



REPORT FOR ACTION

Contract Award for Request for Proposal No. 9144-18-0058 for the Supply and Delivery of Weigh Scale Solution for Transfer Station Efficiencies Project

Date: June 12, 2018

To: Government Management Committee

From: General Manager, Solid Waste Management Services, Chief Information Officer, and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to advise on the results of Request for Proposal (RFP) No. 9144-18-0058 for the Supply and Delivery of Weigh Scale Solution for Transfer Station Efficiencies Project for the City of Toronto's Solid Waste Management Services, and to request authority to negotiate and enter into a Legal Agreement with Geoware Inc. for a five year period with the option to renew for up to five additional one year periods at the sole discretion of the City.

This contract award is within the authority of City Council pursuant to Toronto Municipal Code Chapter 195, Purchasing, Section 195-8.5(B).

RECOMMENDATIONS

The General Manager, Solid Waste Management Services, the Chief Information Officer, and the Chief Purchasing Officer, recommend that:

1. City Council, in accordance with Section 195-8.5(B) of the Toronto Municipal Code Chapter 195 (Purchasing By-law), grant authority to the General Manager, Solid Waste Management Services, the Chief Information Officer, and the Chief Purchasing Officer, to negotiate and enter into an agreement with Geoware Inc., being the highest scoring proponent meeting the requirements of RFP No. 9144-18-0058 to implement and support the new Weigh Scale Solution from November 21, 2018 to November 20, 2023 for a fixed period of five years in the estimated amount of \$1,579,585. net of HST (\$1,607,385. net of HST recoveries) with the option to renew the contract for five additional one year periods at the sole discretion of the General Manager, Solid Waste Management Services, from November 21, 2023 to November 20, 2028, in the

aggregate estimated amount of \$669,668. net of HST (\$681,455. net of HST recoveries), for a total estimated contract award of \$2,249,253. net of all taxes and charges (\$2,288,840. net of HST recoveries), under terms and conditions satisfactory to the General Manager, Solid Waste Management Services, the Chief Information Officer, and the Chief Purchasing Officer, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract award identified in this report including all option years is estimated to be \$2,249,253. net of HST (\$2,288,840. net of HST recoveries).

Funding is available in the 2018 Approved Capital Budget and 2019-2027 Approved Capital Plan for Solid Waste Management Services under CSW018-04-01 (Transfer Station Efficiencies). Operating funding requirements will be requested in the 2020-2028 Operating Budget Submissions for Solid Waste Management Services, as required, under Cost Centre SW0701 (Integrated Technology Management).

Please refer to Attachment 1, titled "Table 1: (\$M, Net of HST Recoveries)".

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on April 29, 2009, Bid Committee adopted Item BD117.1 entitled "Contract Awards - April 29, 2009 - Composite Report". Motion 15, Motion to Adopt Request for Proposal 3405-08-3278, granting authority to award Request for Proposal 3405-08-3278 for the Supply and Delivery of a Weigh Scale Software Solution and related Professional Services for the City of Toronto's Solid Waste Management Services Division from the date of award to May 31, 2011 with the option to renew for two additional one year periods at the sole discretion of the City and subject to budget approval.

The Bid Committee Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.BD117.1>

On December 16, 17, and 18, 2013, City Council adopted Item GM26.12 entitled "Proprietary Information Technology Maintenance Contract Renewals and Amendments", to authorize City Divisions and Information and Technology to renew or extend the contracts for a period of up to three years from January 1, 2013 to December 31, 2015, all in accordance with the report (October 30, 2013) from the Chief Information Officer and the Director, Purchasing and Materials Management, City Policies and Procedures and in a form satisfactory to the City Solicitor.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM26.12>

In 2015, Solid Waste Management Services requested for authorization to renew support and maintenance services with Paradigm for 2016. On December 9 and 10, 2015, City Council adopted Item GM8.8, entitled "Proprietary Information Technology Maintenance and Support Contracts 2016-2020", granting authority for the Information & Technology Division and respective City Divisions to negotiate amendments or extensions with proprietary vendors, for Information Technology software and hardware maintenance services for a period of five years from January 1, 2016 to December 31, 2020.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.8>

In 2016, Solid Waste Management Services requested for authorization to renew support and maintenance services with Paradigm from 2017 – 2020. At its meeting on December 13, 14, and 15, 2016, City Council adopted item GM16.7 entitled "Proprietary Information Technology Maintenance and Support Contract Renewals and Amendments", granting authority for the Information & Technology, and respective City Divisions to negotiate amendments or extensions with proprietary vendors, for Information Technology software and hardware maintenance services for a period from January 1, 2017 to December 31, 2020.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM16.7>

COMMENTS

Weigh Scale Solution

The Licensing and Maintenance Agreement for the current Weigh Scale Solution expires on January 31, 2020. This system manages the operations at the City's seven transfer stations and one landfill site where over one million tonnes of material is processed annually. It is used to meet regulatory compliance requirements of operating transfer stations and landfills.

