



**Fairness Opinion for the City of Toronto**  
**Program Registration and Recreation Facilities/Space Booking System**  
**Request for Proposal No. 3405-17-0064**

June 5, 2018

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**RE: Fairness Opinion of RFP No. 3405-17-0064 – Program Registration and Recreation Facilities/Space Booking System**

Introduction

MNP LLP (“MNP”) have been awarded a contract by the City of Toronto (“City”) as Fairness Monitor to oversee the procurement process for Request for Proposal (“RFP”) No. 3405-17-0064 for Program Registration and Recreation Facilities/Space Booking System (“Project”). As Fairness Monitor, we are an independent and impartial third party whose role is to observe and monitor the procurement process to ensure the openness, fairness, consistency, and transparency of the process. The procurement process includes communication, evaluation, and decision-making associated with the project.

The City issued the RFP to seek proposals from prospective proponents to provide a solution that can support and enhance the City’s program registration, booking of facilities/space, memberships, and ticketing, as well as a fee subsidy program and adapted recreation and integrated services. The awarded proponent is also responsible for providing the technical infrastructure to support and enhance business functionality of the City’s program registration and recreation facilities/space booking system.

Limitations and Disclosure

We have limited the scope of our work to documents provided by the City and are not providing an opinion on the accuracy of the information contained within. In addition, MNP was not involved with the development or review of the project’s scope of work or in the competitively procured tenders.

We do not assume any responsibility or liability for losses incurred by any party resulting from the use of our work. We reserve the right (but will be under no obligation) to review all information included or referred to in this Fairness Opinion and, if we consider necessary, to revise same considering any facts which become known to us after the date of presentation of same.

Procurement Process

The City’s procurement process was comprised of the following stages and steps:

**A. RFP Planning and Issuance**

- Development of the RFP, including detailed project requirements and specifications, mandatory and rated criteria, evaluation process and weightings.
- Issuance of the RFP on the City website.

- Conduct of an optional pre-bid meeting.
- Issuance of four addendums.
- Establishment of Evaluation Teams and Subject Matter Experts.
- Training of Evaluation Teams and Subject Matter Experts on the evaluation processes and guidelines.

#### **B. Mandatory Submission Requirements**

- Evaluation of mandatory submission requirements of proposals received.
- Rectification of mandatory requirements and re-evaluation of mandatory submission requirements.

#### **C. Threshold Evaluation**

- Evaluation of Form 1 – Proponent Qualifications proposals.
- Rectification/clarification of requirements and re-evaluation of Form 1 – Proponent Qualifications.

#### **D. Evaluation**

- Initial evaluation of the following Forms and proposal submissions for proponents who passed the Threshold Evaluation stage.
  - Form 2 – Innovation and Solution Customization.
  - Form 3 – Social Procurement.
  - Form 4 – Implementation, Project Management, Data Gathering and Loading, Training, Knowledge Transfer, and Support.
  - Form 5 – Business Requirements.
  - Form 6 – Technical Requirements.
- Initial evaluation of Form 7 – Pricing proposal submissions for proponents who passed the Threshold Evaluation stage.
- Rectification/clarification of requirements and re-evaluation of Forms.
- Initial ranking of the proponents at the completion of the initial evaluations to identify the short-listed proponents.

#### **E. Concurrent Negotiations**

- Conduct of reference check surveys for short-listed proponents.
- Demonstrations attended by the Business Requirements and Technical Requirements Teams for each short-listed proponent.
- Commercially Confidential Meetings (Gaps/Solutions Discussions, Proponent Interviews, and Final Debriefing) with each short-listed proponent for each Form category.

#### **F. Best and Final Offer (“BAFO”) Evaluation**

- BAFO evaluation of Form 2 - Innovation and Solution Customization proposal submissions for short-listed proponents.

