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CONSULTANT SELECTION FOR ENGINEERING SERVICES FOR THE DETAILED DESIGN OF BATHURST STREET FROM HIGHWAY 7 TO TESTON ROAD CITY OF VAUGHAN AND TOWN OF RICHMOND HILL (REQUEST FOR PROPOSAL P-11-01)

The Transportation Services Committee recommends the adoption of the recommendations contained in the following report dated June 1, 2011, from the Commissioner of Transportation Services.

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize staff to retain the consulting firm Delcan Corporation to undertake the detailed design for road improvements on Bathurst Street (Y.R. 38) from Highway 7 (Y.R. 7) to Teston Road (Y.R. 49), in the City of Vaughan and Town of Richmond Hill, at a cost not to exceed \$1,528,184 excluding HST.
2. The Commissioner of Transportation Services be authorized to execute the agreement, subject to terms and conditions acceptable to the Commissioner of Transportation Services and the Regional Solicitor's approval as to form and content.

2. PURPOSE

This report recommends the award of the consulting assignment for the detailed design for road improvements on Bathurst Street from Highway 7 to Teston Road, in the City of Vaughan and the Town of Richmond Hill.

3. BACKGROUND

The Class Environmental Assessment undertaken for the project confirmed the need to widen Bathurst Street to six lanes including Transit/HOV and bicycle lanes

York Region's Transportation Master Plan identified future road network needs in the area of the Bathurst Street corridor between Highway 7 and Teston Road/Elgin Mills Road. The approved 2011 10-Year Roads Construction Program has scheduled the implementation of improvement works on Bathurst Street to start in 2012.

A Class Environmental Assessment Study (Class EA) for the improvements to Bathurst Street from Highway 7 to Teston Road/Elgin Mills Road was completed in June 2009 and received Environmental Assessment clearance in July 2009.

The proposed road improvements include:

- Upgrade to a six (6)-lane cross section, including Transit/HOV and bicycle lanes.
- Full illumination and sidewalks.
- Enhanced landscaped centre median.
- New storm water systems.
- Culvert replacements.

Property is required in several locations along the planned widening. These areas will be defined during detailed design and York Region staff will work with the affected property owners to secure the required property.

At the completion of the Class Environmental Assessment, a request for proposal for engineering services was issued for the detailed design and contract package preparation

Following the completion of the Class Environmental Assessment in June 2009 the Transportation Services Department followed a three-stage procurement process for the selection of a consulting firm to undertake the detailed design and contract package preparation for the section of Bathurst Street from Highway 7 to Major Mackenzie Drive.

A Request for Pre-Qualifications was issued to invite interested parties to submit their qualifications. Ten engineering consulting firms expressed interest, and their submissions were evaluated and scored based on our standard criteria.

After that a Request for Proposal was issued to the three top scoring consulting engineering firms and proposals were received from all three. The proposals were evaluated using a two envelope system based on a weighting of 80% for the technical component and 20% for the fee component. The fees ranged from \$775,000 to \$1,787,450.

The winning proposal had the highest technical score, the highest upset limit fee and the highest total score.

Regional Council at its meeting on November 19, 2009, did not authorize the award of the consulting assignment and directed staff to re-issue the Request for Proposal and report back to the Transportation Services Committee

On November 19, 2009 Regional Council reviewed the report put forward by the Transportation Services Department (*Consultant Selection for Engineering Services*,

Detailed Design of Bathurst Street, City of Vaughan and Town of Richmond Hill (Clause 5 of Transportation Services Committee Report No. 3) to award the consulting assignment to the winning proponent at a fee of \$1,787,450. Regional Council did not authorize the recommendation to award the consulting assignment and directed staff to re-issue the Request for Proposal and report back to the Transportation Services Committee.

4. ANALYSIS AND OPTIONS

The original Request for Proposal for detailed design of Bathurst Street from Highway 7 to Major Mackenzie Drive was cancelled

The Region cancelled the original Request for Proposal for consulting services for the detailed design of Bathurst Street from Highway 7 to Major Mackenzie Drive and staff set out to understand why there had been a large range in the proposed fees for this assignment.

Discussions were held with the Consulting Engineers of Ontario to determine if there was anything the Region could add to the consultant selection process

The Region held discussions with the Consulting Engineers of Ontario (CEO) to determine where there may be gaps in the current consultant selection process. The discussions revealed that such a range in fees may be the result of insufficient information in the Request for Proposal or lack of clarity on the expectations of the consulting firm.

