

## **IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT**

### **Final Report of the Fairness Advisor**

I have acted as Fairness Advisor for the Iqaluit International Airport Improvement Project (the "Project") since May, 2012. My mandate is to act as an independent observer with respect to fairness of implementation of the Project's procurement processes. I report to the Project's Steering Committee on whether Project team reasonably implements and complies with the pre-determined processes.

I have previously reported on the RFQ for the Project. This is my final report as of June 24, 2013, at which time the Project team has completed evaluation of Technical and Financial Submissions filed in response to the Project's Request For Proposals ("RFP").

#### **RFP / COLLABORATIVE PROCESS**

The RFP was issued in October, 2012 to the three Proponents selected through the RFQ process. The RFP included details of the technical requirements of the project, the form of the project agreement to be signed by the successful Proponent, the required format and content of Submissions, a summary of the process and criteria for evaluation of Submissions, and other terms of the competition.

After release of the RFP, Project staff held several rounds of meetings and workshops with individual Proponents, for discussion and mutual consultation about the requirements of the RFP and the Project Agreement, the expectations of Proponents and the Government of Nunavut, and specific topics of concern.

The Project team also arranged three days of meetings in Iqaluit, during which Proponents were offered site tours, meetings with City of Iqaluit representatives, and the opportunity to meet with interested local contractors who might be available to work with Proponents on the Project.

I attended or monitored most of the meetings. I was satisfied that:

- meetings were attended by Project staff with appropriate expertise and authority to address questions raised by Proponents;
- the team ensured that all Proponents were provided with the same information about the Project, in a timely manner;
- meetings were conducted in consistent fashion for all three Proponents; and
- meetings were conducted in accordance with the RFP, including its requirements related to confidentiality, restrictions on communications with Proponents, and other matters.

Throughout the RFP period, the Project team also managed an electronic data room with various documents relevant to the Project, and answered written questions from Proponents. I monitored the data room periodically, and reviewed all communications between the Project team and Proponents. I observed that questions submitted to the

Project and requests for information were answered consistently, and in accordance with the process described in the RFP.

## EVALUATION

Proponents filed Technical Submissions and Financial Submissions, on the dates specified in accordance with the RFP. All of the Submissions were evaluated by various teams of evaluators (technical advisors, in the case of the Technical Submissions, and the Financial Evaluation Team, in the case of the Financial Submissions) with expertise in the subject matter covered by the Submissions.

**Evaluation Manual:** Before the Technical and Financial Submissions were received, the Project team produced detailed Evaluation Manuals setting out:

- procedures for receipt of Submissions, and security measures for custody of and access to Submissions (including securing premises where copies were held, restrictions on copying and electronic transmission, etc.);
- procedures for review of relationships of the evaluators to eliminate potential conflicts;
- the responsibilities of all participants in the evaluation, including the evaluators, expert advisors, the Evaluation Committee and the Evaluation Due Diligence Advisors;
- methods for communicating with Proponents during the evaluation;
- the method and procedures for evaluating Proposals;

and other matters. The Evaluation Manuals were prepared with assistance from advisors with expertise in the various aspects of the submittal requirements of the RFP. I had the opportunity to review and comment on each Evaluation Manual before it was finalized. I was satisfied that each Evaluation Manual set out a reasonable basis for evaluation of the Technical or Financial Submissions, as appropriate, consistent with the RFP.

**Closing and Completeness Review:** All three Proponents filed Technical Submissions in response to the RFP, and two of those Proponents were invited to file Financial Submissions. I monitored the closing time for each set of submissions, and confirmed that the Project team followed the processes set out in the relevant Evaluation Manual for receipt and initial completeness review of Submissions, as well as secure storage and confidentiality of the documents.

**Relationship Review:** Before any evaluators were permitted access to Submissions, a Relationship Review Committee conducted a process consistent with the Evaluation Manual to elicit and consider details of relationships among members of Proponent teams, and the evaluation team, to ensure that all evaluators were free of bias.

**Orientation:** Before starting their work, all members of the evaluation team attended an orientation meeting at which the Evaluation Committee highlighted various aspects of

the relevant Evaluation Manual, including the methods for evaluation, and standards related to confidentiality, security, consistency, and other matters.

**Evaluation Process:** During each evaluation, I had access to the Submissions and the evaluation premises at all times. I was informed of all meetings, and reviewed all correspondence between the Project team and Proponents. I observed that the Project team followed the processes for security and access to documents outlined in the relevant Evaluation Manual. I talked with the evaluation team, and attended a selection of the meetings related to each evaluation including meetings of the evaluators and the Evaluation Committee, and meetings where evaluation conclusions were discussed.

