

Attachment 4: Procurement Summary and Evaluation Process

Ariba Document Number 2915353397 (the nRFP) for the provision of a Registration and Booking System was issued by Purchasing and Materials Management Division (PMMD) on April 1, 2021 and reflected an initial closing date for submissions of May 18, 2021, whereby at request of four (4) Suppliers, an extension was granted for an additional three (3) weeks. 107 Suppliers are confirmed to have seen/reviewed the nRFP, 37 of which confirmed an intent to respond, four (4) which declined to respond, and four (4) which provided a submission. Three (3) addenda were released to communicate required updates on the solicitation, and provided for a questions and answers period between the City and Suppliers. The nRFP included the selection criteria for the evaluation and the solicitation closed on June 8, 2021.

Prior to the respective evaluation process, P1 Consulting Inc. was retained in January 2021 through a separate procurement process to perform fairness monitoring services and provide an independent attestation on the nRFP procurement process. Their mandate was to review and monitor the bid documents and communications, provide advice on best practices, review and monitor the evaluation and decision-making processes that were associated with the nRFP to ensure fairness, equity, objectivity, transparency and adequate documentation throughout the evaluation process.

The nRFP evaluation process was conducted as a two envelope system. Suppliers were required to submit two separate envelopes. Envelope one contained the technical proposal submission. Envelope two contained the cost of services. The cost of services envelope was only opened for Suppliers who passed Stages 1 and 2. Stage 1, mandatory submission and technical requirements were scored on a pass/fail basis and mandated that Suppliers provide submissions by the closing time through the City's online procurement system, with the appropriate bid submission form, technical proposal and qualification forms, and pricing form which satisfied all mandatory technical submission requirements. Suppliers failing to satisfy the requirements of Stage 1 were given an opportunity to rectify any deficiencies.

Stage 2 was further subdivided as follows:

Stage 2A: Supplier Qualifications (Accounted for 15 points and only the top three (3) ranked Suppliers meeting a minimum threshold of 50% (7.5 of 15 points) proceeded to Stage 2B);

Stage 2B: Business, Technical and Implementation and Project Management Requirements (Business requirements accounted for 21 points, Technical requirements accounted for 15 points, and Implementation and project management requirements accounted for 15 points, for an overall total of 51 points);

Stage 2C: Business Solution Demonstration

The three (3) top ranked Suppliers entering into Stage 2B were given an opportunity to illustrate the functionality and innovation of their proposed solution capabilities whereby

evaluators were able to verify written responses, and rescore (if required) business requirements provided for in Stage 2B: Business Requirements);

Stage 2D: Technical Solution Demonstration (Concurrently with Stage 2C, the three (3) top ranked Suppliers entering into Stage 2B were given an opportunity to illustrate the technical functionality of their proposed solution capabilities whereby evaluators were able to verify written responses, and re-score (if required) technical requirements provided for in Stage 2B: Technical Requirements);

Only the two (2) top ranked suppliers based on combined scores of Stages 2A and 2B proceeded to Stages 2E and 2F:

Stage 2E: Innovation and Custom Development Requirements (Accounted for 10 points and Suppliers were given an opportunity to conduct a 1.5 hour executive level presentation focused on defined required elements); and lastly,

Stage 2F: Prototype (Accounted for 20 points, and concurrently with Stage 2E, the two (2) top ranked Suppliers were invited to engage in a five (5) week prototype stage to assess (1) Supplier's ability to efficiently and effectively respond to volume and complexities associated with the City and its registered recreation management program, and (2) fit and likely success of partnership to gain confidence and insight on Supplier's implementation experience with required scope of work. Details on the prototype were provided to the Supplier in advance.

Stage 3: Pricing and Ranking accounted for 24 points, and was only opened for the two (2) Suppliers who successfully passed Stage 1, and Stage 2 minimum scoring threshold. After the completion of Stage 3, all scores from Stages 2 and 3 were added together, and the bids were ranked in descending order to determine which Supplier would proceed to negotiations.

A summary breakdown of a total evaluation process worth 120 points is as follows:

Stage 2A - 15 Points

Stage 2B - 51 Points

Stage 2C - used for verifying Stage 2B responses

Stage 2D - used for verifying Stage 2B responses

Stage 2E - 10 Points

Stage 2F - 20 Points

Stage 3 - 24 Points

Evaluation Process

A formal Selection Committee consisted of staff from PFR, TSD, CISO and Accounting Services; with on-going support from PMMD and subject matter experts. All staff involved in the evaluation process participated in evaluation training facilitated by a Fairness Monitor; signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement; and under the supervision of PMMD, evaluated the proposals in compliance with the criteria set out in the nRFP.

Four (4) submissions were received from the following Suppliers:

- (1) Active Network LLC. (USA);
- (2) MTX Consulting Canada Inc. (CANADA);
- (3) Periodic Inc. (USA); and
- (4) PerfectMind Inc. (CANADA)

All Suppliers passed Stage 1 - Mandatory Submission and Technical Requirements, and proceeded to have their responses evaluated for Stage 2A - Supplier Qualifications.

Active and MTX Consulting Canada Inc. were the only two (2) Suppliers to meet the minimum technical thresholds of Stage 2A - Supplier Qualifications. As a result, both Suppliers proceeded to Stage 2B - Business, Technical and Implementation and Project Management Requirements, and then had the opportunities to provide demos in Stages 2C - Business Solution Demonstration, and 2D - Technical Solution Demonstration. Stages 2C and 2D were used to verify and rescore written responses for Stage 2B. Being the only two (2) Suppliers to proceed past Stage 2B of the evaluation process, both continued to proceed to Stages 2E - Innovation and Custom Development Requirements, and 2F - Prototype. When all sub-stages of Stage 2 were completed, both Suppliers proceeded to Stage 3 - Pricing to have their proposed cost of services assessed. The price evaluation was conducted in accordance with the method set out in the nRFP. Final scores were tallied and Active has been identified as the top ranked Supplier to move forward into negotiations.

The City retained Ernst & Young (EY) to provide insights into the pricing proposed by the selected vendors in preparation for negotiations. EY pricing evaluation accomplished the following:

1. Provided insight into the variances between the pricing proposals for Active and MTX, including:
 - Variances in module pricing components (e.g. subscription costs, maintenance);
 - Variances in labour costs; and
 - Variances in development hours.
2. Helped the City prioritize findings and suggested potential course of action for engaging vendors, including:
 - Clarification questions; and
 - Key areas to negotiate.

In their final report, P1 Consulting Inc. reported that they were satisfied from a fairness perspective, the processes undertaken related to the Registration & Booking Transformation System nRFP have satisfied the principles of openness, fairness, consistency and transparency. The Fairness Monitor's Report from P1 Consulting Inc. is included as Attachment 5.