To complement the procurement process for this project, Commercially Confidential Meetings were introduced to allow the pre-qualified consultants an opportunity to meet individually with Region staff to better define the Request for Proposal and risk allocation

In discussions with the CEO it was jointly determined that the addition of Commercially Confidential Meetings to the procurement process may help provide clarity into the requirements of the project and the expectations of the consultant. Staff elected to use this project as a pilot project for such a process.

These Commercially Confidential Meetings were held during the Request for Proposal stage of the selection process and were introduced to give each proponent an opportunity to meet with staff to discuss any aspect of the project or selection process, one-on-one. The information discussed in the meeting was considered proprietary or confidential in nature, as it relates to the proponent's business, was not to be released to the other proponents. However, any information not considered as such was incorporated into the RFP documents for use by all proponents.

The Commercially Confidential Meetings were overseen by a fairness advisor

To ensure the procurement process was fair to all proponents and to help determine what information could be considered commercially confidential, an independent fairness advisor was also retained by the Region for this project. The fairness advisor was present at all meetings and the proposal evaluation.

This pilot of Commercially Confidential Meetings provided value and will be used selectively on future assignments

The introduction of the Commercially Confidential Meetings into the overall procurement process provided an opportunity for both staff and the proponents to test the process and determine its merits for future projects. Following this pilot application, Regional staff suggest that select RFP processes would benefit from the additional definition/clarity of scope of services that the Commercially Confidential Meetings process can introduce. In general, it was concluded that this process is better suited to projects larger in size with undefined scope and/or complicated in nature.

A new consulting assignment was created with project limits that extended from Highway 7 to Teston Road

Since the Request for Proposal for the consulting assignment was being re-issued and would be delayed, the limits of the project were modified to include the section of Bathurst Street from Major Mackenzie Drive to Teston Road/Elgin Mills Road which is scheduled for construction in 2017 as per the Region's 10-Year Roads Construction Program. The extended limit of the project also corresponds with the limits of the original Environmental Assessment.

The first phase of the procurement process was to issue a Request for Pre-qualification

The Supplies and Services Branch issued a Request for Pre-Qualifications (RFPQ) for Engineering Services No. P-10-112. The request was issued to solicit interest from as broad a market for engineering services as possible. In response to RFPQ P-10-112, fifteen engineering consulting firms expressed interest in this project and submitted their qualifications and proposed team members. These fifteen submissions were evaluated and scored based on our standard criteria, which include:

- Project Manager's experience
- Team completeness and experience with York Region projects
- Industry experience of key project lead members
- York Region needs and team availability

- References
- Added value

The terms of the Request for Proposal were finalized and issued to the three proponents

With the inclusion of comments/advice from the procurement consultant, the Request for Proposal documentation was finalized and Supplies and Services Branch issued Request for Proposal (RFP) No. P-11-01 to the three firms who achieved the highest score under the RFPQ process. The three firms invited to submit a proposal in response to RFP P-11-01 were:

- AECOM Canada Ltd.
- Delcan Corporation
- Stantec Consulting Ltd.

Following our standard practice, only the top three to five scoring firms are invited to submit a proposal because this results in significantly higher quality and completeness of the submissions. Through our ongoing consultation with the Consulting Engineers of Ontario, it has been communicated that top performing firms are reluctant to actively participate in an RFP process when five or more firms are invited. The top firms are less likely to invest substantial effort in the preparation of a proposal because of the increased competition and perceived lower likelihood of success.

The proposals were evaluated using a two-envelope system

The two-envelope system requires the technical proposal and the financial proposal be submitted in two separate envelopes. The proposals were evaluated based on a weighting of 80% for the technical component and 20% for the financial component.

The allocation of 80% for the technical component and 20% for the financial component has been our practice for several years. The reason for this split is to recognize the relative importance to the Region of retaining the best available professional services yet demonstrating fiscal prudence. This attention to fiscal prudence is further demonstrated in our RFP process by the “dollar cost per technical point” methodology, which applies when the total scores of two or more firms are within five points of each other.

The technical proposals were opened first and evaluated using the following criteria:

- Qualifications and experience of the project team, including project manager, technical support staff and sub-consultants.
- Project deliverables, including project plan, schedule and budget control, staff allocation and quality assurance.
- Project implementation, including project understanding, approach and methodology, key project issues, value and innovation of services.

A technical score was then calculated for each proponent.

The financial proposals were then opened and evaluated. A financial score was calculated for each proponent.