The Submissions were evaluated by persons with relevant expertise in the RFP requirements. The evaluation team had access to specialist advisors on various specific topics. Evaluation team members developed questions as needed to obtain clarification and supplemental information from Proponents where necessary for the evaluation; all such questions were reviewed by the Evaluation Committee Chair prior to release, to ensure consistency in approach, and compliance with the RFP. I observed that the processes described in the Evaluation Manual were followed for all communications between the Project team and Proponents.

Shortly after receipt of the Technical Submissions, the Project Team conducted meetings in Toronto at which each Proponent made a presentation to the evaluation team regarding its Technical Submission. I attended all three presentations, and observed that they were conducted in accordance with the Evaluation Manual and the RFP.

In the course of each evaluation, evaluators met with the Evaluation Committee to review the work and comments of the technical advisors, along with any comments of expert advisors. The Evaluation Committee satisfied itself that the evaluators' work was conducted in accordance with the RFP and the Evaluation Manual, that the evaluation criteria were applied consistently to all Submissions, and that the evaluators responsible for each area of the Submissions were unanimous in their conclusions and recommendations. The Evaluation Committee had final responsibility for the outcome of each evaluation.

During each evaluation, I observed that all evaluators were well-versed in the details of each of the Submissions, and participated fully in discussions of those aspects of the evaluation for which they were responsible; also that the conclusions reached by the evaluators in their areas, and by the Evaluation Committee, were unanimous and were based on thorough consideration of the contents of the Submissions.

The Evaluation Committee met periodically with the Due Diligence Advisors, which reviewed the work of the evaluators and the Evaluation Committee, and tested the analysis and conclusions reached for consistency of approach, for reasonableness, and for compliance with the RFP. I attended a number of these meetings. I observed that the Due Diligence Advisors were fully informed regarding the Submissions and the work of the evaluators and Evaluation Committee, and took a careful approach to their work.

## Evaluation – Compliance Matters:

- a. **Technical Submissions** - During the evaluation of Technical Submissions, the Evaluation Committee met with one Proponent to obtain clarity regarding aspects of its Technical Submission that were considered to be Material Non-Compliances, as well as a change in that Proponent's team structure concerning its Service Provider.

I met with the Proponent on May 23 at its request, and the Proponent outlined to me its position concerning whether the non-compliances were material, and as to whether the change to the Proponent's Service Provider had previously been authorized. I subsequently reported to the Project Team on my meeting.

- b. **Financial Submissions** - During the evaluation of Financial Submissions, a Proponent requested approval of a change in its team structure related to its Equity Provider. In addition the Evaluation Committee concluded that the same Proponent's Financial Submission revealed a second change in composition of the Proponent's team, related to its Service Provider, for which approval had *not* been sought.

I observed that the Evaluation Committee was thorough in its approach to these matters, and complied with the standards and procedures contemplated by the RFP and the Evaluation Manual, including consultation with appropriate evaluators, the Due Diligence Advisors and Designated Legal Counsel.

I was satisfied that the process followed by the Evaluation Committee and the decisions reached were consistent with the requirements of the RFP and the Evaluation Manual.

## CONCLUSIONS

Throughout the RFP process, the Project team ensured that:

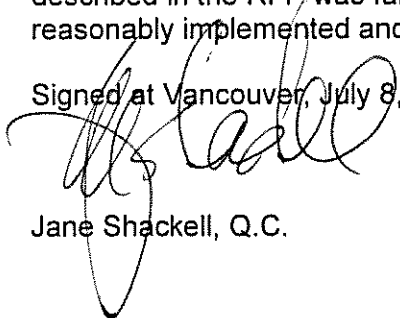
- I had the opportunity to provide input on the contents of Project documents (including evaluation materials).
- I received copies of all correspondence between the Project team and Proponents (including requests by Proponents for information, and requests by the Project team for clarification of Submissions).
- I had full access to all Submissions, to the premises where Submissions were received and evaluated, and the opportunity at any time to speak with Project staff including managers, evaluators and advisors.
- I was informed of and invited to attend all meetings held by the Project team with Proponents, internal team meetings, meetings of the evaluators and Evaluation Committee (including those at which proposals were discussed and evaluated), and meetings of the Due Diligence Advisors. I attended such meetings as I felt were necessary to carry out my role.

During the RFP process, I observed that the Project team when necessary discussed and instructed itself appropriately on matters related to fairness. Periodically, I was asked for, or

offered, comments on fairness issues. In each such case, the Project team carefully considered my advice and I was satisfied with the resolution of the matter.

Based on all of my observations above, I am satisfied that the procurement process as described in the RFP was fair, reasonable and appropriate, and that the Project team reasonably implemented and complied with that process.

Signed at Vancouver, July 8, 2013.

A handwritten signature in black ink, appearing to read 'Jane Shackell', written over the text 'Signed at Vancouver, July 8, 2013.' The signature is fluid and cursive.

Jane Shackell, Q.C.