

To: York Region Rapid Transit Corporation Board of Directors

From: Mary-Frances Turner, President

Subject: Award of Owner's Engineer Services Contract

Ref: YORK-#4003693

Recommendations

It is recommended that:

1. Subject to Metrolinx's approval, the Board of Directors approve the award of a contract to McCormick Rankin Corporation (MRC), a member of MMM Group to provide owner's engineer services to York Region Rapid Transit Corporation, the contract to be substantially in the form set out in the request for proposals RFP-11-042-RT. The contract shall be for an initial term of five years, at the per diem rates set out in MRC's proposal, with the right of the Corporation to renew the contract for an additional term or terms of up to five years. The total value of the contract shall be subject to an upset limit of not greater than \$50 Million.
2. The Chief Executive Officer and President of York Region Rapid Transit Corporation be authorized to enter into the owner's engineer contract, subject to the prior review of the Corporation's solicitor.

Purpose

- The purpose of this report is to seek Board authority to award and enter into a contract with MRC to provide owner's engineer services to the Corporation for the vivaNext rapid transit projects, the contract to commence in 2012, for an initial five year term.

Background

Since late 2006 YRRTC and the Region have worked with McCormick Rankin Corporation (MRC), a member of MMM Group as their Owner's Engineer to deliver the viva and vivaNext rapid transit projects

- MRC has provided an array of services for the Rapid Transit office, including:
 - Program controls including document management, schedule management, invoice review and validation
 - Work Program specific work, including contract administration services
 - Acting as the Independent Cost Estimator in the cost confidence process for scoping, pricing and procurement of a design-builder for the green bundle of rapid transit projects
 - Owner's engineer support for the federally funded OMSF project
- The existing five year contract with MRC to provide owner's engineer services to the Corporation was to expire on December 31, 2011. At its Board meeting on December 1, 2011, the Board extended the contract to April 30, 2012.

In March 2011, the Board authorized staff to issue a request for proposals for owner's engineer services to continue to support work program development, procurement and management for the vivaNext rapid transit projects

- Through the Region's Supplies and Services Branch, YRRTC issued a request for proposals (RFP-11-042-RT) on August 25, 2011 to secure an Owner's Engineer to support the vivaNext work program from January 1, 2012 to December 31, 2016 with the option, at YRRTC's sole discretion, to renew the contract for an additional term or terms of up to five years.
- Prospective vendors were notified of the RFP by advertisement via Biddingo.com and Merx.com.
- Over 15 firms downloaded the RFP documents from Merx.com.
- Seven firms provided confidentiality undertakings to Supplies and Services which allowed them to access the documents provided by YRRTC respecting the RFP.
- The RFP closed on November 3, 2011.
- Two firms submitted proposals in response to the RFP.

Analysis

The evaluation of the proposals submitted in response to RFP-11-042-RT took place in November and December 2011 and has now been completed

- Supplies and Services facilitated the consensus evaluation meeting on November 25, 2011. An evaluation team established to evaluate the proposals consisted of representatives of YRRTC's senior management, as well as representatives of Metrolinx and York Region.
- The evaluation team met on November 25, 2011 to evaluate the two proposals that had been submitted to the RFP.

YRRTC procured a Fairness Monitor to oversee, and to provide advice, during the RFP process

- The firm of MNP LLP was procured by YRRTC as fairness monitor to monitor the RFP process. Veronica Bila of MNP LLP attended the evaluation meetings and provided advice to YRRTC in the preparation of the RFP documents and during the RFP process.

The RFP utilized a two-envelope system under which the technical and financial information are received separately in two sealed envelopes

- The process required that proponents meet a minimum score of 60% in the technical portion, in order to proceed to the interview stage. Proponents were required to meet a minimum score of 60% in the interview to be eligible to proceed to the financial envelope stage. If a proponent does not meet the minimum threshold score at either stage, the proponent's financial envelope is to be returned un-opened to that proponent.
- Following evaluation of the two technical submissions, one firm qualified to proceed to the interview stage of the RFP, which interview was held on December 8, 2011.
- The following table sets out the scoring of the proponents at each stage of the process:

Name of Proponent	Technical Score*	Interview Score **	Financial Score	Total Weighted Score
MRC	43.1	13.0	20.0	76.1
Proponent #2	34.8	Did not qualify	Did not qualify	Did not qualify

*A minimum score of 36 points was required to proceed to the interview stage.

**A minimum score of 12 points was required to proceed to the financial stage.

McCormick Rankin Corporation (MRC), a member of MMM Group is the successful proponent under the RFP for owner's engineer services

- MRC achieved a grand total weighted score of 76.1 points.

As only one proponent qualified to proceed to the financial envelope stage, staff reviewed the financial submission to ensure that the per diem rates are reasonable rates for owner's engineer services

- The Board approved a 2011 budget for MRC's owner's engineer contract of \$7,915,478, exclusive of applicable taxes, as shown in the following table.

Service Provider	Budget Estimate
<i>MRC</i>	
Full-time Staff – 16	\$4,251,080
Part-time/Specialists	\$867,033
Disbursements	\$24,000
<i>Sub-Consultants</i>	\$2,773,365
Total	\$7,915,478

- Staff has compared the per diem rates set forth in the proposal to the rates currently being provided by MRC to YRRTC.
- Staff is confident that these per diem rates are reasonable for the services to be provided and that YRRTC will receive good value for money.
- As per the terms of the RFP and as incorporated into the contract, an annual work program is to be developed by the owner's engineer for YRRTC's approval each year, based upon the per diem rates set out in the proposal.

The award of the owner's engineer contract requires Metrolinx's approval

- The vivaNext projects are funded under the Master Agreement with Metrolinx.
- The award by the Board to the successful proponent will be conditional upon Metrolinx's Board's approval. Under Metrolinx's Procurement of Goods Policy, any contracts that exceed \$10 million must secure the approval of the Metrolinx Board prior to award.

Finance

Owner's engineer services are allocated to capital projects under the umbrella of project management costs and are considered eligible costs for funding purposes

- Costs for owner's engineer services in 2012 have been included in the cost build up for preliminary engineering and design/build costs in the draft 2012 Capital Plan and Budget. Future budgets will accommodate the annual cost of these services.
- Owner's engineer services for the vivaNext projects are eligible expenditures under the Master Agreement with Metrolinx.
- Owner's engineer services for the OMSF are eligible expenditures under the federal FLOW funding agreement with the federal government.
- Subject to certain exceptions set out in the RFP, the owner's engineer contract has an upset limit for expenditures to be provided under the contract over 10 years of \$50 million, excluding HST.
- Value for money – Analysis of the per diem rates are reasonable and competitive for the services to be provided and result in an 8.7% cost avoidance.

Conclusion

- The successful delivery of the vivaNext projects depends upon YRRTC and the Region receiving competent owner's engineer services.
- Following a competitive, public request for proposals process, MRC is the successful proponent to provide owner's engineer services to support YRRTC in delivering the vivaNext projects.

For more information on this report, please contact Janis E. Ingram, Senior Counsel, York Region Rapid Transit Corporation at 905-886-6767, Ext. 1045.

Mary-Frances Turner
President

December 16, 2012

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