The technical score, weighted at 80%, and the financial score, weighted at 20%, were combined for a total score.

The technical and financial scores were combined to achieve a total score

The proponents, their technical scores and proposed upset limit fees are presented in Table 1.

Table 1
Evaluation Summary

Firm	Technical Score (out of 80)	Upset Fee (Excluding taxes)	Financial Score (out of 20)	Total Score (out of 100)	Cost per Technical Point
Delcan Corporation	60	\$1,528,184	18	78	\$25,512
Stantec Consulting Ltd.	57	\$1,600,525	17	74	\$28,277
AECOM Canada Ltd.	48	\$1,355,775	20	68	

The proposal from Delcan Corporation achieved the highest total score in response to RFP P-11-01.

The proposal from Delcan Corporation received the highest technical score, and although it was not the lowest costing proposal, it still received the highest total score. However, since the Total Scores of the two highest scoring firms are within five points of each other, the “dollar cost per technical point” was computed. The proposal from Delcan Corporation received the lowest cost per technical point. Accordingly, their proposal represents the best overall value to the Region.

The fee range for this RFP (\$244,750) was much less than it was for the original RFP done in 2009 (\$1,012,450), it is unlikely that the introduction of the Commercially Confidential Meetings was the sole or most significant factor in determining the outcome of this RFP but it did help to address the Consulting Engineers of Ontario comment that the previous RFP was unclear and created uncertainty for the proponents. The Commercially Confidential Meetings process created an equitable mechanism for all three proponents to seek clarification on the project requirements. The Commercially Confidential Meetings meetings, combined with the refinements made to RFP

documents, and clarifications issued through Addenda and published Questions and Answers, added clarity to the project and reduced overall risk to the Proponent.

In addition to providing clarity of the proposal documents and enhancing the procurement process, there are other significant factors that could affect a proponent's submission and they include:

- Market conditions – responses are affected by the volume of work currently available in the market and the activity level of the proponents teams.
- Capacity of the individual Proponents – independent of the general market activity some proponents may be more (or less) aggressive in pursuing and RFP. The quality and availability of the staff available to prepare the proposal will affect a firm's technical submission and fee estimate.
- Proponent diligence – proponents realise that most of their submissions will be unsuccessful; therefore, some opportunities will be pursued with greater diligence than others. The Region may have benefited from the cancellation of the previous RFP by encouraging the proponents to be more attentive and encouraging them to prepare better submissions.

It is unclear what combination of factors may have resulted in the wide range of fee experienced in the original RFP but it is clear that the Region has benefited from re-issuing the RFP. The overall fee is now less than that proposed in the 2009 RFP for an increased scope of work.

5. FINANCIAL IMPLICATIONS

The Total Upset Limit fee of \$1,528,184 has been approved as part of the 2011 10-Year Roads Construction Program and will be funded at 90% from Development Charges and 10% from Tax Levy

The Total Upset Limit fee for the detailed design is \$1,528,184 excluding HST. The 2011 10-Year Roads Construction Program has sufficient funds to cover anticipated expenditures for this project in 2011 and 2012. This work will be funded at 90% from Development Charges and 10% from Tax Levy.

The upset limit fees include provisional items, such as, review of contractor's submissions, etc. The consultant will only be paid for these items if required and specifically directed by York Region to complete them.

6. LOCAL MUNICIPAL IMPACT

During the detailed design and contract preparation phase adjacent residents, business owners, Town of Richmond Hill staff, City of Vaughan staff and other stakeholders will be consulted to review property requirements, driveway and landscape modifications and other issues

Road improvements to Bathurst Street, from Highway 7 to Teston Road will address transportation servicing deficiencies in York Region, and specifically in the City of Vaughan and the Town of Richmond Hill.

Throughout the course of this assignment, York Region staff will work with staff from the City of Vaughan and Town of Richmond Hill to accommodate local municipal requirements.

7. CONCLUSION

Three consultants' proposals for provision of professional engineering services were evaluated in accordance with Regional policy, by-laws and practices. The proposal submitted by Delcan Corporation represents the best overall value to York Region. It is recommended that a consulting assignment for the detailed design of Bathurst Street, from Highway 7 to Teston Road be awarded to Delcan Corporation as the successful proponent under Request for Proposal P-11-01.

For more information on this report, please contact Paul Jankowski, General Manager of Roads at Ext. 5901.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause are attached to this report.)

