Fairness Monitor, a walkthrough of the evaluation workbook by the City's representative from PMMD, and a walkthrough of the scoring criteria and scoring sheets by PMMD.

Specifically, RGM conducted fairness training to the Evaluation Team. In this training, RGM provided training on the principles of fairness, clarifications during the evaluation process, confidentiality, communications and conflicts of interest protocols during the evaluation process, evaluator responsibilities for document management and evaluation preparation and key fairness risks. PMMD obtained signed Conflict of Interest Declarations from each evaluation participant.

We are not aware of the existence of any conflict of interest or a breach of confidentiality occurring at any point. No evaluator or other individual exerted undue influence over the process. Each evaluation stage was completed in a sequential order, and with the observance of the PMMD representative and the Fairness Monitor. All key evaluation process decisions were made by more than one person.

The Evaluation Team completed the Stage 2 rated evaluation using the established best practice consensus two - step method:

1. Firstly, each evaluator, working alone, reviewed, scored with supporting comments, each Proposal in its entirety.

The Evaluation Team was provided with a random assignment by PMMD of the order in which to review the submissions, in accordance with our recommendation as Fairness Monitor.

2. Secondly, the Evaluation Team met as a group to discuss their findings and, largely relying on their initial comments and Evaluation Team discussions during each consensus meeting, arrived at a consensus score and comment for each criterion together, ensuring alignment with the disclosed RFP requirements, proposal evaluation scoring system scale, and maintaining the disclosed point weightings.

Each score and comment were discussed thoroughly and verified during the consensus session based on the disclosed Proposal Evaluation Scoring System scale from the RFP and the evaluation criteria objectively. No averaging or rounding of scores took place. All scores were reflected to one decimal point.

At the completion of the evaluation process, all calculations were verified.

With both proponents passing the minimum overall thresholds of 75% or 101.25 points, both proposals proceeded to the next stage in the evaluation process, i.e. Stage 3 – Pricing and Rankings.

3. Stage 3 – Pricing and Rankings (40 points)

Following the completion of the Stage 2, Technical Rated Criteria Evaluation, with both proponents having passed the Stage 2 minimum overall threshold, the Pricing Proposals submitted by both proponents were opened by PMMD, and were scored using the disclosed calculation formula, with each proponent receiving a percentage of the total possible points allocated to Section 1.2 Brokerage Services (25 points) and Section 1.3 Special Projects (15 points), calculated in accordance with the following formula set out in the RFP: lowest Total price divided by Proponent’s price, multiplied by weighting (25 points and 15 points, respectively) equalled Proponent’s pricing points.

Accordingly, in the case of these two pricing proposals, the lower price received full marks; the other received a fraction of the assigned points, based on the level of competitiveness of the price to the lower price.

The scores from Stage 2 and Stage 3 (Technical Rated Criteria) were inputted for calculation in the City’s scorecard by PMMD. The City provided the updated scorecard to RGM for fairness review.

At the completion of the evaluation process, all calculations were verified by us the Fairness Monitor and there was a clear highest scoring Supplier in accordance with the RFP.

Fairness Monitor Attestation

In conclusion, we confirm that the highest scoring Proponent being recommended for award by the City is **Marsh Canada Limited**.

We attest that the RFP was conducted in a procedurally fair, open and transparent manner and in alignment with the requirements, as referenced in the applicable policies and trade agreements.

We further attest that the successful Proponent recommendation has been generated through a rigorous and well-documented evaluation process that we oversaw, and as such, we have no reasons nor objections to the result produced, from a fairness perspective.

Sincerely,



Doreen B.A., B.COMM., LL.B., SCMP (Candidate)
Senior Fairness Monitor, Robinson Global Management Inc.

cc: Andrea Robinson, B.A, LL.M., PMP., SCMP (Candidate)
Senior Fairness Monitor, Robinson Global Management Inc.

cc. Don Solomon B.A., CERT. TECH. ARCH.
Senior Fairness Monitor, Robinson Global Management Inc.