

Fairness Monitor Report re: RFP 9105-16-7020 Benefits Carrier

1. Ernst & Young LLP (“EY”) was engaged to act as the Fairness Monitor with respect to RFP 9105-16-7020 Benefits Carrier (the “RFP”). We have completed our engagement to act as Fairness Monitor of the RFP with respect to the provision of a benefits carrier for the City (its agencies, boards and commissions), the TTC and the Toronto Police Services (the “TPS”).

Disclaimer

2. In preparing this Report, EY has been provided with and, in making comments herein, has relied upon the RFP, the Evaluation Committee’s (defined below) scoring of the bidders submissions including the clarification answers and the presentation by one of the bidders (the “Information”) EY has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, EY expresses no opinion or other form of assurance in respect of such information contained in this Report.

Background

3. The evaluation committee (the “Evaluation Committee”), consisted of nine benefit experts from the City, the TTC and TPS. In addition, there were observers from each of the City, the TTC and TPS as well as the representatives from the City’s Purchasing and Materials Management Division at each of the meetings or conference calls.
4. Bidders were invited to bid for Category A (Health and Dental Benefits), Category B (LTD, Group Life, and AD&D Benefits) or both Categories A and B. Each Category was to be evaluated separately and each prospective bidder was required to score a minimum of 80% on its technical submission for certain sections and for the proposal overall. The RFP did allow the Evaluation Committee to lower this requirement to 75% in the event that no bidders scored greater than 80% or at the sole discretion of the Evaluation Committee.
5. Any evaluation of the bids or any recommendations with respect to the evaluation of the bids by the Evaluation Committee with respect to the RFP was considered outside the scope of this engagement.

RFP Process

6. Key dates related to the bid process are as follows:
 - RFP issuance date: January 11, 2016
 - Voluntary Information Session: January 19, 2016
 - Deadline for questions: January 26, 2016
 - Submission Deadline: February 16, 2016
 - Clarification questions issued (both bidders): March 23, 2016

- Deadline for clarification answers (both bidders): March 30, 2016
 - Presentation by Bidder 2: April 18, 2016
7. The Evaluation Committee received two bids from bidders for Category A and one bid from a bidder for Category B (this bidder “Bidder 2” also submitted for Category A). Clarification questions were requested from both bidders and a presentation was requested from the bidder who submitted for Category A and B.
8. EY, as the Fairness Monitor, was fully engaged in the procurement process and was in attendance in person or by conference call during the following steps:

<u>Step</u>	<u>Fair</u> <u>(Yes or No)</u>
1. Development of RFP	yes
2. Development of scoring matrix	Yes
3. Voluntary Information Session	Yes
4. Questions from bidders	Yes
5. Answers provided to all bidders	Yes
6. Clarification questions and answers	Yes
7. Presentation Bidder 2	Yes
8. Evaluation of Bids	Yes

9. As a result of the consensus decision of the Evaluation Committee, Bidder 2 received a score greater than the minimum 80% threshold for Category B, but not for Category A. The other bidder (“Bidder 1”) for Category A received a consensus score of the Evaluation Committee greater than the minimum threshold of 80%.
10. The Evaluation Committee reached a consensus decision to not lower the threshold for Bidder 2’s bid for Category A. As a result, Bidder 1 was the successful bidder for Category A and Bidder 2 was the successful bidder for Category B.
11. The Evaluation Committee then opened the financial bids and checked the references of Bidder 1 which were found to be satisfactory.
12. The process with respect to the preparation of the RFP as well as the evaluation of the bids received, of the presentation and clarification answers was in accordance with the terms of the RFP, the City’s procurement rules, and was fair and reasonable.