

## **MANDATORY REQUIREMENTS, EVALUATION CRITERIA AND SUBMISSION FORMS**

### **SECTION 1.1 – MANDATORY TECHNICAL AND SUBMISSION REQUIREMENTS (STAGE 1)**

As per Part 1- Section 2, for Stage 1 of the evaluation, receipt of the mandatory submission requirements will be evaluated as a "pass" or "fail" based on the Supplier's submission of the requirements. To proceed to Stage 2 of the evaluation, all mandatory requirements will need to be received to be considered a "pass".

*Table 1: Table of Mandatory technical and submission requirements for Stage 1 of the evaluation process of this nRFP.*

<b>Mandatory Submission Requirements</b>	<b>Reference</b>	<b>Evaluation</b>
Bid Submission Form	Part 4- Section 1.1- 1.1.1	Pass/Fail
Mandatory Financial Submission Form	Part 4- Section 1.1- 1.1.2	Pass/Fail
Submission of Technical Proposal Form	Part 4- Section 1.1-1.1.3	Pass/Fail
Submission of Pricing Proposal Form	Part 4- Section 1.1-1.1.4	Pass/Fail
List of Subcontractors Form	Part 4- Section 1.1- 1.1.5	Pass/Fail
Surety Prequalification Letter	Part 4- Section 1.1- 1.1.6	Pass/Fail
WSIB CAD 7	Part 4- Section 1.1- 1.1.7	Pass/Fail
Certificate of Recognition (COR™)	Part 4- Section 1.1- 1.1.8	Pass/Fail

#### **1.1.1 Bid Submission Form (Appendix C.1)**

Each proposal must include a Submission Form (Appendix C.1, titled "Appendix C.1 - Bid Submission Form") completed and signed by an authorized representative of the Supplier.

#### **1.1.2 Mandatory Financial Submission Form (Appendix C.2)**

Each proposal must include a Mandatory Financial Submission Form (Appendix C.2, titled "Appendix C.2 - Mandatory Financial Submission") indicating the documents submitted to fulfill financial requirements as outlined in Part 4 - Section 2.0.

#### **1.1.3 Technical Proposal Form (Appendix C.3)**

The Supplier must complete and submit the Technical Proposal Form as part of their response to this negotiated RFP and can be found in Appendix C.3, titled "C.3 – Technical Proposal Form". The Supplier shall submit one (1) Technical Proposal Form as it includes tabs to cover all Contract Areas selected as part of their Bid.

Further information regarding instructions and the required content of the Technical Proposal can be found in the respective form in Appendix C3 and described in Part 4- Section 3.2.

#### **1.1.4 Pricing Proposal Form (Appendix C.4)**

The Supplier must complete and submit the Pricing Proposal Form as part of their response to this negotiated RFP and can be found in Appendix C.4, titled "C.4 – Pricing

Proposal Form”. The Supplier shall submit one (1) Pricing Proposal Form as it includes tabs to cover all Contract Areas selected as part of their Bid.

Further information regarding instructions and the required content of the Pricing Proposal can be found in the respective form in Appendix C.4 and described in Part 5 - Section 1.0.

#### **1.1.5 List of Subcontractor(s) Form (Appendix C.5)**

The Supplier must complete the List of Subcontractor(s) form provided in Appendix C.5.

Suppliers must not include companies under suspension by the City on their List of Subcontractor(s) Form.

Where union affiliation is required pursuant to the City’s “Labour Trades Contractual Obligations in the Construction Industry” for the work or any part thereof, the Supplier (and any Subcontractor performing any part of such work) must be affiliated with the applicable collective bargaining agency and the Supplier shall submit proof of such affiliation prior to an award of contract.

#### **1.1.6 Surety Confirmation Letter**

The Supplier must submit a letter from a surety company licensed to do business in the Province of Ontario that confirms that the Supplier can obtain a performance bond in the event is awarded a contract under this negotiated RFP. The surety company's letter must confirm the following requirements for the purpose of this negotiated RFP:

1. the Supplier has the capacity to obtain a performance bond from the surety company in the amount of 100% of the total value of the Supplier's Bid including all Contract Area Responses and applicable taxes;
2. the performance bond will be provided in the form as provided in Appendix C.6, titled "Performance Bond Form.doc".

#### **1.1.7 WSIB CAD 7**

The Supplier must submit a current CAD7 WSIB Rating Form or equivalent (e.g. Merit-Adjusted Premium Rate Statement and Workplace Injury Summary Report).

#### **1.1.8 COR Certification**

Suppliers must be COR Certified. The Supplier must provide proof of registration into the COR program or a copy of a valid Certificate of Recognition (COR™) or Equivalent OHS Certification in the legal name of the entity submitting the response.