- Rectification/clarification of requirements and re-evaluation of Form 2 – Innovation and Solution Customization.
- BAFO evaluation of the following Forms and proposal submissions for proponents who passed the BAFO Form 2 scoring threshold:
  - Form 3 – Social Procurement.
  - Form 4 – Implementation, Project Management, Data Gathering and Loading, Training, Knowledge Transfer, and Support.
  - Form 5 – Business Requirements.
  - Form 6 – Technical Requirements.
- BAFO evaluation of Form 7 – Pricing proposal submissions for proponents who passed the BAFO Form 2 scoring threshold.
- Rectification/clarification of requirements and re-evaluation of Forms for proponents who passed the BAFO Form 2 scoring threshold.
- Final ranking of proponents to identify highest ranking proponent.
- Invitation to the highest ranking proponent to enter negotiations with the City.

During the entire procurement process, the City’s Purchasing and Material Management Division (“PMMD”) was involved to ensure that the procurement process and the evaluation guidelines were adhered to. The City also contracted a procurement and legal advisor (The Procurement Office) who was involved during the procurement process. For financial assistance in evaluating Form 7 – Pricing, the City contracted with KPMG LLP.

#### Fairness Monitoring Principles

The following are the fairness monitoring principles that have been applied in our approach to fairness monitoring of the procurement process:

- Proponents have the same opportunity made available to them to access project information.
- The information made available to proponents is sufficient to ensure that each proponent has the full information of the nature of the services sought under the RFP process.
- The criteria established in the RFP documents truly reflect the needs and objectives in respect of the services and work to be provided.
- The evaluation criteria and evaluation process are established prior to the evaluation of submissions.
- The evaluation criteria, RFP, and evaluation process are internally consistent.
- The pre-established evaluation criteria and evaluation process are followed.
- The evaluation criteria and evaluation process are consistently applied to all submissions.

#### Scope of Review

In preparing our fairness opinion, we have reviewed, and where applicable, relied upon, the following information and documents within each stage of the procurement process:

##### **A. RFP Planning and Issuance**

1. City of Toronto Purchasing By-law, Chapter 195.

2. City of Toronto Financial Control By-law, Chapter 71.
3. Purchasing & Materials Management Policy, Procurement Processes Policy, dated January 1, 2017.
4. RFP No. 3405-17-0064 issued April 6, 2017.
5. Pre-Bid Meeting Presentation, dated April 19, 2017.
6. RFP Addendum #1, #2, #3, and #4 issued April 25, May 1, May 15, and May 17, 2017, respectively.
7. Evaluation Training Presentations to the various evaluation teams, as follows:
  - a. Form 1 – June 1, 2017
  - b. Form 2 and 3 – September 18, 2017
  - c. Form 4, 5, 6 and 7 – June 9, 2017
8. Evaluation Process Guidelines and Scoring Protocols prepared for RFP No. 3405-17-0064.
9. RFP Evaluation Scoring Templates/Form Workbooks.
10. Evaluation Team member and Subject Matter Expert signed Non-Disclosure and Conflict of Interest Declarations.

**B. Mandatory Submission Requirements**

11. Mandatory Submission Requirements checklist prepared by PMMD on May 31, 2017.
12. Rectification letters sent to two proponents, dated June 5 and June 13, 2017.

**C. Threshold Evaluation**

13. Form 1 rectification and clarification letters dated July 7, July 13, July 14, 2017.
14. Final Form 1 evaluation scoring and identification of proponents passing the threshold evaluation.

**D. Evaluation**

15. Form 5 clarification letters dated October 19 and October 20, 2017.
16. Form 6 rectification and clarification letters dated September 29, October 25, and November 7, 2017.
17. Form 7 clarification letters dated January 18, 2018.
18. Final evaluation scoring for Forms 2, 3, 4, 5, 6, and 7 for the three proponents passing the threshold evaluation.
19. Initial ranking of proponents.

## **E. Concurrent Negotiations**

20. Demonstration agenda and scenarios for Business and Technical requirements.
21. Hold the Date letters for the three proponents to attend demonstrations, commercially confidential meetings, and interviews dated November 27, 2017.
22. Invitation letters for the three proponents to attend demonstrations dated December 7, December 14, and December 21, 2017 providing each proponent the same amount of time to prepare prior to the demonstration dates.
23. Reference Check Surveys forwarded to proponent references January 3, 2018.
24. Invitation letters for the three proponents to attend commercially confidential meetings and interview dated February 2, February 7, and February 9, 2018 providing each proponent the same amount of time to prepare prior to the commercially confidential meetings and interview dates.
25. Invitation letters for the three proponents to submit BAFO proposals dated March 5, 2018.
26. Final commercially confidential meeting debriefing presentation dated March 6, 2018.

