

The Value-driven Procurement Process

Request for Qualifications and Request for Proposals

Dawson City and the Government of Yukon are using a two-step, value-driven process to procure the design and construction of a new mechanical wastewater plant. This is different from a conventional price-driven design, tender and construct procurement process where generally the lowest qualified bidder is awarded the project.

By employing this two-step process, Dawson City and Government of Yukon hope to encourage a fair and open competition to determine if a financially sustainable mechanical wastewater treatment facility can be designed and built to meet the needs of the Community.

- This process is not overly common in the Yukon but it is often used on a wide variety of small to large projects outside of the Territory.
- This overall process is based on Best Practices from the National Guide to Sustainable Municipal Infrastructure <http://sustainablecommunities.fcm.ca/infraguide/>

Step 1 - Request for Qualifications Process (RFQ)

- Allows for fair competition between a wide range of proponents.
- Allows for more detailed and careful screening of project proponents.
- Allows government to short-list proponents with proven experience, specialized knowledge, and qualifications before soliciting specific project plans.
- Takes advantage of proponent expertise and innovation by outlining a problem and asking for a solution rather than outlining a solution and asking for a plan and costs.
- Reduces list of candidates to qualified participants only creating a competition where higher tender preparation costs are more acceptable.

Step 2 – Request for Proposals Process (RFP)

- Asks successful RFQ proponents to submit the proposed project information in a two envelope system including:
 - Envelope 1
 - Detailed Design
 - O&M Costs
 - Materials
 - Timeline
 - Team members
 - Permitting requirements
 - Quality assurance program
 - Safety and environmental program
 - and warranty considerations.
 - Envelope 2
 - Commercial terms and capital cost information

- Successful RFQ proponents submit the capital costs in a separate envelope which may be opened only after the evaluation of the envelope 1 items is complete. A minimum requirement based upon technical merit is detailed in the RFP. If that minimum requirement is not met, the capital cost envelope is not opened and is returned to the proponent. This is to ensure that only projects with acceptable technical merit are considered.
- Proponents who meet the minimum requirement for technical merit get points for their capital cost. The lowest capital cost receives full points and the remainder are allocated pro-rated points. The points are added to the total for the envelope 1 portion of the proposal and the proponent with the highest points is considered to be the successful proponent for the award of the contract. Final award of the project may also be contingent on sufficient budgeting funds being available.

Evaluation Process

- Proponents submit proposals with personal and business information in strict confidence with the proposal evaluation team. During the evaluation period, it is imperative that the confidentiality of the proposals is maintained in order to protect the procurement process and any proprietary information.
- The evaluation criteria, the minimum requirement for technical merit, the points assigned and formulae for calculating points for capital costs are detailed in the RFP so that the proponents are fully aware in advance as to how they will be evaluated.
- The evaluation team follows the detailed evaluation process and assigns a rating to each criterion. The score is then combined with the other evaluators' and a final point amount is established.