



December 1, 2021

Infrastructure and Environment Committee

RE: IE26.4, Award of Negotiated Request for Proposals to Various Suppliers for the Provision of Winter Maintenance Services.

Madame Chair and members of the committee, thank you for this opportunity to speak before you on this matter.

Coco Paving Inc. and its predecessor have been a winter maintenance contractor for the city of Toronto dating back for over half a century. We are currently winter maintenance providers for the Ministry of Transportation of Ontario, the City of Windsor, the City of London, the City of Kingston, the County of South Dundas Glengarry and for large Class I intermodal rail facilities. Coco Paving boasts a peak workforce of over 3,000 employees and has a fleet of over 5,000 pieces of equipment.

We want to bring forward concerns regarding the "Award of Negotiated Request for Proposals to Various Suppliers for the Provision of Winter Maintenance Services". If you refer to Appendix A, the contract states that "suppliers are requested to only submit Responses for the number of Contract Areas that they have sufficient capacity to service". As you can see from Appendix B, the table confirms that only two bidders submitted a proposal for each contract TOA 2-1 and TOA 2-5, which are both located in Etobicoke. The contractor that is being recommended for award did not bid on either of these contracts, therefore disqualifying themselves based on the city's instructions to all bidders. Referring to the city's November 23rd report, Coco Paving was not successful in passing the technical proposal on either of these contact areas. However, the city decided to negotiate with a contractor who did not bid either contract. Why would the city be recommending any contractor who did not submit a bid at time of close? Rather, why wouldn't the city negotiate with the contractor who passed the technical proposal - which for the record is not Coco Paving. Further to this, the negotiation with the proponent who did not submit for the works in Etobicoke, took place after the successful technical proposal was opened, this is found in Appendix C.

When dealing with over \$260 Million of taxpayer's dollars, the tendering process should be fair, open and transparent, just as every other tender with the City of Toronto and not sole sourced to a contractor who did not bid.

Regards,

Anthony Rossi

Rick Logozzo

Appendix A

Request for Proposals Doc3136860258 Part 1 – negotiated RFP Process – Section 1

SECTION 1 - NEGOTIATED RFP SPECIFIC PROCESS AND SUBMISSION INSTRUCTIONS

1.1 Introduction

- .1 This negotiated RFP is an invitation by the City of Toronto (the "City") to prospective Suppliers to submit Bids for winter maintenance services for all road, sidewalk and cycling infrastructure types including anti-icing, de-icing, plowing and snow removal ("Deliverables") as further described in Part 3 (the "Requirements for Deliverables and Scope of Work").
- .2 Winter Maintenance Services have been segmented into 11 unique geographic areas ("Contract Areas") as described in Part 3 (the "Requirements for Deliverables and Scope of Work"). Five of these Contract Areas are not included in this negotiated RFP. This negotiated RFP is for the following six (6) Contract Areas: TOA 1-2, TOA 1-3, TOA 2-1, TOA 2-3, TOA 2-4 and TOA 2-5.
- .3 Within one (1) Bid, a Supplier will select which of the Contract Areas they wish to be eligible for by submitting required information in response to the selected Contract Area(s) ("Responses"). Suppliers may submit Responses for one (1) or more of these six (6) Contract Areas. Suppliers are requested to only submit Responses for the number of Contract Areas that they have sufficient capacity to service. Top-ranked Suppliers in each Contract Area may be invited to enter into direct Contract negotiations to finalize a Contract with the City for the provision of the Deliverables. The same Supplier may be the top-ranked Supplier for multiple Contract Areas. The terms and conditions found in Part 2 (the "Form of Agreement") will form the basis for commencing negotiations between the City and the selected Supplier(s). It is the City's intention to enter into a Contract for each of the six (6) Contract Areas as indicated in Appendix C. In the event a Supplier is awarded more than one (1) Contract Area, the City may enter into one (1) Contract with that Supplier to cover all the Contract Areas awarded to that Supplier. The term of each Contract is to be for a period of seven (7) years, with an option in favour of the City to extend the Contract on the same terms and conditions for up to three (3) additional separate one (1) year periods.
- .4 This negotiated RFP shall be interpreted in accordance with Section 3.12 (Governing Law) and 1.14 (negotiated RFP Definitions and Interpretation).
- .5 The City may suspend, modify and/or cancel, in whole or in part, this negotiated RFP (with or without the substitution of another negotiated RFP), the Contract Areas, or the proposed Contracts without liability.

1.2 Procurement Contact

- .1 The contact Person at the City for all matters related to the negotiated RFP process (the "Procurement Contact") is set out below:

Name and Title
Name: Nicole DiPetta Title: Sourcing Specialist

Appendix B

Negotiated Request for Proposal: Doc3136860258 (nRFP-2):

Through the evaluation and selection process of nRFP-1: Doc2970598171, the City was unable to identify qualified Suppliers for six (6) out of the City's eleven (11) Contract Areas. Upon review, the City developed a second Negotiated Request for Proposal (nRFP-2: Doc 3136860258) which incorporated enhancements to nRFP-1: Doc2970598171, including but not limited to, integration of feedback from the supplier community, internal lessons learnt, and an offer to provide feedback through formal debriefing sessions to proponents that had previously failed to meet the minimum threshold requirements of nRFP-1.

The second Negotiated Request for Proposal, soliciting submission for the six (6) remaining Contract Areas, was issued on September 2, 2021 and closed on September 28, 2021. One (1) Supplier Information Session was conducted to inform the Supplier market of the objective and process of this procurement. In total, there was five (5) addenda issued during the posting period of this second nRFP.

