



Dec 12 2015

Ms. Linda Rowe
Deputy City Clerk
City Clerk's Office
City of London

Subject: G-Tel Engineering's Appeal to the Corporate Services Committee in the matter of the disqualification of the RFP submission for Locate Services – RFP 15-59

Dear Ms. Rowe:

Enclosed please find our appeal documentation including our original submission date Nov 30th submitted to the Director of Procurement and all relevant exhibits.

We appreciate the opportunity that the City has provided G-Tel in order to lodge our appeal as we believe it to be in the best interests of the City and G-Tel Engineering.

Regards,

David N Watson
Vice President and General Manager
G-Tel Engineering Inc.



G-Tel Engineering's Appeal to the Corporate Services Committee in the matter of the disqualification of G-Tel's RFP submission for Locate Services RFP 15-59

Background Information:

G-Tel Engineering established a business presence in the City of London in 2000, with four [4] employees engaged in providing telecom design services to Bell Canada. G-Tel migrated its headquarters and operations center to the City in 2008 and at that time was awarded the City's contract for underground utility locate services. G-Tel has maintained the locate contract with the City of London for 8 years and over that time span, has we submit, provided the City with the most competitive pricing and the optimum level of quality service.

G-Tel currently employees eighty-three [83] employees out of its London headquarters on Frances Street in the City's Western Fair business district and is currently actively engaged in procuring expanded real estate facilities that would provide for current and planned growth. In so doing, G-Tel has been an active contributor to the economic development of the City.

G-Tel has worked with the City over our eight [8] year tenure as the locate service provider of choice to ensure that the best interests of the City were upheld and we provided support and guidance in to ways and means of improving the locate delivery process to ensure optimum price/performance. With our current submission, G-Tel provided a non-conforming offer to spread our pricing increase over the three [3] year term – rather than supplying just one price that would stand for all three [3] years as the contract requested, as this provided better value and cost management to the City.

Salient Points of our Appeal

1] G-Tel's RFP submission included an executive summary that provided G-Tel's commitment and assurance that we agreed to all terms and conditions as set out in the RFP documentation and all related documentation, including the addenda provided. This summary is available in our RFP submission and a copy of the document is enclosed and identified herein, as appendix 1.

2] It is our contention that the City's market evaluation of proponent submissions was clearly defined as an RFP – a request for proposal and not a tender and by definition this provides latitude to the party requesting the proposals to develop the final solution that meets its specific requirements and is amenable to both parties.

It would seem to be counter intuitive to a process intent on securing the best value and service to exclude qualified proponents for a technicality that in no way impeded their ability to deliver the services and do so under the prices submitted. Is the City's interest best served by an outright rejection on this basis?



As detailed in our original appeal, the addendum in question provided no inherent benefit to G-Tel as the incumbent, that would in any way have altered or our service delivery and pricing submission. It remains our contention that the merits of our proposal should be at least compared to those of other proponents who the City deems have the requisite qualifications for consideration.

We do not seek any special dispensation, favour or treatment, but simply put forward that we met the obligations and that our submission should be considered on its merits, as this will be in the best interests of the City of London and the citizens that it serves.

3] It is our contention that the City's procurement process has evolved and embraced current technology and that the City opted to disseminate this RFP documentation and addenda through the Biddingo web based application. This contract management facility provides positive response and therefore confirms that contract documentation and most specifically, in this instance, all addendum relevant to the RFP for Locate Services, were delivered to all proponents who partook of this opportunity including G-Tel Engineering.

This fact is irrefutable and can be confirmed by Biddingo's records of document delivery to G-Tel engineering. Therefore, we did receive all RFP related documentation, included said information in our RFP proposal and attested to that fact in our Executive summary.

In Summary

G-Tel Engineering has provided the City of London with unparalleled underground utility locate services at the most competitive pricing in the market place consistently for the last eight [8] years. If through the RFP market evaluation, we were displaced by a proponent that offered a better value proposition – price and/or quality of service, we would be gravely disappointed as we cherish the opportunity to serve the City where we live and work. However, we reside in the competitive world of contract submission and contract award and despite our rather stellar record, we have to steel ourselves to the fact that we won't always be successful with our submissions.

