

MTO's Plan to Pause the use of Corporate Performance Rating (CPR) for Bid Evaluation of Engineering Services

Contract Management Office

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TIMD
Transportation Infrastructure
Management Division

Purpose & Overview

Primary Purpose of this slide deck: to introduce MTO's plan for taking a CPR 'pause' in bid evaluation, and to seek stakeholder feedback.

Overview:

1. Background
2. Outline the reasons for a CPR pause in bid evaluation
3. Describe the three main components of the plan:
 - a. Identifying a minimum CPR to be eligible to bid
 - b. Removing CPR from bid evaluation, resulting in new RFP and RFQ models
 - c. Performing a CPR 'reset'
4. Outline implementation steps and timing

1. Background

- **Goals of the CPR 'Pause':**
 - Maintain a requirement for satisfactory consultant performance (outside the bid evaluation)
 - Maintain importance of high-quality proposals
 - Continue to ensure value for money
 - Have CPRs that are meaningful and based on more objective assessments
- **'Pause'** describes discontinuing the use of CPR in bid evaluation for a period of time.
- During the 'pause'
 - MTO and Stakeholders will make improvements to the CPR system, with a possible re-initiation of CPR at a later date
 - MTO will evaluate and award contracts based on technical score and price (RFP) or price only (RFQ)

2. Reasons for CPR 'Pause'

- Currently, the CPRs do not effectively distinguish between excellent and poor performance as intended (CPRs are very tightly distributed around the average)
- Together, MTO and the consulting industry have been working to take action and improve the system, with
 - Implementing a new Streamlined Engineering appraisal
 - Implementing a new Construction Contract Administration appraisal
- It's MTO's intent to 'pause' the use of CPR in RFP and RFQ bid evaluation, with the consideration to reinstate it once the CPR system is improved and more reflective of performance.
- A 'pause' will allow the ministry to transition to a new working system with:
 - Improved appraisal completion rates in line with OAGO recommendation
 - Increased objectivity in appraisal scores
 - Reset of CPRs