## **F. Best and Final Offer (“BAFO”) Evaluation**

27. RFP Addendum #5, #6 and #7 issued March 8, March 15 and March 16, 2018, respectively.
28. BAFO Submission Requirements checklist prepared by PMMD on March 23, 2018.
29. Form 2 rectification letter dated April 11, 2018.
30. Final evaluation scoring for Form 2 for the three proponents submitting BAFO proposals.
31. Form 5 clarification letters dated April 11, and April 18, 2018.
32. Form 6 clarification letters dated April 11, 2018.
33. Form 7 rectification and clarification letters dated April 11, April 27, and May 11, 2018.
34. KPMG LLP report titled “Pricing Evaluation Summary Memo”, dated May 17, 2018.
35. Final evaluation scoring for Forms 3, 4, 5, 6 and 7 for the two proponents passing the BAFO Form 2 scoring threshold.
36. Final ranking of proponents.
37. Notice letter to successful proponent, dated May 18, 2018.

## Fairness Approach

Our role as Fairness Monitor consisted of observing and monitoring the procurement process utilized by the City to ensure the openness, fairness, consistency, and transparency of the communication, evaluation, and decision-making processes. Specifically, our responsibilities were to:

1. Review and understand the City's procurement by-laws, policies, processes, and procedures.
2. Review various documents and information, such as the RFP documents, addendum, and correspondence between the City and the proponents.
3. Review the evaluation criteria with respect to clarity and consistency.
4. Observe and monitor the Evaluation Team meetings in the capacity of Fairness Monitor to ensure the procurement process was conducted according to the criteria as set out in the RFP and that the Evaluation Team conducts itself in an appropriate manner and free from conflict of interest.
5. Identify situations and issues which may compromise the evaluation process, and which may result in complaints about the procurement process and provide advice on resolving complaints.
6. Review final evaluation results for overall fairness and process integrity, including ensuring evaluation methodology was adhered to.
7. Prepare a report describing the procurement process followed, including an opinion on the fairness of the procurement document and evaluations.
8. Provide advice and assistance when requested.

## Program Registration and Recreation Facilities/Space Booking System RFP No. 3405-17-0064

The City issued the RFP on April 6, 2017 with the closing date of May 23, 2017. Four addenda were issued, one extending the closing date to May 29, 2017. Prior to the closing date, the City held an optional Pre-Bid Meeting, which provided an overview of the project and the RFP's procurement process. The City also established evaluation teams and subject matter experts, which attended training sessions on the evaluation processes, the specific evaluation criteria/requirements, and the Forms/Workbooks the proponents were requested to provide their responses. Each evaluation team member and subject matter expert provided a signed conflict of interest and confidentiality declaration.

Upon RFP closing, the City received proposal submissions from the following five proponents:

- Active Network Ltd.
- Legend Recreation Software, Inc.
- PerfectMind Inc.
- Plenary Group (Canada) Ltd.
- US eDirect Inc.

PMMD conducted the mandatory submission requirements check and all proponents passed the mandatory submission requirements and moved forward to Threshold Evaluation, after two proponents (Active Network and Plenary Group) were sent, and responded to, rectification requests.

Threshold evaluation meetings were held June 27 and 28, 2017 to score Form 1 – Proponent Qualifications. Rectification and clarification letters were sent to four proponents (Active Network, PerfectMind, Plenary Group, and US eDirect). Upon final scoring of Form 1 and the rectification and clarification responses received on time, three proponents passed the Threshold Evaluation and moved onto the rated criteria evaluation (Legend Recreation Software, PerfectMind, and US eDirect). Plenary Group did not respond to the City’s rectification request as per the stated timeline and was not considered further in the RFP evaluation process. Active Network did not pass the minimum threshold for Form 1 – Proponent Qualifications, and did not move onto the rated criteria evaluation. A further validation evaluation meeting was held on July 27, 2017 to confirm all scores within the Threshold Evaluation stage.

