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Item No. 9.1(i)
Halifax Regional Council
September 20, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by Director

SUBMITTED BY:

Amanda Whitewood, Director of Finance and ICT/CFO

DATE: August, 30, 2016

SUBJECT: Supplementary Report - Award of RFP P16-034, Parking Enforcement

SUPPLEMENTARY

INFORMATION REPORT

ORIGIN

The original recommendation to Award RFP P16-034, Parking Enforcement to the highest scoring proponent, G4S.

LEGISLATIVE AUTHORITY

The *HRM Charter*, Section 35(2)(d)(i), states the CAO may “make or authorize expenditures, and enter into contracts on behalf of the Municipality for anything required for the Municipality where the amount of the expenditure is budgeted or within the amount determined by the Council by policy, and may delegate this authority to employees of the Municipality”.

BACKGROUND

In January 2016, the CAO directed staff to issue a new RFP for Parking Enforcement rather than exercise an option to extend the existing contract with ISSA. A new RFP was issued and, on July 19, 2016, staff recommended to Council that it award a contract to the highest-scoring proponent, G4S, for a period of up to five years, at a first year cost of \$840,048 net HST included.

Several Councillors indicated their preference to award the contact to the Commissionaires or to Independent Security Services Atlantic instead of G4S. Council agreed to defer the decision to a future meeting so that staff could provide advice to Council on the procurement process and the risks involved with awarding the contract to a proponent other than G4S.

DISCUSSION

A. Procurement Process

Request for Proposals P16-034, Parking Enforcement was publicly advertised on the Nova Scotia Public Tenders Portal on March 4, 2016 and closed on March 18, 2016. Evaluation of each of the Proposals submitted prior to the closing time and date were evaluated by the following staff:

- David McCusker, Parking Strategy Co-ordinator, Planning and Development
- John Simmons, Urban Forester, Road Operations, TPW
- Inspector Lindsay Hernden, Halifax Regional Police

Although the award of the RFP will result in a contract managed by Municipal Compliance, staff opted to extract themselves from the evaluation to avoid any perception that past performance challenges with the incumbent might lead to perceived bias. The evaluation team, which was facilitated by Procurement, was composed to reflect those departments (excluding Municipal Compliance) who most frequently interact with Parking Enforcement.

B. The RFP and Evaluation Criteria

Recognizing that the RFP last issued in 2013 had a number of addenda, that performance management challenges can be mitigated through a more clear and concise description of the service, duties and responsibilities, and that the expectations of the Municipality had changed since the last solicitation, Municipal Compliance staff and Procurement collaborated on a clearer scope of work which resulted in more service-specific submission requirements and evaluation criteria, and ultimately a more clear and manageable contract. In relation to submission requirements and evaluation criteria, the most notable changes from past Parking Enforcement RFPs were that the general categories of "Understanding of HRM needs" and "Technical Solutions" evaluation categories were instead defined specifically as "General Technical", "Training", "Quality Control" and "Equipment". These changes added clarity to both the submission expectations and the evaluation. Additionally, in response to concerns identified by some Councillors at past meetings of Regional Council, "Fair Wage Considerations" were included in the evaluation of Financial Proposals.

The proposals that complied with the submission requirements at the time of closing were reviewed in the context of Administrative Order #35 Section 8(5) which states:

"An award of a contract based on a Request for Proposal shall be made to the proponent whose proposal is determined to be the most advantageous to the Municipality based upon criteria for evaluation set out in the Request for Proposal and equitably applied to all proposals. As price is only one of the factors taken into consideration in obtaining best value, the contract may not necessarily be awarded to the lowest price proposal."

There is a general expectation that contracts resulting from RFPs will be awarded to the highest scoring proponent; however RFP 16-043 contains wording reserving to HRM the right to reject or accept any proposal in the best interests of the Municipality. Nevertheless, HRM is always obligated to conduct its procurement activities in a fair, open and transparent manner.

C. The Technical Proposal Evaluation

The committee found that, based on their review, three (3) of the proposals submitted were not sufficiently detailed in relation to the scope of work to achieve a passing technical score. The four (4) proposals that were fully scored were all found to be qualified in general terms to provide parking services to the Municipality. As indicated by the technical scores, there were some

definable differences in the proposed services which resulted in the range of scores that were presented to Council.

Out of a maximum of 70 technical points, the Commissionaires received 60.67, G4S received 60.1 and ISSA received 53.84.

D. The Cost Proposal Evaluation

The cost proposals as submitted indicated that each proponent had a different understanding of the hours of work which would be required under the contract, so in order to ensure a fair evaluation, the actual hours of expected work were applied consistently to all proposals to arrive at an annual cost of services.

The RFP provides that that proponent with the lowest cost is to receive 25 points and all other proponents receive a lesser, pro-rated number of points out of 25 as follows:

Max Available Pts. - [Max Available Pts. X (total cost - lowest total cost)/lowest total cost].

Through this process, G4S received 25 points, ISSA received 24.7 points and the Commissionaires received 18.8 points.

E. Total Score

G4S received the highest combined score of 89.21 out of 100; followed by the Commissionaires with 84.47. ISSA received a total combined score of 83.14.

F. Legal Implications

A companion report from Legal Services is provided to Council as an in camera information item.

FINANCIAL IMPLICATIONS

Financial Implications are defined in the original recommendation to Council Dated July 19, 2016

RISK CONSIDERATION

Risks are defined in the original recommendation to Council dated July 19, 2016 and the in-camera information item submitted by Legal Services

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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