3. Components of CPR 'Pause'

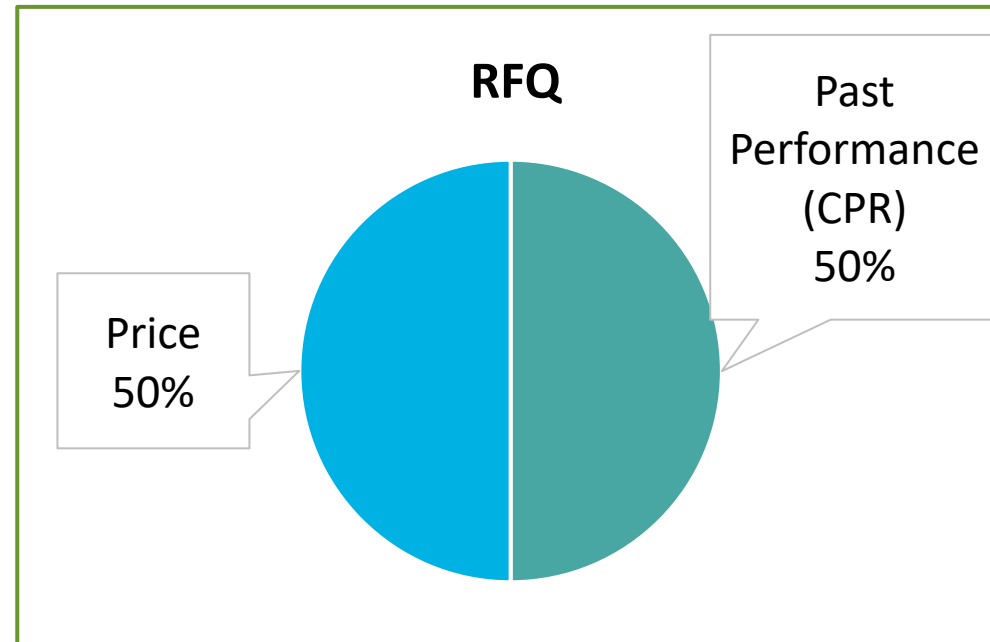
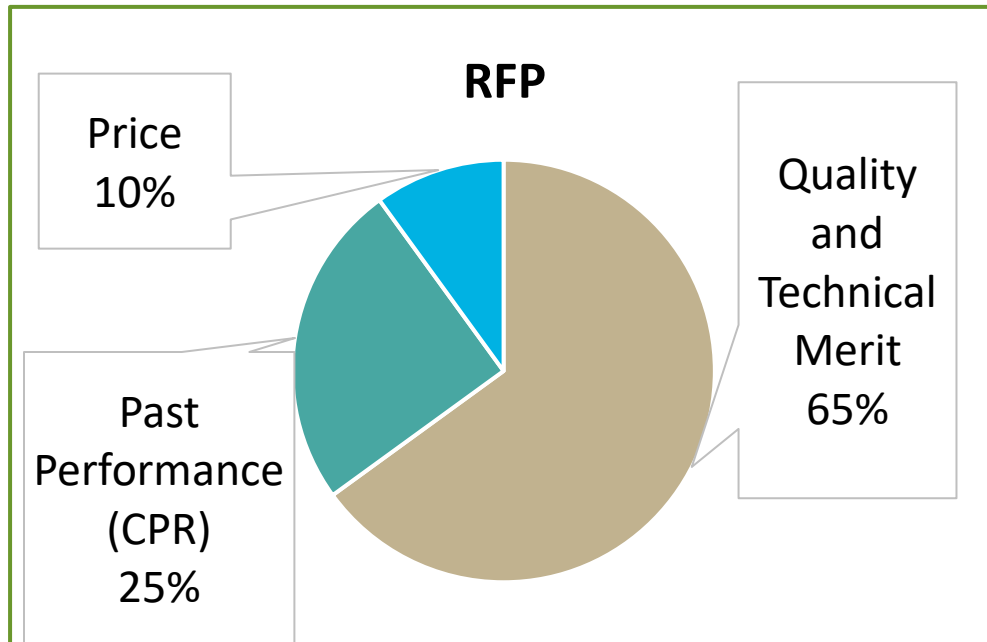
There are three main components of the plan:

1. Remove CPR from bid evaluation, resulting in new RFP and RFQ evaluation models
2. Identify a minimum CPR to be eligible to bid
3. Perform or allow a CPR 'reset'

MTO is seeking feedback on all three components.

Current Bid Evaluation Models

- The ministry uses Requests for Proposals (RFPs) and Request for Quotations (RFQs) to procure Engineering Services.



- Assigning weightings to these criteria allows the ministry to select the highest quality proposal while evaluating price and past performance.

New Bid Evaluation models

The new Bid Evaluation models include removal of the CPR from the weighted evaluation for RFQ and RFPs and distribute the weight previously assigned to the other components.

It is important to note that while the performance is removed from the weighted evaluation, Performance continues to be considered in the minimum CPR requirement.

Various analysis of data were conducted to assist in determining the proposed new models.

MTO is seeking feedback on the proposed models.

Minimum CPR to bid

Purpose: to maintain a requirement for satisfactory consultant performance, and to prevent firms with **below satisfactory CPRs** from bidding.

Background Information:

Appraisal Definitions

- 5.0 Outstanding
- 4.0 Commendable
- 3.0 Satisfactory
- 2.0 Needs Improvement**
- 1.0 Not Satisfactory**

October 1, 2022 Starter CPR Scores

Performance Program	Starter CPR
Engineering	4.09
Contract Administration	4.30
Engineering Materials Testing	3.84
Planning	4.33
Small Value Assignment	3.0

Minimum CPR to bid

Purpose: to maintain a requirement for satisfactory consultant performance, and to prevent firms with **below satisfactory CPRs** from bidding.