### **SECTION 1.2 – PRE-CONDITIONS OF AWARD**

The Successful Supplier(s) will be required to provide the documentations set out below by providing the following steps within ten (10) business days after being notified by the City that the Contract is ready for execution:

1. A performance bond in accordance with Section 8.4 of Part 2 and provided in Appendix C.6, titled "Performance Bond Form ";
2. A WSIB Clearance Certificate;
3. An Insurance Certificate as per coverage requirements set out in the Form of Agreement (Sections 8.1 and 8.2 of Part 2);
4. Executed Contract, without any unilateral revisions to the Contract;
5. If requested by the City, a copy of its and/or any Affiliated Persons' Corporate Profile Report(s) (Ontario), or equivalent official record issued by the appropriate government authority. The Corporate Profile Report(s) must have been issued not more than ten (10) business days prior to the date of such written notice. The City reserves the right to confirm the accuracy of the information contained in the Corporate Profile Report, and to require additional information from the contractor as necessary. In the case of a joint venture, a Joint Venture Agreement signed by all members must be provided; and
6. In the case of a joint venture, a Joint Venture Agreement signed by all members must be provided. Suppliers who bid as a Joint Venture must indicate clearly that it is a Joint Venture and provide the following information:
  - a) the name of each member of the Joint Venture;
  - b) the name of the representative of the Joint Venture, i.e. the member chosen by the other members to act on their behalf, if applicable;
  - c) the name of the Joint Venture, if applicable.

## **SECTION 2 – MANDATORY FINANCIAL REQUIREMENTS (STAGE 2)**

- 2.1 Mandatory financial requirements are minimum requirements that the Suppliers must meet to qualify for subsequent stages of the evaluation process. The City will evaluate the Suppliers' submissions against requirements across all Contract Areas for which the Suppliers have submitted a Response. The City will exclude any Supplier that fails to pass the mandatory financial requirements from further consideration for its entire Bid.
- 2.2 During the evaluation of mandatory financial requirements, the City will assess the Suppliers against criteria intended to evaluate Suppliers' financial standing and access to liquidity/credit, and capital required to execute on the Contract during the entire contract term.
- 2.3 For Joint Ventures where one (1) entity provides a guarantee of operations or sustainability on behalf of the Joint Venture members, all members of the Joint Venture will be assessed individually and as a collective.
- 2.4 The City requests the following information to conduct this financial evaluation. Suppliers will be required to receive a pass against each of the following categories listed below to pass this stage. The Mandatory Financial Submission Form in Appendix C.2 must be completed to itemize the financial documents submitted.

### **.1 Financial Statements**

<b>Required Information</b>	<ol style="list-style-type: none"> <li>1. A financial statement package for the 2018 to 2020 fiscal years consisting of: <ol style="list-style-type: none"> <li>(a) A Balance Sheet as at the Supplier's fiscal year end;</li> <li>(b) An Income Statement for the same fiscal period, clearly noting revenue from operations, net income before interest and taxes; and</li> <li>(c) Accompanying note disclosures or detailed breakdowns of balances by major category of assets, liabilities, revenues and expenses</li> </ol> </li> </ol> <p>Financial statement package requirements:</p> <ul style="list-style-type: none"> <li>• Financial statements should be audited or reviewed by an external party with an accompanying report</li> <li>• If the Supplier is a Joint Venture, an individual financial statement package must be submitted by all members of the Joint Venture.</li> <li>• In the event audited or reviewed financial statements are not available, financial statements must be accompanied by an attestation by the most senior individual with signing authority as to the accuracy and completeness of the financial information provided</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>• Pass will mean the Supplier submitted a complete financial statement package</li> <li>• Fail will mean that the Supplier has not provided a complete financial statement package</li> </ul>

## **.2 Capital Requirements**

<b>Required Information</b>	<ol style="list-style-type: none"> <li>1. Anticipated capital requirements for each of the Contract Areas for which Responses have been submitted.</li> <li>2. For owned equipment, cost and net book value of equipment currently on hand, along with the estimated remaining useful life (information can be provided by equipment category , not by specific piece of equipment).</li> <li>3. For leased equipment, total lease value and remaining term of the lease.</li> <li>4. Where capital requirements exceed value of capital on hand, provide the amount of additional capital that will be required to fulfil the contract (by asset category) and a procurement plan for this additional capital (purchase, lease, or combination of both).</li> </ol>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>• Pass will mean that the Supplier has or will be able to obtain the capital required through a combination of owned, leased or procured assets, and has enough credit or cash-flow available to finance these capital requirements.</li> <li>• Fail will mean that the Supplier has not demonstrated it has obtained or can obtain the required capital to fulfil contract requirements.</li> </ul>

