RANDLE REEF SEDIMENT REMEDIATION PROJECT
STAGE 1 CONSTRUCTION SERVICES 2

FAIRNESS MONITOR FINAL REPORT

Submission Date:
August 6, 2015

Submitted To:
Director, Fairness Monitoring
Departmental Oversight Branch
Public Works and Government Services Canada

Submitted By:
RFP SOLUTIONS INC.
4043 Carling Ave., Suite 202
Ottawa, Ontario, Canada K2K 2A4
Telephone: (613) 271-6476
Fax: (613) 271-7523
Website: www.RFP SOLUTIONS.ca
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1. INTRODUCTION

The Randle Reef Sedimentation Remediation Project is a multi-stage project with services being procured through up to five publicly tendered processes.

RFP Solutions Inc. was engaged on November 26, 2013 as a Fairness Monitor (FM) to observe all stages of the competitive procurement processes associated with the Randle Reef Sediment Remediation Project. Each competitive procurement process will be subject to individual reporting.

This document reports the observations of the Fairness Monitor to date with respect to the competitive procurement process for Stage 1 Construction Services for Hamilton Harbour, Randle Reef Sediment Remediation, issued by Public Works and Government Services Canada (PWGSC) on behalf of Environment Canada as a result of Solicitation Number EQ754-152367/A. It also documents the observations of the Fairness Monitor with respect to the Industry Consultation process [Solicitation Number EQ754-140002/A] undertaken as a follow-up to the conclusion of the competitive procurement process for Stage 1 Construction Services for Hamilton Harbour, Randle Reef Sediment Remediation, issued by Public Works and Government Services Canada (PWGSC) on behalf of Environment Canada (Solicitation Number EQ754-141728/A); this invitation to tender was issued February 14, 2014 with a closing of April 15, 2014, but was cancelled and superseded by Solicitation Number EQ754-152367/A.

RFP Solutions Inc. is an independent third party with respect to this activity.

We hereby submit the Invitation to Tender (ITT) Final Report, covering the activities of the Fairness Monitor, commencing with the draft Tender prior to posting on the Government Electronic Tendering System (BuyandSell.gc.ca), continuing through the response to enquiries from potential bidders leading to the tender closing period and the subsequent evaluation and selection of the highest ranked proponent to be recommended for contract award.

The report includes our attestation of assurance, a summary of the scope and objectives of our assignment, the methodologies applied and relevant observations from the activities undertaken.
2. **PROJECT REQUIREMENT**

The Randle Reef Sediment Remediation Project is a multi-stage project to dredge and contain 630,000 m³ of contaminated sediment to reduce the environmental impacts of contaminants including polycyclic aromatic hydrocarbons (PAHs) and heavy metals in Hamilton Harbour. The project will lead to the restoration and eventual delisting of the Hamilton Harbour as an Area of Concern.

Environment Canada (EC) is the lead agency for the funding partners involved in the project. The funding partners include the Ontario Ministry of the Environment, Hamilton Port Authority, U.S Steel, City of Hamilton, City of Burlington and Region of Halton. EC has contracted PWGSC to carry out the procurement and project management for the remediation.

The project will be completed in three distinct stages:

- **Stage 1** - Construction of a marine double wall Engineered Containment Facility (ECF) enclosure and a wharf at Pier 15. This includes dredging of contaminated sediments from between the walls and backfilling with clean rock fill.
- **Stage 2** - Dredging of contaminated sediments and depositing them within the ECF up to water level. Other remediation areas will be capped using both thin layer capping and isolation capping techniques.
- **Stage 3** - ECF sediment dewatering, capping above water level and consolidating of contaminated sediments within the ECF structure with engineered materials (stone, sand, geotextiles, geomembranes, pipes, asphalt etc.).

Project services are being procured through up to five publicly tendered processes:

- **Stage 1 Construction Engineering Services (Construction Supervisor)**;
- **Stage 1 Randle Reef Sediment Remediation (Construction Services)**;
- **Stage 2 and 3 Construction Engineering Services (Construction Supervisor)**;
- **Stage 2 Randle Reef Sediment Remediation (Dredging and Capping Services)**;
- **Stage 3 Randle Reef Sediment Remediation (Dewatering, Capping and Containment Services)**.
3. ATTESTATION OF ASSURANCE

The FM hereby provides the following unqualified assurance statement concerning the Randle Reef Sediment Remediation Project.

It is our professional opinion that the **Stage 1 Construction Services – Invitation to Tender Process** we have observed has been carried out in a fair, open and transparent manner.