Similar to nRFP-1, Suppliers were invited to submit proposals for up to six (6) of the remaining Contract Areas and the City did not limit the number Contract Areas that a Supplier could be awarded if, through the evaluation process, the Supplier was able to demonstrate the organizational, financial and operational capabilities required to fulfill the deliverables of all Contract Areas it submitted a proposal for.

At the time of closing, proposals were received from the following Suppliers for each Contract Area:

Supplier	TOA 1-2	TOA 1-3	TOA 2-1	TOA 2-3	TOA 2-4	TOA 2-5
2868415 Ontario Inc. (Joint Venture)	X	X		X	X	
Coco Paving Inc.	X	X	X	X	X	X
D. Crupi & Sons Ltd.	X			X		
MVD Winter Services Inc. (Joint Venture)					X	
Pave-Tar Construction Ltd.					X	
ROA Inc. (Joint Venture)			X			

Supplier	TOA 1-2	TOA 1-3	TOA 2-1	TOA 2-3	TOA 2-4	TOA 2-5
Steed and Evans Ltd.						X
Total # of Proposals Per Contract Area	3	2	2	3	4	2

Evaluation, Supplier Selection & Negotiation Process

A formal Evaluation Committee was convened for the purpose of reviewing and evaluating the proposals received in response to the nRFP-2. As this procurement consisted of similar criteria and a six (6)-stage evaluation process identical to the first Negotiated Request for Proposal (nRFP-1), the following sections will only highlight the results of each of the six (6) stages.

Stage 1: Mandatory Submission Requirements

As a result of the compliance review conducted in Stage 1: Mandatory Submission Requirements, all seven (7) Suppliers met the mandatory requirements and advanced to Stage 2 - Mandatory Financial Viability Requirements.

Stage 2: Mandatory Financial Viability Requirements

The City's review of each Supplier's financials viability determined if a Supplier had capacity to service all Contract Areas in their submission. Similar to the first nRFP, Stage 2 and Stage 3 of the evaluation process took place concurrently. If a Supplier failed to meet the minimum requirements in either stage(s), their Proposal would be excluded from further consideration and evaluation of all other concurrent stages would cease.

Mandatory financial evaluations for six (6) out of the seven (7) Suppliers were completed in this stage, all of which met the minimum requirements to advance to Stage 3 - Technical Proposal Evaluation. One (1) Supplier, however, failed to meet the minimum scoring thresholds for Stage 3 - Technical Proposal Evaluations and as such, the City ceased Stage 2 - Mandatory Financial Viability evaluation for this Supplier and excluded the proposal from further consideration.

Stage 3: Technical Proposal Evaluation

Stage 3 - Technical Proposal Evaluations was worth 70% of the overall proposal score. As seen below, upon completion of Stage 3 evaluations, five (5) of the remaining six (6) Contract Areas (Area TOA 1-2, TOA 1-3, TOA 2-3, TOA 2-4 and TOA 2-5) had at least one (1) Supplier that met the minimum thresholds to advance to Stage 4 - Pricing Evaluation.

- Contract Area TOA 1-2: 2868415 Ontario Inc. (Joint Venture)

Appendix C

- Contract Area TOA 1-3: 2868415 Ontario Inc. (Joint Venture)
- Contract Area TOA 2-3: 2868415 Ontario Inc. (Joint Venture)
- Contract Area TOA 2-4: 2868415 Ontario Inc. (Joint Venture), MVD Winter Services Inc (JV), & Pave-Tar Construction Ltd.
- **Contract Area TOA 2-5: Steed & Evans Ltd.**

Evaluations for Contract Area TOA 2-1 identified no Suppliers that met the minimum scoring requirements, and as such the City formally notified all Suppliers that this Contract Area would not be awarded through nRFP-2: Doc3136860258.

Stage 4: Pricing Proposal Evaluation

Stage 4 - Pricing Proposal Evaluation was worth 30% of the overall proposal score. Upon completion of the pricing evaluation, the following three (3) suppliers proceeded to Stage 5 - Ranking.

- 2868415 Ontario Inc.(Joint Venture)
- MVD Winter Services Inc.
- Pave-Tar Construction Ltd.

In reviewing the pricing proposal submitted for Contract Area TOA2-5, the City determined that the proposal did not meet the requirements outlined in the nRFP. Staff concluded there was no viable option for Stage 6 - Negotiations that would result in an acceptable financial outcome for the City. As a result, the City cancelled the award for the Contract Area and would be seeking alternative sourcing options for the provision of these services.

Stage 5: Ranking (Combined Prorated Score)

Based on the final prorated ranking, 2868415 Ontario Inc. (Joint Venture) was identified as the highest ranked Supplier for all four (4) of the remaining Contract Areas, and as such, was selected to advance to Stage 6 - Contract Negotiations.

Stage 6: Contract Negotiations

The City conducted negotiations with 2868415 Ontario Inc. (Joint Venture) from November 9, 2021 to November 10, 2021 and focused on similar topics as outlined in the negotiation stage for nRFP-1: Doc 2970598171.

Upon conclusion of negotiations, Transportation Services staff reviewed the final agreed upon proposal including pricing and terms and conditions and confirmed their acceptance.

Non-Competitive Procurement (Contract Area TOA2-1 and TOA2-5)

As the City was unable to award Contract Area TOA2-1 and TOA2-5 through the two (2) Negotiated Request for Proposals described above, Transportation Services elected to procure the provision of winter maintenance services for these areas through a Non-