## **.3 Cash Flow Assessment**

<b>Required Information</b>	<ol style="list-style-type: none"> <li>1. A Cash Flow Assessment package for the 2018 to 2020 fiscal years, plus a current fiscal year projection, consisting of: <ol style="list-style-type: none"> <li>(a) a cash flow statement that includes, at a minimum, sources of cash from operations and financing activities, by source category, and uses of cash for operations, capital expenditures and settlement of financing; and</li> <li>(b) liquidity available (i) immediately, (ii) in the form of cash, (iii) short term investments, and (iv) line of credit, by source category.</li> </ol> </li> </ol>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>• Pass will mean that the Supplier demonstrated positive cash flows and has the available liquidity to support operating and financing requirements.</li> <li>• Fail will mean that the Supplier has not demonstrated the ability to maintain positive cash flows or the available liquidity to support operating and financing requirements.</li> </ul>

**.4 Credit Facilities**

<p><b>Required Information</b></p>	<p>1. A letter from <i>each</i> of the Supplier's lender(s) that sets out:</p> <ul style="list-style-type: none"> <li>(a) approved credit facilities available and issued to the Supplier, including all lines of credit, operating lines, and term loans;</li> <li>(b) a list of the loans outstanding, the purpose of each loan, the original amount at funding, the balance as at the month end before the due date of the response to the proposal, repayment requirements, and maturity date of each loan;</li> <li>(c) description of the Supplier's past performance related to fulfilling the terms and conditions, applicable covenants and payment terms for each credit facility (operating lines, term loans, commercial mortgages, etc.) that has been outstanding with the lender over the period from January 1, 2018 to the month end closest to the date of Supplier's Bid submission; and</li> <li>(d) loan balances and/or credit facility balances as of fiscal year-ends that are consistent with the financial statements provided in the Supplier's financial statement package.</li> </ul>
<p><b>Assessment</b></p>	<ul style="list-style-type: none"> <li>• Pass will mean the letter(s) from the Supplier's lender(s) demonstrate that terms and conditions have been met and there are no breaches to covenant or payment requirements.</li> <li>• Fail will mean that the letter(s) from the Supplier's lender(s) do not demonstrate that terms and conditions have been met and that the covenants and payment terms have not been breached.</li> </ul>

### **SECTION 3 – TECHNICAL PROPOSAL EVALUATION (STAGE 3)**

#### **3.1. Overview of Technical Proposal Evaluation**

- .1 The City intends to conduct the Stage 3 and Stage 2 evaluations concurrently. The City will exclude all Suppliers who do not pass Stage 2 from further consideration in Stage 3.
- .2 The City expects the Technical Proposals to address the negotiated RFP content requirements as outlined herein. Suppliers should take sufficient care to submit proposals that are well ordered, detailed and comprehensive. Further, the Bids should use clear language, adhere to suggested structuring, and provide adequate, accessible documentation to enable the City to conduct a thorough evaluation. The City is interested in Bids that demonstrate efficiency and value for money. General marketing and promotional material will not be reviewed or considered.
- .3 The City requests that the Suppliers keep their assumptions in preparing their Bid at a minimum. The City encourages the Suppliers to seek clarifications on the negotiated RFP prior to the deadline for questions rather than make assumptions. Please refer to Section 1.8 of Part 1 (negotiated RFP Process) for the process of asking questions about the negotiated RFP. Where a Supplier's assumptions are inconsistent with information provided in the negotiated RFP, or so extensive that the total Bid cost is qualified, such Supplier risks disqualification by the City in the City's sole discretion.
- .4 No cost information shall be included in the body of the Technical Proposal portion of the Bid or it will be rejected.

#### **3.2 Technical Proposal Form Content**

- .1 The technical proposal form with detailed questions and where Suppliers are expected to provide responses can be found in Appendix C.3, titled "Appendix C.3 - Technical Proposal Form ". Detailed technical proposal questions can be found in this form. Suppliers are expected to submit their completed technical proposal form in the excel format given.
- .2 The required technical proposal content is separated into general technical criteria and Contract Area specific technical criteria. The general technical requirements will only be submitted once regardless of how many Contract Areas Responses are submitted. Contract Area specific technical requirements must be submitted for every Contract Area for which a Response is submitted.
- .3 The following Table 2 indicates the technical criteria and respective weightings of the scored technical evaluation criteria (Stage 3). Suppliers who do not meet the indicated minimum thresholds for a Contract Area will not proceed to the next Stage 4 of the evaluation process for that Contract Area.
- .4 The Pricing Form in the Pricing Evaluation (Stage 4) will not be evaluated until the technical proposal forms of the Technical Proposal Evaluation (Stage 3) are evaluated and Suppliers have passed the sectional technical criteria and the overall technical threshold as indicated in the Table 2 below.

