

Conducting a Swiss Challenge Procedure

Date enacted: June 19, 2008

Date last reviewed: May 5, 2025

1. Purpose:

- 1.1. To outline the steps involved in conducting a Swiss Challenge Request for Proposal in the City's online procurement system.
- 1.2. 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.
- 1.3. 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.

2. Definitions:

- 2.1. A Swiss Challenge is a procurement method where the City receives and evaluates an unsolicited quotation or proposal from a proponent.
- 2.2. If the proposal is deemed acceptable, the Client Division Head, in consultation with the Purchasing and Materials Management Division (PMMD) and Legal Services, initiates a competitive process by inviting other suppliers to submit their own quotations or proposals.
- 2.3. The original supplier is given the opportunity to match or improve upon the most favorable offer received. If the original supplier does not match or surpass the competing bid, the City may award the contract to the competing supplier.

3. Procedure:

3.1. Preconditions for issuing a Swiss Challenge:

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

- 3.1.1.1. Purchasing and Materials Management (PMMD) has reviewed and forwarded the unsolicited quotation or proposal to the relevant Client Division for assessment.
- 3.1.1.2. 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.

3.1.1.3. The relevant Client Division with PMMD has reported to City Council requesting authorization to proceed with the Swiss Challenge.

3.1.1.4. City Council has approved the initiative.

3.2. Preparation of the Swiss Challenge – RFP:

3.2.1. Prior to drafting the SC-RFP the Client Division must:

3.2.1.1. Consult with PMMD about the appropriate RFP template to use (whether a nRFP or a traditional RFP), with the appropriate modifications to reflect a Swiss Challenge being incorporated;

3.2.1.2. Consult with the supplier to identify any proprietary information contained in the unsolicited proposal and;

3.2.1.3. Consult with Legal Services and as required, the Corporate Information Management Services (CIMS) 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.

3.2.2. 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. approval of the initiative), in keeping with the Online Procurement System training materials located in the Sourcing library training folder.

3.3. Drafting, Reviewing and Issuance of the SC-RFP Including Receipt and Reviews of Proposals

3.3.1. 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.

3.3.2. The PMMD Buyer assigns an Ariba Document number and reviews and prepares the solicitation in keeping with the Request for Proposal procedure.

3.3.3. In addition to the standard requirements of a Request for Proposal, the SC-RFP must identify the following as a minimum:

3.3.3.1. That it is a counter proposal SC-RFP.

- 3.3.3.2. The details from the unsolicited quotation or proposal which are not deemed proprietary (in consultation with Legal and CIMS).
- 3.3.3.3. Reference the Unsolicited Quotations or Proposals Policy.
- 3.3.3.4. Identify that only the highest scoring proposal that exceeds the unsolicited proposal will be considered.
- 3.3.4. A process which details the successful counter proposal will be made available to the proponent of the unsolicited proposal.
- 3.3.5. 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.
- 3.3.6. Any final award will require City Council approval.
- 3.3.7. 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.
- 3.3.8. The Evaluation team members should be consistent throughout the process for all proposals received for the swiss challenge procurement.
- 3.4. Opportunity to Match or Improve:
 - 3.4.1. If a successful counter proposal is superior to the original unsolicited proposal, the original proponent shall be given the opportunity to match or improve on the selected competing proposal.
 - 3.4.2. 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.
 - 3.4.3. The PMMD Buyer will review the results.
 - 3.4.4. The PMMD Buyer shall notify the original proponent of the unsolicited proposal that they have thirty (30) business days 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 CIMS.
 - 3.4.5. If the original proponent matches the counter-proposal, the Client Division shall recommend to City Council that formal negotiations continue with the unsolicited supplier.
 - 3.4.6. If the original proponent 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.

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

3.5. Award

- 3.5.1. The Client Division shall prepare a joint report with PMMD to City Council recommending award of the best proposal resulting from the SC-RFP.
- 3.5.2. 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.
- 3.5.3. Upon award of the contract, the Client Division will be responsible for working with the successful supplier to implement the initiative.
- 3.5.4. The relevant Client Division shall keep PMMD apprised of all developments and outcomes.

4. Approving Authority or References

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.

5. Contact

Should you have any questions, please contact the Purchasing and Materials Management Division at supplychain@toronto.ca or call 416-397-4141.