Managing Director, **RFP SOLUTIONS INC.**       Fairness Monitor Team Leader

Steve Johnson
Fairness Monitor Specialist
4. Methodology

In accordance with the terms of our engagement, we familiarized ourselves with the relevant documents, observed the pre-bid solicitation and bid solicitation activities identifying fairness-related matters to the Contracting Authority and ensuring that responses and actions were reasonable and appropriate. Section 5 of this report summarizes the specific activities and observations of the Fairness Monitor with respect to those activities.
5. FM ACTIVITIES AND OBSERVATIONS

5.1) INDUSTRY ENGAGEMENT STAGE

The FM Contractor was engaged to begin FM activities prior to the beginning of the industry consultations. The FM activities were as follows:

- Reviewed background and written materials, including what was provided to participants in advance of the industry consultations (i.e. posted LOI notice letter and attachments to solicitation # EQ754-140002/A including Industry Engagement Rules, Workshop Registration Form, and extensive technical reference material (46 documents) to inform the Randle Reef Sediment Remediation Scope and Technical Components discussion [LOI attachments ABES.PROD.PW_PW.L003.E1926.ATTA001 – ATTA046]);
- Reviewed the Industry Day Engagement Workshop presentation deck;
- Discussed the process beforehand with the Contracting Authority to address and/or avoid any potential fairness concerns which could arise;
- Observation of the Industry Day Engagement Workshop Open Forum session;
- Attendance and observation of all of the 20 follow-on One-on-One consultation sessions;
- Reviewed material provided during or after their session by One-on-One consultation participants (e.g. background technical and corporate information and a copy of consultation presentation material).

One-on-One consultation sessions were held on August 7th – 15th, 2014:

Three One-on-One consultation sessions were held by phone (although four were originally scheduled). One session was not completed, as the participant was not available.

Seventeen One-on-One consultation sessions were held in person; some included additional participants who attended by phone.

Observations

In observing the Industry Consultation process, the Fairness Monitor did not observe any fairness issues.

The use of a third party, acting as Facilitator during the industry consultations, contributed to the fairness, openness and transparency of the process.

5.2) PROCUREMENT PLANNING/PRE-ISSUE STAGE

A review of the draft and final ITT documentation was conducted by the FM. This included a review of the:
- Instructions to Bidders;
- Combined Price Form; and
- Qualification Forms.
We provided assurance as to the impartiality of the Requirements, the objectivity of evaluation criteria and process; and the clarity of the documentation to support understandability by bidders in preparing their Proposals, as well as to mitigate the potential for inconsistency or errors in the eventual application of evaluation criteria by the Evaluation Committee.

**Observations**

In reviewing the draft ITT documentation, no fairness considerations were identified by the Fairness Monitor.

### 5.3) ITT POSTING

The ITT (dated May 6, 2015) was issued to potential bidders via BuyandSell.gc.ca on May 7, 2015; the final closing date was on June 16, 2015 at 2:00 pm Eastern Daylight Time.

An optional site visit for potential bidders was conducted by the Contracting Authority on May 27, 2015 at 10:00 am at the site located at Hamilton Harbour, West side of Pier 15, Hamilton, Ontario. Prior to the site visit, the FM reviewed the protocol for the visit with the Contracting Authority. The protocol stipulated that the visit was to provide potential bidders with the opportunity to view and assess aspects of the work that cannot be adequately described in the tender documents; however, it was not intended to be a question and answer period. If questions or clarification were raised, the potential bidders were to be instructed to submit all questions or clarification in writing to the Contracting Authority. Responses to questions or clarifications would then be issued as formal amendments as appropriate, as well as any resulting changes to the tender requirements. A total of 23 firms participated in the optional site visit.

The FM was present during the site visit to ensure it was conducted in a fair and impartial manner.

A total of 34 questions were received; responses to the questions were provided to all potential proponents as amendments via the Government Electronic Tendering System. A total of five revisions to the terms and conditions of the solicitation were issued as amendments via the Government Electronic Tendering System, including an extension of the original closing date to June 25, 2015. Each question and revision was reviewed by the Fairness Monitor beforehand.

**Observations**

In terms of the optional site visit, it was carried at in accordance with the protocol and no fairness issues were observed.

In regard to the other activities monitored during the posting period, no fairness issues were identified.
5.4) **ITT CLOSE**

The Fairness Monitor discussed the manner in which the proposal responses to the ITT were received and handled with the Contracting Authority.

Five bids were received and handled in accordance with the closing requirements and deadline stated in the ITT.

*Observations*

No fairness issues were observed with respect to the receipt and handling of bids.