Rated criteria evaluation meetings took place for each requirement category as follows:

- Form 2 – Innovation and Customization – November 14, 2017.
- Form 3 – Social Procurement – November 14, 2017.
- Form 4 – Implementation, Project Management, Data Gathering and Loading, Training, Knowledge Transfer and Support – December 5 and 6, 2017.
- Form 5 – Business Requirements – October 30 to November 2, 2017.
- Form 6 – Technical Requirements - November 16 to 20, 2017.
- Form 7 – Pricing – December 8, 2017.

Clarifications were requested from the three proponents (Legend Recreation Software, PerfectMind and US eDirect) related to Form 5, 6 and 7 which were responded to within the timeframe as per each clarification request, and rated criteria scores were determined by the evaluation teams. The three proponents were ranked and short-listed to move on to the Concurrent Negotiations and BAFO stage.

Demonstrations and commercially confidential meetings, including a proponent interview, were held for each of the three proponents as follows:

<b>Proponent</b>	<b>Demonstration Dates</b>	<b>Commercially Confidential Meeting Dates</b>
Legend Recreation Software	January 8 to 11, 2018	February 21 to 23, 2018
PerfectMind	January 15 to 18, 2018	February 12 to 14, 2018
US eDirect	January 22 to 25, 2018	February 15, 16 and 20, 2018

The City provided feedback to each of the proponents for consideration in their BAFO proposal submissions, and held a Final Debriefing meeting on March 6, 2018 outlining the BAFO RFP process. Reference checks were also completed during this phase.

BAFO proposal submissions were due by March 19, 2018, extended to March 23, 2018, in one of the three addenda issued during this stage. All three proponents submitted BAFO proposal submissions and met mandatory submission requirements as validated by PMMD.

Form 2 – Innovation and Customization BAFO evaluation was held on April 5, 2018. A rectification letter was sent to one proponent (US eDirect) with a response received within the time frame indicated. Upon final evaluation and score validation on April 16, 2018, it was determined that two proponents (Legend Recreation Software and PerfectMind) passed the minimum threshold for Form 2 – Innovation and Customization and moved forward to the evaluation of the remaining requirement categories. US eDirect did not pass the minimum threshold for Form 2 – Innovation and Customization and did not continue further in the RFP BAFO evaluation process.



BAFO rated criteria evaluation meetings took place for each requirement category as follows:

- Form 3 – Social Procurement – April 5, 2018.
- Form 4 – Implementation, Project Management, Data Gathering and Loading, Training, Knowledge Transfer, and Support – April 13 and May 3, 2018.
- Form 5 – Business Requirements – April 17 to 19, 2018.
- Form 6 – Technical Requirements – April 17 and 18, 2018.

Clarifications were requested from the two proponents (Legend Recreation Software and PerfectMind) related to Form 5 and 6 which were responded to within the timeframe as per each clarification request, and rated criteria scores were determined by the evaluation teams.

BAFO evaluation of Form 7 – Pricing was conducted by KPMG LLP upon completion of the BAFO rated criteria evaluations. A rectification letter was sent to and responded by PerfectMind, as well as clarification letters to both Legend Recreation Software and PerfectMind. KPMG reviewed all pricing rectification and clarification responses and prepared a report to the City, evaluating and scoring Form 7 – Pricing as outlined in the RFP.

Final ranking of the two proponents was completed with Legend Recreation Software ranked as the highest scoring proponent. Legend Recreation Software was invited to enter negotiations with the City, indicating the process as outlined in the RFP.

Fairness Conclusion

Based on the information and documents reviewed, meetings attended, and discussions with the evaluation teams and PMMD, the procurement process was followed as set out in RFP No. 3405-17-0064, and has been open and fair and in accordance with City By-laws and policy.

Yours truly,

**MNP LLP**



Geoff Rodrigues, CPA, CA, CIA, CRMA, ORMP  
Partner, Enterprise Risk Services



## ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada, with offices in urban and rural centres across the country positioned to serve you better. Working with local team members, you have access to our national network of professionals as well as strategic local insight to help you meet the challenges you face every day and realize what's possible.

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