




# City of Toronto

Fairness Report – Financial Systems Transformation  
Request for Proposal No. 3405-20-0131 / Ariba Doc2481086143

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## INTRODUCTION

MNP LLP (“MNP”) was appointed by the City of Toronto (“the City”) as Fairness Monitor to oversee the procurement process for the Request for Proposal (“RFP”) No. 3405-20-0131 / Ariba Doc2481086143 for the financial system transformation (“the 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 act as a system integrator to enable the City’s upcoming S/4 HANA finance systems transformation program, including:

- Conducting an extensive Business Transformation and Design Phase to refine a future target state operating model, re-design business processes, gather requirements, and define the solution and technical architecture for the S/4 HANA upgrade;
- Building, testing and implementing the proposed S/4 HANA solution, supported by the target state operating model; and,
- Supporting the City post-implementation for a limited period.

MNP was appointed as Fairness Monitor on July 21, 2020, subsequent to the development and issuance of the RFP document and conduct of the pre-bid meeting.

## 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 Report and, if we consider necessary, to revise same in light of any facts which become known to us subsequent to 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/Ariba.
- Conduct of one optional pre-bid meeting.
- Issuance of five addendums.

- Establishment of the Evaluation Team and identification of Subject Matter Experts.
- Training of the Evaluation Team and Subject Matter Experts on the evaluation processes and guidelines.

(Note - MNP was not involved in the development and issuance of the RFP document and conduct of the pre-bid meeting but did review the materials prepared by the City in this stage as noted in the Scope section below).

## **B. Stage 1 – Mandatory Submission Requirements**

- Evaluation of mandatory submission requirements of proposals received.

## **C. Stage 2 – Rated Criteria Evaluation (Technical Evaluation)**

- Evaluation of the Technical Requirements, divided into two parts:
  - Stage 2 – Part A for the evaluation of Organizational Capabilities and References.
  - Stage 2 – Part B for the evaluation of Solution Approach.

## **D. Stage 3 – Pricing Evaluation**

- Evaluation of the Pricing Form for proponents who passed Stage 2 Rated Criteria Evaluation.
- Initial ranking of proponents to identify short-listed proponents.

## **E. Stage 4 - Joint Solution Design (“JSD”)**

- JSD sessions held with short-listed proponents for the demonstration of the effectiveness of their end-to-end process transformation approach, delivery team capabilities, and tools and enablers through multi-day process workshops. The JSD process consisted of a period of nine business days for each proponent.
- Evaluation of JSD workshop and written JSD output documents.
- Final ranking of proponents to identify highest ranking proponents.
- Invitation to the highest-ranking proponent to enter negotiations with the City.

During the entire procurement process, personnel from the City’s Purchasing and Material Management Division (“PMMD”) were involved to ensure that the procurement process and the evaluation guidelines were adhered to. The City also had advisors from Ernst & Young who were involved during the entire procurement process.

## **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 processes.
- 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 processes 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

In preparing our fairness conclusion, 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, dated January 31, 2019.
2. City of Toronto Financial Control By-law, Chapter 71, dated October 3, 2019.
3. Purchasing & Materials Management Policy, Procurement Processes Policy, dated January 1, 2017.
4. RFP No. 3405-20-0131 / Ariba Doc2481086143 issued June 29, 2020.
5. Pre-Bid Meeting Presentation, dated July 16, 2020.
6. RFP Addendum #1 through to #5 issued July 24, July 30, August 6 and August 12, 2020.
7. Evaluation Team Training Presentation, dated August 14, 2020.
8. RFP Evaluation Scoring Templates/Form Workbooks.
9. Evaluation Team member and Subject Matter Expert signed Non-Disclosure and Conflict of Interest Declarations.

### B. Stage 1 – Mandatory Submission Requirements

10. Mandatory Submission Requirements checklist prepared by PMMD on August 20, 2020, with five proponents passing the mandatory requirements.