However, what we request is that we and all proponents are treated fairly and equitably and that none or disqualified for a minor technicality that in no way impairs their ability to meet the contractual obligations and expectations of the customer at the price that has been put forwarded.

It is our contention that we met the spirit of the requirements of this RFP and that our executive summary clearly identified that we are intent in honouring the terms and conditions as set out by the contract and all addenda issued thereafter.

We respectfully request your consideration of our appeal on its merits and in its intent to ensure that the best interests of the City of London and its Citizens, at the end of the day are served.



Appendix 1.0 - Executive Summary Excerpt from G-Tel's Original RFP Submission

1.0 Executive Summary

G-Tel Engineering is pleased to submit a comprehensive response to The City of London's invitation to tender for Locate Services. G-Tel has been a leading supplier of contracted locate services to the utility industry since 2002. Our major customer base has evolved considerably over the subsequent years commencing with Union Gas Limited in 2002, Bell Canada in 2004, the City of London in 2008, London Hydro in 2008, Westario Power in 2009, and City of Brantford, Brantford Power, and Cogeco in 2013. G-Tel has a demonstrated track record for consistently providing excellent value added services to its' Customers and customizing those services to meet their specific needs.

This invitation to tender provides G-Tel with an opportunity to extend our customer supplier relationship with The City of London and continue to provide locate services that encompass quality workmanship, timeliness of delivery and a competitive price.

Demonstrated Performance

G-Tel Engineering successfully deployed a Quality Management System in 2004 that is integral to the operation of all of our lines of business. For the locate services division, our QMS was the first to be approved by Union Gas and remains a model for locate services providers across Ontario. As part of G-Tel's QMS; performance is monitored and continuous improvement is our objective. Our QMS and EH&S policy and programs are subjected to rigorous audits by industry recognized Quality Auditors that complement our own due diligence and annual internal audit reviews.

G-Tel's Key Performance Indicators represent the target performance objectives for meeting or exceeding our Customer's locate service deliverables. As such, G-Tel has consistently shown improvement in all objectives as detailed in the tender submission. We would like to take the opportunity to identify that our commitment to continuous improvement has been perhaps best demonstrated by our dramatic reduction in plant damages due to inaccurate locates. While our results to date have been industry leading, our efforts in 2013 reflect unprecedented yr/yr improvement by over 30%.

Quality Assurance

Section 8.0 of G-Tel's Quality Management System identifies our Quality Audit Program that has been very successful in continually improving the quality of our service delivery. In 2015 G-Tel augmented its' damage prevention/quality assurance team with the addition of a 4 full-time QA Coordinators. This was essential to ensure consistent high Quality of Service [QoS] standards within our existing and new Customer base. Through effective quality measurement, analysis, corrective measures and training continuous improvement becomes a viable opportunity.



G-Tel has developed and maintains a comprehensive Quality Management System that is reviewed annually by Gas Customer's Quality Assurance audit, an internationally recognized third party QA/QMS auditor - QMI Consultants on behalf of the LAC - Locate Alliance Consortium and by ISNetworld - a US-based certificate of recognition [COR] provider that supports due diligence by Utility customers who engage contract firms and want to ensure that they continuously comply with all statutory and regulatory requirements and operate their business in a manner consistent with optimum governance and oversight.

G-Tel's Quality Management System [QMS] and Environment, Health and Safety [EH&S] programs are, we submit, the benchmark in our industry and govern all aspects of our business operations. These programs support the successful delivery of quality of workmanship as detailed in our performance metrics over the course of the current contract term. We are particularly proud of our damage prevention results that have demonstrated continuous improvement year/year and demonstrate our commitment to the protection of the integrity of our Customer's plant and public safety.

At G-Tel our business success has been and continues to be predicated on our commitment to the health and safety of our employees and the quality of our workmanship with specific reference to our relentless pursuit of zero at fault plant damages due to inaccurate locates. With over 250 technicians engaged in the provisioning of utility locate and pipeline integrity – leak and cathodic/corrosion detection services, employee safety requires the focus and attention of our entire team and our results reflect that commitment. Last year's WSIB Workwell Audit results [100%] and our solid B ISNetworld rating reflect our relentless pursuit of zero lost time injuries and accidents. IHSA has recently presented G-Tel with the President's Award for no lost time injuries in over 1,500,000 hours worked.