MTO proposes that the minimum CPR to bid, on all RAQS work categories be set to **2.5**

- firms' CPR must be greater than or equal to 2.5 to bid

MTO proposes that a firm with CPR below 2.5

- must attend Qualification Committee to present improvement plan on how the firm will improve their performance going forward

Proposed RFQ Evaluation Model

MTO proposes that the **RFQ** evaluation now be based 100% on price

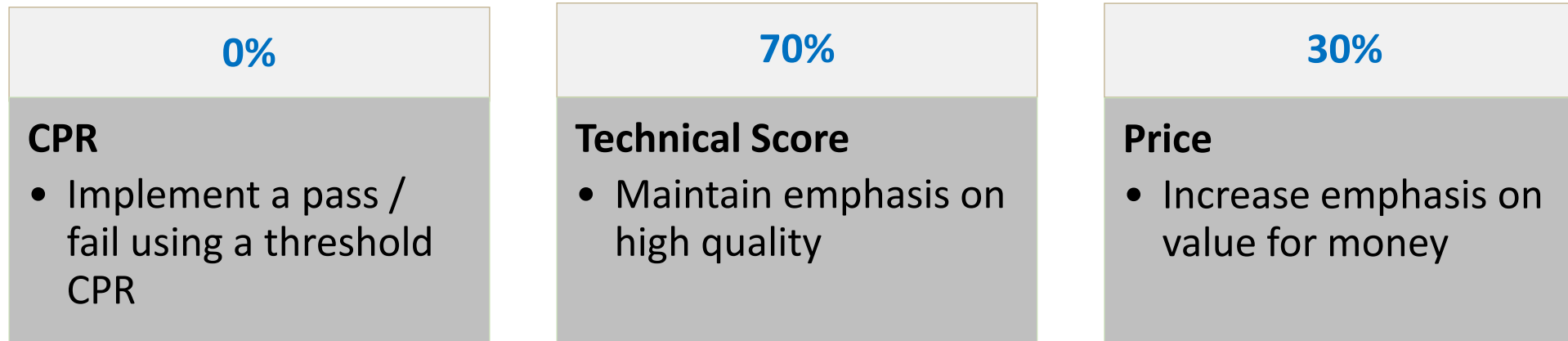
- MTO reviewed a data set of 175 RFQ contracts awarded since 2019
- The current RFQ evaluation model (50% price and 50% CPR) resulted in:
 - 155 assignments (i.e., 89%) were won by lowest price
 - In the remaining 11% of the awards, a minimal price increase resulted

Proposed RFP Evaluation Model

- In an effort to understand the potential impacts of various evaluation weightings, MTO reviewed a data set that included 100 RFP contracts awarded since 2019, worth \$184M
- The various bid evaluation models were reviewed (% Price / % Technical Score)
- It is noted that this type of review, only provides a sense of the impacts. Bid strategies would likely differ when the evaluation model differs.

Proposed RFP Evaluation Model cont'd

MTO proposes that the **RFP** evaluation now be based on:



- This model maintains a high weighting for quality / technical score and ensures value for money and is comparable to other North American transportation jurisdictions

Perform a CPR 'reset'

Purpose: to reset all firms' CPRs

Options for the 'reset' of CPR

1. Statistically applied 'reset' (set the Starter CPR to 3.0 and reset each firms' CPR to maintain position relative to the starter.
2. 'Naturally' applied reset (over time while appraisal improvements are implemented)
3. Other options, open for consideration

MTO proposes that the timing of the 'reset' be subsequent to:

- Implementation of new Engineering streamlined and CA appraisals
- efforts by MTO staff to increase appraisal completion rates
- Allow adequate time to naturalize (2-3 years)

MTO is seeking feedback on how the reset could be completed

4. Implementation Plan

Implementation of the CPR pause depends on:

- Stakeholder consultation and review of feedback
- Staff readiness for new RAQS bid evaluation processes

Once the **effective date** is set:

- All Engineering Services assignments advertised will be evaluated without CPR
- Only firms that exceed the minimum CPR can bid

Monitoring by MTO

- MTO will monitor results of the CPR pause, CPR reset, appraisal completion rates
- Consider the reinstatement of the CPR in bid evaluation

Thank You