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EVALUATING REQUESTS FOR PROPOSALS

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, September 21, 2007, from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that:

1. Regional Council receive this report for information.

2. PURPOSE

The purpose of this report is to report on the results of the implementation of the dollar per technical point proposal evaluation process approved by Council at its meeting of May 2, 2006.

3. BACKGROUND

3.1 Traditional RFP Evaluation Process

At its meeting of May 2, 2006, Council approved an amendment to the Purchasing By-law to allow for the award of consulting contracts in situations where the highest scoring proponent was not the lowest cost. This report outlined the traditional council approved evaluation process followed for the majority of Requests for Proposals

The traditional approach is to make awards to the proponents with the highest overall evaluated score and with the lowest price. The Chief Administrative Officer has the delegated authority to award Requests for Proposals that meet this criteria up to a value of \$500,000.00. If the award is not to the compliant proponent with the lowest cost, the award must be made by Council.

3.2 Additional Amended Approach

It was noted in the report that in a small number of instances better value could have been achieved if the award was based on lowest cost per technical point of compliant proposals that were within 5 overall evaluated points. The amendment provided the Region the ability to apply this additional technique under the conditions mentioned above. This evaluation technique would apply only to proponents who met the minimum technical score required to meet the Region's requirements. This dollar cost per technical point is to ensure the Region maintains a high standard for work done under an RFP yet obtain the best value at the amount proposed.

If a recommendation is made for an award under this evaluation process, the Chief Administrative Officer has the authority to award the Request for Proposal up to \$500,000.00.

4. ANALYSIS AND OPTIONS

During the period from the implementation of this change to the Purchasing By-law from June, 2006 until June, 2007 Supplies and Services has been tracking all awards on Requests for Proposal. This tracking included the savings impact of the application of the evaluation process commented above. Attachment 1 shows that a limited number of Requests for Proposal fell within this new policy with a subsequent savings to the Region.

5. FINANCIAL IMPLICATIONS

For the period covered in the attached analysis there was a saving to the Region in the amount of \$5,057,799.54. Although it cannot be predicted what the future saving would be by applying this amended process, it is anticipated that there will be ongoing savings realized while maintaining a high level of competency with our proponents.

6. LOCAL MUNICIPAL IMPACT

There is no local impact.

7. CONCLUSION

That the Region continues to apply the dollar per point evaluation process as approved by Council on May 2, 2006.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the October 4, 2007 Committee meeting.)