

Process for Responding to Unsolicited Quotations or Proposals

Date: November 22, 2023

To: General Government Committee

From: City Manager and Chief Procurement Officer

Wards: All

SUMMARY

In March 2021, City Council directed the City Manager to report on how City staff respond to unsolicited proposals. This report outlines the City policy and processes that staff follow when responding to unsolicited quotations or proposals.

The City's *Unsolicited Quotations or Proposals Policy* was adopted by Council in 2007 and provides Division Heads with a framework to respond to unsolicited quotations or proposals in a manner that ensures transparency, fairness, and best value for the City. The Policy provides guidance to vendors on the submission of unsolicited quotations or proposals to the City. The Policy is supported by a *Process for Receiving and Reviewing Unsolicited Quotations and Proposals* that sets out a framework through which unsolicited quotations and proposals are submitted and reviewed.

Additionally, a *Procedure for Conducting a Swiss Challenge Request for Proposal* was established in 2008. The purpose of the Swiss Challenge Request for Proposal is to obtain counter proposals to an unsolicited proposal through a specialized procurement process that is distinct from the City's typical RFP procedure. The procedure provides guidance in preparing, issuing, receiving, evaluating, negotiating (if required) and awarding a counter proposal. In 2021, City staff updated this Procedure to provide further clarity.

Overall, the policy and processes provide guidelines for staff in responding to unsolicited proposals including criteria for proposals to be considered, information to be included for assessment, roles and approach of the evaluation team, timelines, communications, and steps to confirm awards.

RECOMMENDATIONS

The City Manager and Chief Procurement Officer recommend that:

1. General Government Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on March 10, 2021, City Council directed the City Manager to report to City Council on how City staff respond to unsolicited proposals: DM30.1 - Swiss Challenge Negotiated Request for Proposals for a Digital Government Platform <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.DM30.1>

At its meetings on June 19, 20, and 22, 2007 City Council adopted a new Unsolicited Quotations or Proposals Policy: GM 5.6 Unsolicited Quotations or Proposals - Revised Policy <https://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-06-19-cc10-dd.pdf>.

COMMENTS

Policy and Processes

The City has established a policy and processes that provide guidelines for staff in responding to unsolicited proposals. The *Unsolicited Quotations or Proposals Policy* (<https://www.toronto.ca/business-economy/doing-business-with-the-city/unsolicited-quotations-for-proposals-policy/>) outlines a procedure for Division Heads to respond to unsolicited quotations or proposals in a manner that ensures transparency, fairness, best value for the City and provides guidance to vendors on the submission of unsolicited quotations or proposals.

The *Process for Receiving and Reviewing Unsolicited Quotations and Proposals* (<https://www.toronto.ca/business-economy/doing-business-with-the-city/process-for-receiving-and-reviewing-unsolicited-quotations-and-proposals/>) sets out the process and procedures through which vendors have their opportunities presented and evaluated. Furthermore, the process provides a formal mechanism for the disposition of all unsolicited quotations or proposals in a timely and conclusive manner, including the use of the Swiss Challenge Request for Proposal process where appropriate. The

Swiss Challenge Request for Proposal is used to obtain counter proposals through a specialized procurement process that is distinct from the City's typical RFP procedure.

The *Procedure for Conducting a Swiss Challenge* (<https://www.toronto.ca/wp-content/uploads/2023/11/91c8-Conducting-Swiss-Challenge-Procedure.pdf>) outlines the steps involved in conducting a Swiss Challenge Request for Proposal in the City's online procurement system. This includes guidance on preparing, issuing, receiving, evaluating, negotiating (if required), and awarding a Swiss Challenge Request for Proposal.

Process Summary

The City's policy and processes for unsolicited quotations or proposals work together to ensure the integrity of the City's procurement process. When received, an unsolicited quotation or proposal is reviewed against a set of criteria by the appropriate Division Head to ensure it has merit to proceed to the assessment stage in the process. The Division Head then assembles an Evaluation Team who evaluates the unsolicited quotation or proposal. If the Evaluation Team and Division Head conclude that the unsolicited quotation or proposal is acceptable, the Division Head prepares a report to Council requesting authority to apply the Swiss Challenge Request for Proposals approach to invite counter quotations or proposals.

The Evaluation Team that evaluated the original unsolicited quotation or proposal evaluates all counter quotations or proposals received, giving the original vendor an opportunity to match any competing counter quotations or proposals that may be superior to the original unsolicited quotation or proposal. In the case the original vendor matches or improves on the competing counter quotation or proposal, the project will be awarded to the original vendor. In the event that the original vendor does not match or improve on the competing counter quotation or proposal, the City can award the project to others, and the original quotation or proposal prepared by the original vendor becomes the property of the City.

The Division Head, jointly with the Chief Purchasing Official, will report the results of the acceptance of an unsolicited quotation or proposal or counter quotation or proposal to the appropriate Committee and Council before entering into a contract with any vendor resulting from the application of the policy.

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SIGNATURE

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