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**Part 4 – Mandatory Requirements and Evaluation Criteria**

Table 2: Technical Evaluation Criteria

	Technical Evaluation Rated Criteria (Stage 3)	Weighting (Points)	Minimum Threshold (Points)
General Technical Evaluation (submitted once for all Contract Areas for which Responses are submitted)	Operational Capability		
	Overall experience - years	8	12
	Overall experience - value Scale-up approach	8	
	Delivery Approach		
	GPS/AVL Technology	9	-
	Risk and Quality Management	8	-
	Fleet Management		
	Maintenance - preventative maintenance	8	-
	Maintenance - vehicle breakdown response	6	-
	Additional fleet	6	-
	Past Experience (5 points each)		
	3 past examples	15	-
	Value Added Services		
	Value add processes and technology	10	-
	Diversity Profile		
	Diversity profile	2	-
Contract Specific Technical Evaluation (submitted per Contract Area)	Delivery Approach		
	Sequencing of activities and inclusion of sub- contractors. Number and type of equipment.	10	-
	Operating in an urban environment	10	-
Total Technical Evaluation		100	70

- .5 Each technical evaluation criteria will be evaluated on a 0 – 5 scale, where a Supplier will achieve a score from 0 – 5 for their response. Sample criteria are as follows:

Table 3: Technical Evaluation Scoring

Score	Rating	Detailed Description
5	Excellent	Response fully meets or exceeds City's requirements
4	Very Good	Response meets most of the City's requirements.



3	Adequate	Response partially meets the City's requirements.
2	Weak	Response falls short of meeting the City's requirements.
1	Poor	Response is unacceptable, minimal or vague
0	Unsatisfactory	Missing response or response is not relevant to the question

- .6 Technical evaluation points will be awarded using the following formula:

$(0-5 \text{ score achieved} / 5) \times \text{weighting}$

The technical evaluation points will then be summed to arrive at a score out of 100.

- .7 As indicated in Table 2 above, Suppliers must meet a minimum threshold of 12 points on operational capability and an overall threshold of 70 points in the Technical Evaluation to proceed to Stage 4 – Pricing Evaluation.
- .8 If a Supplier's score of their technical proposal form fails to meet the minimum threshold described above, it will be rejected and not evaluated further. In the event that fewer than three (3) of the Suppliers achieve the required minimum threshold of this stage for a specific Contract Area, the City, at its sole discretion, may reduce the operational capability threshold or overall threshold in decrements of one (1) point until a minimum of three (3) Suppliers are qualified. The City will not reduce the overall threshold below 60-points even if fewer than three (3) Suppliers qualify for a Contract Area.
- .9 The criteria in which general and Contract Area specific technical responses have been requested in the technical proposal form are described below.

### **3.3. General Technical Proposal Content**

#### **3.3.1 Operational Capability**

- .1 Suppliers should ensure they have the operational capability to deliver all Contract Areas where they have submitted responses. The following information is requested to evaluate capabilities to manage the volume of work based on past experience:
- .1 Overall number of years of experience delivering winter maintenance work.  
Supplier should have at least three (3) years of past experience.
  - .2 Average revenue from winter over the past three (3) years.  
Supplier should have previously delivered at least 60% of the total value of all Contract Areas that are being bid on in this negotiated RFP or describe the approach to scale-up operations and manage the increased volume of work. The scale-up approach should include but not be limited to details that clearly describe scale-up of internal operations and administration, project managers, capital/equipment required, operators, etc.

#### **3.3.2 Technology, Risk and Quality Management**

- .1 Understanding that overall quality is of utmost importance to the City, the following elements of delivery approach will be requested:
  - .1 The Suppliers plan for utilizing GPS/AVL technology including:
    - How Supplier will use the City's GPS/AVL technology to efficiently conduct operations demonstrating how it will be used to meet contract requirements and support contract administration and communication.
    - How Supplier will manage the GPS/AVL technology to ensure it is in good working condition throughout the Winter Season including installation, maintenance and repairs.
  - .2 The approach to risk and service quality management including:
    - Detailed risk management plan including how risks will be identified, prioritized and mitigated to ensure achievement of KPIs and service levels, management of claims and legal issues, and the operationalization of the plan.
    - Detailed service quality management plan including how this will be managed and operationalized (i.e. documentation, reporting and communication with the City).