The Division seeks a new on-premises solution to replace the current Weigh Scale Solution. The system supports current technology with new features to support automation, improved reporting, audit and financial controls.

Procurement Process

Request for Proposal (RFP) No. 9144-18-0058 for the Weigh Scale Solution for Transfer Station Efficiencies Project for Solid Waste Management Services was issued by the Purchasing and Materials Management Division on February 6, 2018, and was available for download on the City's internet website. The closing date for submissions was April 4, 2018, and the following two firms submitted a proposal by the closing deadline:

1. Geoware Inc.
2. Paradigm Software, L.L.C. - Non Compliant

The RFP process was conducted as a two-envelope system whereby the Proponents were required to submit two separate envelopes. Envelope one was the technical proposal submission, and Envelope two contained the Cost of Services. Only those Proponents who have met the Stage 2 evaluation thresholds will have their Cost of Services envelopes opened and evaluated.

Fairness Monitor

The firm, Knowles Canada ("Knowles") was retained through a competitive bidding process to act as Fairness Monitor for the RFP. The Fairness Monitor's scope of work was to oversee the RFP process from the draft stages to execution which included oversight/integrity of the procurement process for the purpose of ensuring competitiveness, objectivity of the evaluation, transparency, and to prepare a final Attestation Report.

Evaluation of the Request for Proposal No. 9144-18-0058 Submissions

A formal Selection Committee comprised of seven staff, four from Solid Waste Management Services and three from Information & Technology, with on-going support from Purchasing & Materials Management Division and Information & Technology Division, Finance and Contract Management. All staff involved in the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement.

Under the supervision of the Fairness Monitor and Purchasing & Materials Management Division, the Selection Committee evaluated the technical proposals in compliance with the criteria set out in the RFP as follows:

- Stage 1: Evaluation of Mandatory Requirements
- Stage 2: Detailed Technical Evaluation
- Stage 3: Cost of Solution

Stage 1: Evaluation of Mandatory Requirements

In compliance with the RFP, a list of mandatory requirements had to be met in order to advance to Stage 2 – Detailed Evaluation. Only one Proponent, Geoware Inc. met all mandatory requirements and advanced to Stage 2 of the evaluation process.

Stage 2: Detailed Technical Evaluation

In Stage 2, Geoware Inc. was evaluated on their proposal and the following minimum thresholds had to be met in order to advance to Stage 3 (Cost of Services):

Proponent must achieve a score of at least 26 out of 40 (65%) on Section 5 Proposed Solution: Functional Requirements.

Proponent must achieve a score of at least 3.90 out of 6 (65%) on Section 5 Proposed Solution: Technical Security Requirements.

A Proponent's technical portion of the Proposal (i.e. that portion that is being evaluated as part of Stage 2) must score cumulatively a minimum of 65% (48.75 points out of 75) at the conclusion of Stage 2.

Geoware Inc. met all minimum thresholds and moved on to Stage 3 of the evaluation process.

Stage 3: Cost of Solution

In Stage 3, the Cost of Services envelope was opened for Geoware Inc., the only proponent that advanced to Stage 3.

The Cost of Services submission was reviewed and the calculations of the total Solution costs (implementation, software licensing, training, support & maintenance, and other costs (hardware)) were validated by Solid Waste Management Services, and Purchasing & Materials Management Division.

Knowles concluded that the procurement process satisfied the principles of openness, fairness, consistency and transparency. The Attestation Report from the Fairness Monitor is included as Attachment 2.

The proponent's scores and staff analysis of the evaluation results can be provided to Councillors in an in camera presentation if requested by members of Council.

The Fair Wage Office has reported that Geoware Inc. has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Table 1 (\$M, Net of HST Recoveries)

Attachment 2: Fairness Monitor Attestation Report