REGIONAL CONTEXT MAP

BATHURST STREET ROAD IMPROVEMENTS

HIGHWAY 7 TO TESTON ROAD

LEGEND

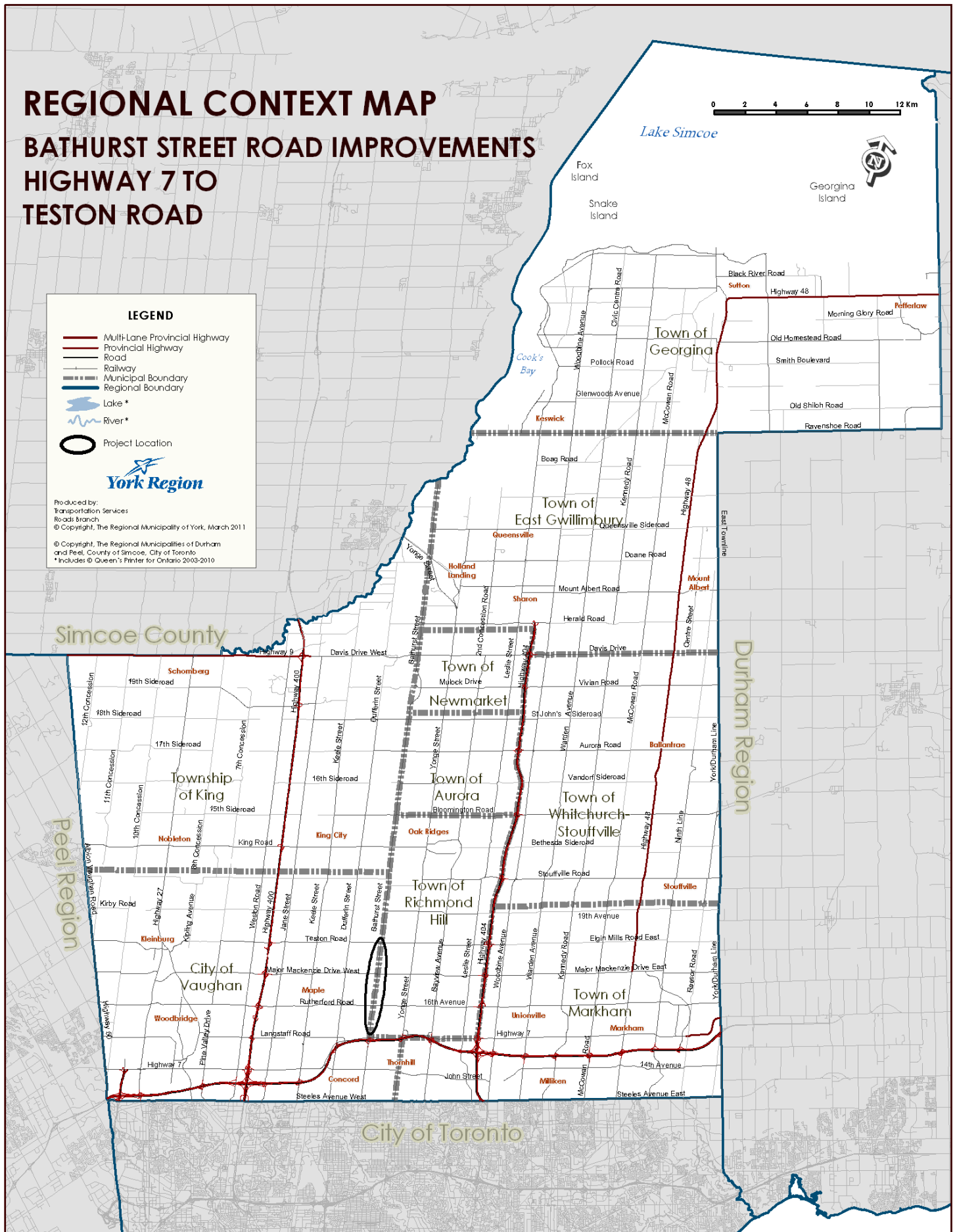
- Multi-Lane Provincial Highway
- Provincial Highway
- Road
- Railway
- Municipal Boundary
- Regional Boundary
- ~ Lake *
- ~ River *

 Project Location



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FILENAME: H:\CDLIBR\Location Maps\YR381813918139 Bathurst P-09-73 Location Map March 2011.mxd

LOCATION PLAN

Project Nos. 8139, 8286 & 8415

Bathurst Street (Y.R. 38) from Highway 7 (Y.R. 7) to Teston Road (Y.R. 49)

City of Vaughan/Town of Richmond Hill

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