5.5) **EVALUATION INSTRUCTIONS**

Prior to bid evaluations, the Fairness Monitor reviewed the evaluation methodology and provided assurance as to the impartiality of methodology.

*Observations*

No fairness issues were observed as a result of the FM’s review of the evaluation methodology.

5.6) **MANDATORY REVIEW**

Following tender closing, a review of the mandatory submission requirements, including qualification and certification requirements, was undertaken by PWGSC Contracting and Project Authorities of the five bids received. All five bids were deemed to be responsive to these requirements as stated in the ITT. The FM independently confirmed this result by reviewing the appropriate sections of each tender and the PWGSC summary of the results.

All five bidders were then invited to a public opening of the price envelopes.

*Observation*

Based on the Fairness Monitor’s review of the results of the assessment of bidders’ compliance with the mandatory submission and qualification requirements, the FM observed no fairness considerations.

5.7) **PRICE EVALUATION AND BIDDER SELECTION**

The basis for award of the ITT is to the bidder submitting a responsive bid with the lowest price.

In accordance with the ITT, a total bid amount was provided by the bidders. The total bid amount was composed of a lump sum amount for the work plus an extended amount for unit prices not included in the lump sum amount. The price envelopes from each responsive bidder were opened publically on July 7, 2015. The Fairness Monitor observed the opening of the price envelopes.
Following the opening of the price envelopes, the Contracting Authority verified the prices and identified the lowest bidder. The Fairness Monitor independently verified the prices and confirmed these prices, including that of the lowest bidder.

**Observation**

The selection of the bidder recommended for award was consistent with the scope and methodology of the ITT.
6. Reference Documents

The following documents are referenced by number in this report and unless otherwise indicated, are available through PWGSC.

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<tr>
<th>#</th>
<th>Document</th>
<th>Issue Date</th>
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<tr>
<td>1</td>
<td>LOI Notice EQ754-140002/A – Industry Engagement</td>
<td>June 20, 2014</td>
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<td>2</td>
<td>Update on Randle Reef Sediment Remediation Project</td>
<td>February 16, 2016</td>
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<td>3</td>
<td>Invitation to Tender - Hamilton, ON - Sediment Remediation (EQ754-152367/A)</td>
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<td>4</td>
<td>Solicitation Amendment No. 001 - Hamilton, ON - Sediment Remediation</td>
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<td>5</td>
<td>Solicitation Amendment No. 002 - Hamilton, ON - Sediment Remediation</td>
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<td>6</td>
<td>Solicitation Amendment No. 003 - Hamilton, ON - Sediment Remedation</td>
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<td>Solicitation Amendment No. 004 - Hamilton, ON - Sediment Remedation</td>
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<td>Solicitation Amendment No. 008 - Hamilton, ON - Sediment Remedation</td>
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<td>Solicitation Amendment No. 009 - Hamilton, ON - Sediment Remedation</td>
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ADDENDUM TO THE FINAL REPORT

September 1, 2015

Addendum to the Fairness Monitor Final Report dated August 6, 2015 pertaining to the competitive procurement process for Stage 1 Construction Services for Hamilton Harbour, Randle Reef Sediment Remediation, issued by Public Works and Government Services Canada (PWGSC) on behalf of Environment Canada as a result of Solicitation Number EQ754-152367/A.

This Addendum to the Fairness Monitor Final Report covers the period following the conclusion of the evaluation phase and includes contract award and an allowance of time during which proponents could pose questions or request a debriefing. There were five bids received by PWGSC in response to this Invitation to Tender. All five bids met the mandatory requirements and all five bidders were invited to a public opening of the price envelopes. The successful bidder was notified of contract award on July 16, 2015 by e-mail and facsimile. The contract award notice was posted on BuyandSell.ca on July 17, 2015. All unsuccessful bidders were subsequently advised by e-mail on July 17, 2015 that their proposals were not accepted for contract award and that they were entitled to a debriefing. Their bid securities were also returned on that day.

There have been no requests for debriefing.

Attestation of Assurance

The FM hereby provides the following unqualified assurance statement concerning the competitive procurement process for Stage 1 Construction Services for Hamilton Harbour, Randle Reef Sediment Remediation.

It is our professional opinion that the Stage 1 Construction Services for Hamilton Harbour, Randle Reef Sediment Remediation solicitation process we observed, was carried out in a fair, open and transparent manner.

__________________________________________
Managing Director, RFP SOLUTIONS INC.       Fairness Monitor Team Leader

__________________________________________
Steve Johnson
Fairness Monitor Specialist