

## Appendix 2

### Evaluation of Proposals

#### *1. Background*

After a rigorous Request for Qualification (RFQ) period, the City undertook an extensive evaluation of all RFQ submittals for both LRT extension projects, which resulted in the prequalification of three consortia for the Confederation Line Extension Project and three consortia for the Trillium Line Extension Project.

The Confederation Line Extension Request for Proposal (RFP) was issued to the three prequalified parties on June 26, 2017. The Trillium Line Extension RFP followed suit on July 17, 2017, marking the commencement of the in-market period for both projects.

During the in-market period, Proponents were not permitted to have any contact with the City or various consultants who participated in the development of the RFP. As a result, the only method of communication between the City and Proponents was via the Request for Information (RFI) process or in person at Commercially Confidential Topic Meetings (CCM) and Commercially Confidential Design Presentation Meetings (DPM).

Through the RFI process, Proponents could submit project-related questions to the City anonymously that were either general in nature, such that they could apply to other Proponents, or commercially sensitive questions that would be particular to a Proponent's design or construction approach. The City would assess and review each RFI request and response for clarity, and to ensure that no content could be deemed favourable to one Proponent over another. In addition, the Fairness Commissioner ultimately reviewed and signed off on all RFI responses before they were issued. In certain instances, RFI responses prompted revisions to the Project Agreement drafting, ultimately leading to the final versions of all project documentation to which Proponents submitted their final bids.

Between both the Confederation Line Extension RFI process and Trillium Line Extension RFI process, over 2,500 questions were posed and responded to during the in-market period.

As mentioned, the City and the Proponents met on numerous occasions at CCM and DPM. The purpose of the CCM Topic Meetings was to share information, increase dialogue in specific areas of the PA and to seek resolutions on the project documentation. The purpose of the DPM meetings was to permit an open dialogue between the City and Proponents to present their designs, demonstrate compliance with the Project Specific Output Specifications (PSOS), and receive Sponsor feedback to assist the Proponents as they refined their design and, ultimately, their submissions. In total, Proponents met with the Sponsor nearly 30 times over the course of the in-market period to discuss a myriad of project-specific topics and present their proposed submittals as they advanced their design.

The receipt of the Proponent's Technical and Financial Submissions marked the conclusion of the in-market period and the beginning of the evaluation process.

### Evaluation Process

Each of the three proposals for the Confederation Line Extension Project and the three separate proposals for the Trillium Line Extension Project were evaluated and scored through a highly structured and rigorous framework prescribed by the RFP, with performance criteria developed by Capital Transit Partners 2 (CTP2), Norton Rose Fulbright, Deloitte, and staff at the O-Train Planning Office.

This team evaluated every aspect of each RFP submission against the design, performance and quality requirements set out in the procurement documents.

Teams of Subject Matter Experts (SME) independently reviewed each aspect of the proposals in isolation from the Technical Evaluation Team, to assess conformance against the specific project requirements. Once the work of the Technical Conformance Team was complete, a report was prepared and the Conformance Team was made available to support each of the five independent scoring technical team members evaluating the technical submissions (the Technical Evaluation Team).

Members of the Technical Evaluation Team included senior City staff from the Rail Construction Program and OC Transpo, as well as CTP2. The Financial Evaluation Team was comprised of senior individuals from the City's Corporate Finance Service, Exact Modelling Strategies, and Deloitte.

The technical evaluators were not privy to any information about the price or details of financing. Similarly, financial evaluators were not provided any detail related to the technical submissions or evaluation.

Individual evaluations were undertaken in isolation and not permitted to discuss with one another any aspect of the proposals or their impressions so they could form independent views of each criterion. The evaluations took place in five distinct streams, as described below:

- *Conflict Clearance:* In order to participate in the evaluation process all participants, including members from the Evaluation Coordination Team to the individual evaluators, were cleared of conflict of interest by the Conflict Review Team and Fairness Commissioner.
- *Completeness Verification:* Proposals were reviewed by a Completeness Review Team to ensure that the three submissions included all mandatory information.
- *Conformance Review:* A separate Conformance Team undertook a detailed review of each team's design to ensure it was in conformance with the requirements of the RFP and output specifications.

- *Technical Evaluation:* The Technical Evaluation Team was made up of subject matter experts on project design, project operations, and engineering.
- *Financial Evaluation:* The Financial Evaluation Team was made up of subject matter experts on Alternative Financing and Procurement (AFP) as well as public and private financing.

A Fairness Commissioner oversaw and participated in all of the various evaluation steps throughout the process to confirm each process was undertaken in a fair, open, and transparent manner.

### Technical Evaluation

The technical evaluation consisted of a two-stage process where the evaluators individually undertook a detailed examination of each project component to score each Proponent's submission independently. In order to receive a passing score, a technical score threshold of 70% for each of the criteria was required. Subsequently, at a consensus scoring meeting, all of the evaluators discussed their individual scores and established a unanimous view of a score for each technical element, resulting in a global technical score out of a maximum of 500 points.

### Financial Evaluation

While the financial evaluation process mirrored the technical evaluation process, there was an additional Financial Model Review step undertaken as part of the financial evaluation in advance of the individual review of each financial submission. This Financial Model Review was undertaken by financial experts from Deloitte. Following the Financial Model Review, the financial evaluation team undertook their individual evaluations of each of the financial project requirements, followed by a consensus view of each element resulting in a global financial score out of a maximum of 500 points.

### Final Scoring

Following the completion of Technical and Financial scoring, the BESC was presented with the final Proponent rankings, ultimately bringing forward the recommendations to the OLRT Executive Steering Committee for approval. With OLRT Executive Steering Committee approval, the highest ranking proponent for each of the Confederation Line Extension and Trillium Line Extension Projects was then invited to begin negotiations as First Ranked Proponent to finalize and address any outstanding conformance issues or required clarifications.

### **The Reporting Structure**

The project's procurement and overall implementation was overseen by the Bid Evaluation Steering Committee (BESC) reporting directly to the City's OLRT Executive Steering Committee. The reporting structure which guided the Evaluation Process is presented in Figure 1 below.

**Figure 1: Reporting Structure**