### **3.3.3 Fleet Management**

- .1 Fleet management is a critical component to winter maintenance operations; the following is requested to ensure a fleet is managed and maintained appropriately:
  - Approach to maintaining fleet to prevent breakdowns including preventative maintenance plan and timely equipment replacement.
  - Process to manage vehicle breakdowns including response times and communication with the City.
  - Description of the ability to obtain additional fleet as needed throughout the term of the Contract and minimize operational continuity risk to the City.

### **3.3.4 Past Experience**

- .1 Supplier must provide three (3) examples of projects completed within the past three (3) years, detailing the following for each:
  - Contract value;
  - Relevance to Contract Areas;
  - Process and tools used to meet service levels;
  - Metrics on equipment breakdowns and response times; and

- Experience with usage of outcome-based metrics and performance tracking.
- .2 References must be provided for all three (3) past experiences and at the City's discretion, may be used to validate accuracy of responses.
  - .3 In providing references, Suppliers agree that the City can contact the references as provided at their discretion and as such, the contact information, name, position, telephone number, and cell number must be current and the referenced organization or person must have worked with the Supplier on the referenced project. The City will make its own arrangements in contacting the references. Substitution of references will not be permitted after the close of the negotiated RFP. The City at its discretion may choose to contact individuals from the reference organization for the purpose of a reference check.

### **3.3.5 Value Added Services**

- .1 Suppliers may offer services in addition to those required by the City that are relevant to the delivery of Winter Maintenance services and could add additional value in areas such as the management oversight, tracking, monitoring or delivering on the requirements of the negotiated RFP. Suppliers must indicate whether the proposed value-added service will have a cost to the City, and if so, a cost-benefit analysis should be provided.

### **3.3.6 Diversity Profile**

- .1 The Supplier should demonstrate its commitment to diversity by providing a company-approved Supplier diversity policy that details the Supplier's commitment to an active supplier diversity program. This policy may demonstrate its commitment to diversity by, but not limited to:
  - The Supplier's commitment to providing equitable access to subcontracting opportunities for diverse suppliers and demonstrated results of the policy; and
  - The Supplier's commitment to a pro-active employment diversity program, including providing the company approved employee diversity policy and demonstrated results of the policy.

To demonstrate the above, provide the following:

- .1 If the Supplier is certified by a Supplier Diversity Organization, the Supplier shall provide evidence of such certification
- .2 Provide a description of your company's supplier diversity policy and provide proof of its use
- .3 Provide a description of your company's employee diversity policy and provide proof of its use.

## **3.4 Contract Area Specific Technical Proposal Content**

### **3.4.1 Delivery Approach**

Understanding that overall quality is of utmost importance to the City, the delivery approach must be tailored to each Contract Area for which a Response is submitted based on the Scope of Work provided in Part 3.

- .1 Provide considerations for operating in an urban environment to ensure completion of routes specific to each Contract Area while meeting the City's required Levels of Service. Responses should include:
  - Considerations for operating and navigating in a multimodal environment;
  - Process to track and document route completion and missed routes;
  - Process to review routes for damage and complete repairs;
  - Process to ensure operators are on location in a timely fashion.
- .2 Provide a plan to describe how you will coordinate and sequence activities within each Contract Area to ensure efficient and complete delivery of Work including the following:
  - Activity/infrastructure types that each equipment type will be used for;
  - Number of equipment and spare equipment proposed;
  - Rationale for equipment and spare equipment proposed to meet service levels;
  - If sub-contractors are being proposed for an activity in this Contract Area, highlight when and why they are being used and how their performance will be managed. Subcontracted portion of each Contract Area should make up less than 25% of the total work within the Contract Area.

#### **SECTION 4 – PRICING EVALUATION (STAGE 4)**

The pricing requirements and pricing evaluation method can be found in Part 5. The pricing form for completion and additional instructions can be found in Appendix C.4.

#### **SECTION 5 – RANKING (STAGE 5)**

- 5.1 Following Pricing evaluation, the scores from the Technical Evaluation and the Pricing Evaluation will be combined and weighted per Table 4.

*Table 4: Ranking*

<b>Total Score (per Contract Area)</b>	<b>Total Score</b>	<b>Weighting</b>
Total Technical Evaluation Score	100	70
Total Pricing Evaluation Score	100	30
<b>Total Combined Score</b>		<b>100</b>

- 5.2 **Suppliers will be ranked based on total combined score per Contract Area. The top ranked Supplier for each Contract Area will proceed to negotiations as described in Part 1, Section 2.**