G-Tel continues to investigate and implement new technologies and out of the box processes or solutions to enhance our ability to provide optimum price/performance through continuous improvement of locator productivity, the reduction of locate completion cycle times, the enhancement in quality of service and the reduction of plant damages due to inaccurate locates.

G-Tel has reviewed all the contract documentation and intends to accept its terms and conditions not withstanding any amendments that may be incorporated based upon our non-conforming recommendations. In summary, G-Tel has over the course of the last 5 years, developed what we believe to be an excellent customer-supplier relationship with The City of London. G-Tel has played an integral role in supporting The City of London initiatives to improve process and exploit technology with the intent of enhancing locate service delivery. We look forward to continuing to develop and expand our relationship with The City of London through this RFP opportunity.

In support of The City of London's commitment to manage costs, G-Tel has limited our pricing increase to the minimum. In an effort to provide additional assistance in managing the cost of locate services pricing G-Tel is willing to offer a 3 year price proposal that includes an increase on existing pricing to 7.5% in year one, and 2.5% increase for year 2 and 3 instead of the standard pricing requested within this tender.



Appendix 2.0 - Original Appeal Documentation – Nov 30 2015

Nov 30 2015

Manager Procurement
City of London

Subject: Formal Appeal of the Decision to Disqualify the G-Tel Submission for the City of London's RFP for Underground Utility Locates

Dear Sir:

To suggest that we were gravely disappointed upon receiving the news that we had been disqualified from consideration for the RFP for Underground locates for the City of London, is an understatement.

G-Tel has been the incumbent locate service provider to the City since 2008 and our performance, we submit has been exemplary over the years to the degree that we have collaborated with the City to improve the service, improve the process and in so doing, ensure the integrity of the City's vital underground infrastructure and commitment to public safety.

We recognize that we did not include the second addendum in our formal RFP response and this was an administrative error tied to an errant email notification that was not identified and then included in our RFP submission response.

It is our contention however, that the addendum in question may have provided some clarification to prospective proponents who were intent on submitting their proposals to the City for consideration, but it provided no intrinsic value to G-Tel, the incumbent, as all the questions and responses were clearly submitted by those who do not have a working knowledge of the City's standard operating procedures. Clarity for the proponents is clearly necessary to ensure compliance so the City can secure competitive and qualifying submissions when they go to market.

In many cases, G-Tel has worked with the City to refine the process that resulted in the specific responses to the proponent's questions and our submission, the qualification narrative and the pricing are not impacted by any of the responses in the addendum.

While we take full accountability for the clerical oversight, we do not believe that it is in the City's best interest, or in the best interest of the Public whom we both ultimately serve, to disqualify our submission on these grounds. If our proposal provides the best price and the optimum level of service then one would conclude that the City and the citizens of London would not be well served if an alternative proponent was selected whose prices were higher and quality of service did not meet the City's expectations and contractual requirements.



If however, an alternative and qualified proponent has submitted a more competitive price then the process will have worked as it was intended and the City and the public's best interests will have ultimately been served.

We recognize the absolute necessity of maintaining transparency with a process that must meet the highest standards of business ethics and we would not ask the City to compromise its commitment to fair and honest business practices. However, in this instance, we do not believe that affording us an opportunity to qualify given our long standing tenure as a valued service provider to the City, would breach this protocol.

So we respectfully request that under these circumstances, that you consider our appeal for qualifying our submission on its merits – on its pricing and our demonstrated expertise and qualifications to successfully undertake this important service – to protect the underground assets of the City.

We would welcome the opportunity to discuss this matter further and explore any viable option that would be acceptable to the City and its procurement processes – that would allow our submission to stand and be scrutinized for its merits.

We have enclosed our position with respect to each question and answer included in the second addendum to demonstrate that the responses provided us with no additional clarification or advantage and that our submission had in fact included all of the salient points identified in the document.

Regards,

David N Watson
Vice President and General Manager
G-Tel Engineering Inc.