### C. Stage 2 – Rated Criteria Evaluation (Technical Evaluation)

11. Stage 2 – Part A Final Technical Consensus Evaluation Scoring and identification of two proponents passing this stage's minimum thresholds.

12. Stage 2 – Part B Final Technical Consensus Evaluation Scoring and identification of two proponents passing this stage’s minimum thresholds.

#### **D. Stage 3 – Pricing Evaluation**

13. Final Pricing Form Evaluation Scoring for the two proponents passing Stage 2 threshold evaluations.
14. Ranking of the two short-listed proponents to move to Stage 4 – Joint Solutions Design.

#### **E. Stage 4 – Joint Solution Design (“JSD”)**

15. Evaluation Team and Participant JSD Training Presentations, dated October 8, 2020.
16. Unsuccessful letters to three proponents who did not pass Stage 2 Rated Criteria Evaluation thresholds, dated October 14, 2020.
17. JSD invitation letter, agenda and JSD package materials to each of the two proponents dated October 14 and October 20, 2020, providing each proponent the same amount of time to prepare for each part of the JSD process steps.
18. Final JSD Evaluation Scoring for the two proponents.
19. Final ranking of the two proponents.
20. Negotiation notice letter to the highest-ranking proponent, dated November 25, 2020.
21. Notice letter to the second ranked proponent, dated November 27, 2020.

### **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:

- Review and understand the City’s procurement by-laws, policies, processes, and procedures.
- Review various documents and information, such as the RFP documents, addendum, and other correspondence between the City and the proponents.
- Review the evaluation criteria with respect to clarity and consistency.
- 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.
- 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.

- Review final evaluation results for overall fairness and process integrity, including ensuring evaluation methodology was adhered to.
- Prepare a report describing the procurement process followed, including a conclusion on the fairness of the procurement document and evaluations.
- Provide advice and assistance when requested.

## PROPOSAL SUBMISSIONS

The City issued the RFP on June 29, 2020 with the closing date of August 10, 2020. Five addenda were issued, with the fourth addenda providing the closing date extension to August 19, 2020. 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 the evaluation team and identification of subject matter experts, who attended training sessions on the evaluation processes, the specific evaluation criteria/requirements, and the Forms the proponents were requested to provide their responses on. 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:

- Accenture
- Deloitte
- EPI-USE America Inc.
- HCL Technologies
- Infosys Limited

PMMD conducted the mandatory submission requirements check and the five proponents passed the mandatory submission requirements and moved forward to Rated Criteria Technical Evaluation.

Technical evaluation meetings were held on September 10 and 11, 2020 to score the Organizational Capabilities and References sections (Stage 2 – Part A) of the Technical Proposal Form for each of the five proponents. At the completion of Stage 2 - Part A, three proponents, EPI-USE America Inc., HCL Technologies and Infosys Limited, did not pass the minimum technical scoring threshold, and did not move further within the procurement process. The evaluation meeting for Stage 2 – Part B scoring of the Methodology and Approach and Team Capabilities sections of the Technical Proposal Form took place on September 29, 2020, with both Accenture and Deloitte passing the minimum technical scoring threshold.

The Pricing Form for the two proponents was opened by PMMD and scored. Short-list ranking was completed with Accenture and Deloitte moving to Stage 4 – Joint Solution Design ("JSD").

