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## Conducting a Swiss Challenge Request for Proposal

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## PROCEDURE

**Responsible Division:** Purchasing & Materials Management

**Effective Date:** June 19, 2008

**Last Reviewed:** January 07, 2021

### Description

To outline the steps involved in conducting a Swiss Challenge Request for Proposal in the City's online procurement system.

The procedure provides guidance in preparing, issuing, receiving, evaluating, negotiating (if required) and awarding a Swiss Challenge – Request for Proposal (SC-RFP) solicitation issued to obtain counter proposals to an unsolicited quotation or proposal.

The purpose of the SC-RFP is to obtain counter proposals through a specialized procurement process that is distinct from the City's typical RFP procedure.

### Related Bylaws and Policies

The Unsolicited Quotations or Proposal Policy as adopted by Council at its meeting of June 19, 20, and 22, 2007, Report 5, Clause 6 of the Government Management Committee.

Toronto Municipal Code, Chapter 195 – Purchasing as adopted by Council at its meeting of July 20, 21 and 22, 2004, Report 5, Clause 7 of the Administration Committee.

### Procedure

#### 1. Preconditions for issuing a Swiss Challenge

1.1. A SC-RFP can only be issued when:

1.1.1. The Toronto Office of Partnership (TOP) has reviewed and forwarded the unsolicited quotation or proposal to the relevant Client Division for assessment.

- 1.1.2. The proponent of the unsolicited proposal has signed a Swiss Challenge Agreement with the City. The Agreement sets out the rules of the process and specifically addresses the extent to which the proponent's proposal may be made public as part of the process.
- 1.1.3. The relevant Client Division with Purchasing and Materials Management, has reported to City Council requesting authorization to proceed with the Swiss Challenge.
- 1.1.4. City Council has approved the initiative.

## **2. Preparation of the Swiss Challenge – RFP**

- 2.1. Prior to drafting the SC-RFP the Client Division must:
  - 2.1.1. Consult with the Purchasing and Materials Management Division about the appropriate RFP template to use (whether a negotiable RFP or a traditional RFP), with the appropriate modifications to reflect a Swiss Challenge being incorporated
  - 2.1.2. Consult with the supplier to identify any proprietary information contained in the unsolicited proposal and;
  - 2.1.3. Consult with the Legal Services and as required, the Corporate Access and Privacy (CAP) unit in City Clerks to review the unsolicited quotation or proposal and the signed Swiss Challenge Agreement and determine what, if any, information is considered proprietary. This is necessary for the preparation of the SC-RFP.
- 2.2. The Client Division submits a Sourcing Request to its appropriate authority for approval (Client Division Approver), inclusive of the draft SC-RFP along with all supporting documentation (e.g. Council approval of the initiative), in keeping with the Online Procurement System training materials located in the Sourcing library training folder.

## **3. Drafting, Reviewing and issuance of the SC-RFP Including Receipt and Reviews of Proposals**

- 3.1. Once the Client Division Approver has approved the Sourcing Request, the PMMD Manager reviews the Sourcing Request and assigns an appropriate PMMD Buyer in keeping with City's online procurement system training materials located in the Sourcing library training folder.
- 3.2. The PMMD Buyer assigns an Ariba Document number and reviews and prepares the solicitation in keeping with the Request for Proposal procedure.

- 3.3. In addition to the standard requirements of a Request for Proposal, the SC-RFP must identify the following as a minimum:
  - 3.3.1. That it is a counter proposal SC-RFP.
  - 3.3.2. The details from the unsolicited quotation or proposal which are not deemed proprietary (in consultation with Legal and CAP).
  - 3.3.3. Reference the Unsolicited Quotations or Proposals Policy.
  - 3.3.4. Identify that only the highest scoring proposal that exceeds the unsolicited proposal will be considered.
  - 3.3.5. A process which details the successful counter proposal will be made available to the proponent of the unsolicited proposal.
  - 3.3.6. That the proponent of the unsolicited proposal will be given thirty days (or more or less depending on complexity of the procurement) to match or exceed the terms of the successful counter proposal.
  - 3.3.7. Any final award will require City Council approval.
- 3.4. The solicitation draft, review, update and finalization conducted during the RFX preparation period and receipt and evaluation of proposals shall also be in accordance with the Request for Proposal Procedure.
- 3.5. The Evaluation team members should be consistent throughout the process for all proposals received for the swiss challenge procurement.

#### **4. Opportunity to Match or Improve**

- 4.1. If a successful counter proposal is superior to the original unsolicited proposal, the Unsolicited Supplier shall be given the opportunity to match or improve on the selected competing proposal.
- 4.2. The Client Division must email the PMMD Buyer a detailed summary of the evaluation results. The results must confirm that all mandatory requirements have been met and the proposal is superior to the unsolicited proposal.
- 4.3. The PMMD Buyer will review the results.
- 4.4. The PMMD Buyer shall notify the Supplier of the unsolicited proposal that they have thirty (30) businessdays to match or improve the selected competing proposal with a counter-offer. Note: The notification must include all relevant details of the competing proposal determined to be non-proprietary in consultation with the preferred supplier, Legal Services and the CAP unit in City Clerks.
- 4.5. If the Unsolicited Supplier matches the counter-proposal, the Client Division shall recommend to City Council that formal negotiations continue with the Unsolicited Supplier.
- 4.6. If the Unsolicited Supplier does not match, or improve on the selected competing proposal, the Client Division shall recommend that formal

negotiations be undertaken with the selected competing Supplier with the objective of entering into an agreement based on the proposal submission, as may be amended through the negotiation process.

- 4.7. The PMMD Buyer confirms Fair Wage and Debtor's Watch List approval processes have been completed for the successful SC-RFP proposal.

## **5. Award**

- 5.1. The Client Division shall prepare a joint report with PMMD to City Council recommending award of the best proposal resulting from the SC-RFP (unsolicited proposal, selected competing proposal, or counteroffer).
- 5.2. The Client Division should be prepared to provide an in-camera presentation of the evaluation results of the SC-RFP in accordance with the PMMD procedure for Closed Session Presentations of RFP Evaluation Results for Standing Committee.
- 5.3. Upon award of the contract, the relevant Client Division will be responsible for working with the successful Supplier to implement the initiative.
- 5.4. The relevant Client Division shall keep TOP apprised of all developments and outcomes.

## **6. Relevant Resources**

For information on other relevant resources, please contact [supplychain@toronto.ca](mailto:supplychain@toronto.ca).

### **Questions? Contact**

Should you have any questions, please contact the Purchasing and Materials Management Division. If further interpretation is required, please email [supplychain@toronto.ca](mailto:supplychain@toronto.ca) or call 416-397-4141.