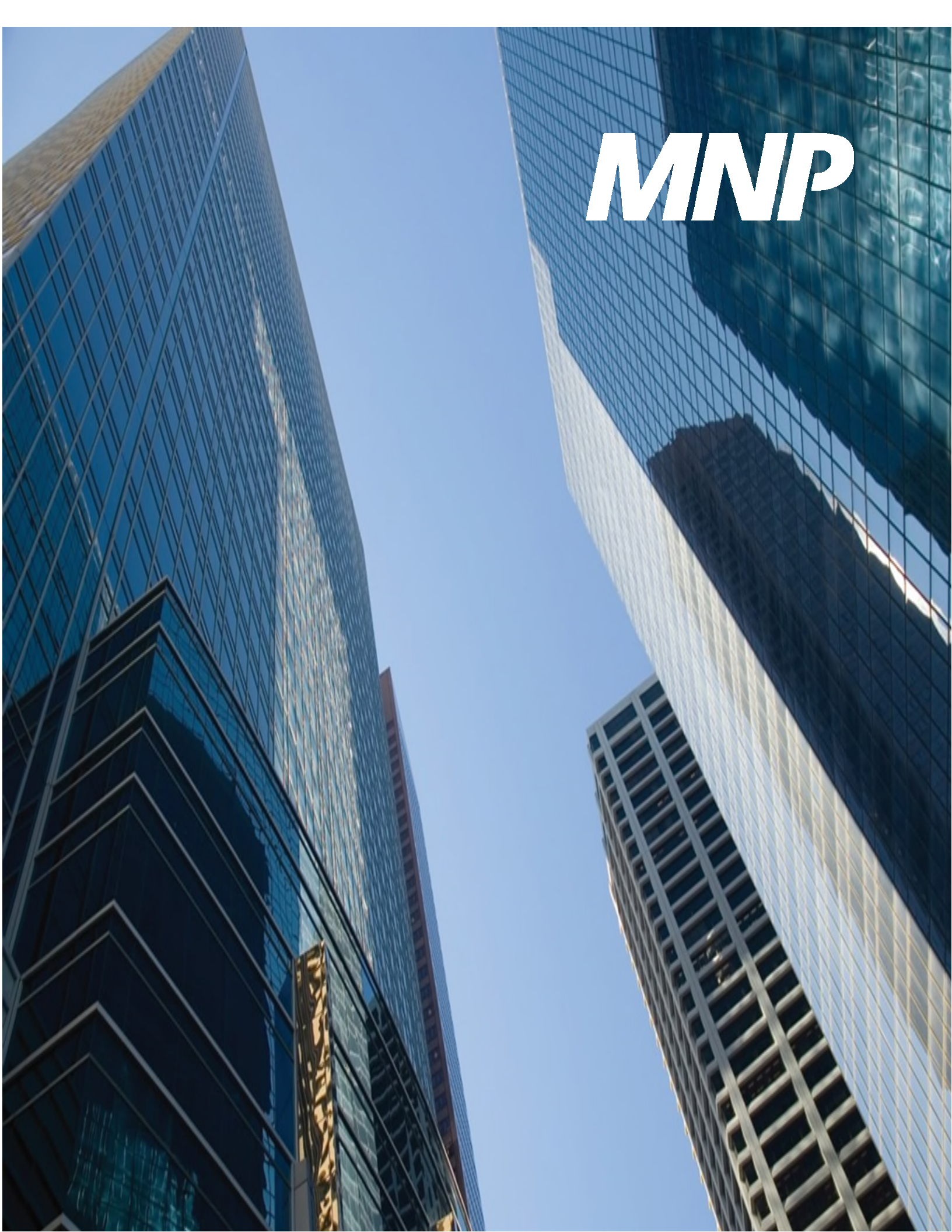
The City invited the two short-listed proponents to demonstrate the effectiveness of their end-to-end process transformation approach, delivery team capabilities, and tools and enablers through a multi-day process workshop, as part of Stage 4 – JSD. The two proponents were provided the same information and time, as well as the same access to City stakeholders, in order to plan and prepare their JSD workshop and submit their written JSD output documents. The JSD period was held from October 15 to November 5, 2020.

JSD evaluation meetings took place on November 9, 10 and 12, 2020. Final scoring and ranking of the two proponents was completed, with Deloitte being ranked as the highest scoring proponent. Deloitte was invited to enter negotiations with the City, following the process as outlined in the RFP.

## **FAIRNESS CONCLUSION**

Based on the information and documents reviewed, meetings attended, and discussions with the Evaluation Team and PMMD, the procurement process was followed as set out in RFP No. 3405-20-0131 / Ariba Doc2481086143, and has been open, fair, consistent and transparent, and in accordance with the City By-laws and policy.





***MNP***