

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL

# Procurement

DETERMINATION AND REASONS

File No. PR-2020-079

The AIM Group Inc.

٧.

Department of Public Works and Government Services

Determination and reasons issued Monday, June 7, 2021



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IN THE MATTER OF a complaint filed by The AIM Group Inc. pursuant to subsection 30.11(1) of the *Canadian International Trade Tribunal Act*, R.S.C., 1985, c. 47 (4th Supp.);

AND FURTHER TO a decision to conduct an inquiry into the complaint pursuant to subsection 30.13(1) of the *Canadian International Trade Tribunal Act*.

#### **BETWEEN**

THE AIM GROUP INC.

Complainant

**AND** 

THE DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

**Government Institution** 

#### **DETERMINATION**

Pursuant to subsection 30.14(2) of the *Canadian International Trade Tribunal Act (CITT Act*), the Canadian International Trade Tribunal determines that the complaint is not valid.

Pursuant to section 30.16 of the *CITT Act*, the Tribunal awards the Department of Public Works and Government Services its reasonable costs incurred in responding to the complaint, to be paid by The AIM Group Inc. In accordance with the *Procurement Costs Guideline* (*Guideline*), the Tribunal's preliminary indication of the level of complexity for this complaint case is Level 1. The Tribunal's preliminary indication of the amount of the cost award is \$1,150. If any party disagrees with the preliminary level of complexity or indication of the amount of the cost award, it may make submissions to the Tribunal, as contemplated in Article 4.2 of the *Guideline*. The Tribunal reserves jurisdiction to establish the final amount of the cost award.

Frédéric Seppey

Frédéric Seppey Presiding Member Tribunal Panel: Frédéric Seppey, Presiding Member

Support Staff: Jessye Kilburn, Counsel

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Complainant: The AIM Group Inc.

Counsel for the Complainant: Tegan O'Brien

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Government Institution: Department of Public Works and Government

Services

Counsel for the Government Institution: Sonia Akibo-Betts

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Intervener: Tiree Facility Solutions Inc.

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#### STATEMENT OF REASONS

#### **OVERVIEW**

- [1] This complaint relates to a Request for Proposals (RFP) by the Department of Public Works and Government Services Canada (PWGSC), on behalf of the Department of Foreign Affairs, Trade, and Development (DFATD), for the provision of project management services (Solicitation No. 08C39-180460/A). A previous complaint filed by The AIM Group Inc. (AIM) and related to the same RFP was deemed premature by the Tribunal as the complainant had not yet received a response to its objection from the government institution.<sup>1</sup>
- [2] AIM disputes the integrity of the procurement and argues that the results did not provide the best value to the Crown. AIM's bid was ranked second, and AIM was therefore awarded a contract of a significantly lesser value than the contract awarded to the first-ranked bidder, Colliers Project Leaders Inc., Tiree Facility Solutions Inc. in Joint Venture (Tiree). AIM alleges that the right of first refusal given to the first-ranked bidder was unfair, and it argues that there was an unjustifiable difference between the values of the contracts, given that Tiree received only slightly more points than AIM.
- [3] More specifically, AIM submits the following five grounds of complaint:<sup>2</sup>
  - (i) Conflicting first- and second-place rank announcements;
  - (ii) Legitimacy of the technical evaluation;
  - (iii) The disparity in contract values assigned to the first-ranked bidder (i.e. Tiree), and the second-ranked bidder (i.e. AIM);
  - (iv) The administration of the contract is being carried out in a way that prevents AIM from receiving any requirements; and
  - (v) Ramifications of the ranking methodology and the multiple contracts clause found in the RFP.
- [4] For the reasons below, the Tribunal finds that AIM's complaint is not valid.

#### **BACKGROUND**

- [5] The solicitation was published on August 12, 2020, on the Buyandsell.gc.ca website, with a closing date of September 16, 2020.
- [6] On November 17, 2020, PWGSC awarded contracts to the first- and second-ranked bidders (Contract No. 08C39-180460/002/ZV). Initially, PWGSC informed AIM that Tiree was the second-ranked bidder.<sup>3</sup> However, later that day, PWGSC informed AIM that the initial

<sup>&</sup>lt;sup>1</sup> The AIM Group (26 January 2021), PR-2020-077 (CITT) [The AIM Group].

<sup>&</sup>lt;sup>2</sup> Exhibit PR-2020-077-01D at 11-13.

<sup>&</sup>lt;sup>3</sup> *Ibid.* at 15.

announcement had been erroneous: Tiree had been ranked first and AIM had been ranked second. The estimated value of Tiree's contract was \$2,360,000, whereas that of AIM was \$153,000.

- [7] Between November 17 and 19, 2020, AIM and DFATD corresponded to confirm details of the contract and to discuss the reason for the large value disparity between the two contracts.<sup>5</sup>
- [8] On November 30, 2020, DFATD confirmed that the contract values were correct. It also confirmed that, according to the RFP, the second-ranked bidder cannot propose candidates to fulfil a Task Authorization until the first-ranked bidder has exercised its "right of first refusal".<sup>6</sup>
- [9] AIM further discussed the details of the contract with both DFATD and PWGSC separately between November 30 and December 23, 2020.<sup>7</sup>
- [10] On December 23, 2020, AIM requested that PWGSC provide a debriefing.<sup>8</sup> On December 24, 2020, PWGSC responded with a copy of the technical evaluation of AIM's bid but did not include details on its financial evaluation.<sup>9</sup>
- [11] On December 24, 2020, upon receipt of the debriefing document, AIM sent an e-mail to PWGSC objecting to the award of the contract, alleging that the evaluation process did not ensure the best contract value to the Crown and requesting a re-evaluation.<sup>10</sup>
- [12] On January 18, 2021, AIM filed its first complaint with the Tribunal (File No. PR-2020-077). On January 26, 2021, the Tribunal issued its decision to not conduct an inquiry, finding that the complaint was premature because PWGSC had not yet denied relief in response to AIM's objection.<sup>11</sup>
- [13] On January 26, 2021, AIM notified the Tribunal that, since submitting its first complaint, it had in fact been denied relief by PWGSC, and requested that the Tribunal reopen its complaint. AIM submitted an email showing that on January 22, 2021, PWGSC had provided a re-evaluation of all bids in which it determined that all bidders' financial scores should have been higher, but that this ultimately did not affect the overall ranking of the bids.<sup>12</sup>
- [14] On January 27, 2021, the Tribunal notified AIM that it could not reopen the first complaint, but that it would open a new complaint and place the record of the first complaint on the record of the second complaint. The Tribunal asked AIM to confirm whether it wanted to submit any other documents as part of the second complaint. On January 27, 2021, AIM confirmed that it had

<sup>4</sup> Ibid. at 205. See also the contract history and award notices at https://buyandsell.gc.ca/procurement-data/search/site/08c39-180460.

<sup>&</sup>lt;sup>5</sup> Exhibit PR-2020-077-01D at 209-215.

<sup>&</sup>lt;sup>6</sup> *Ibid.* at 218.

<sup>&</sup>lt;sup>7</sup> *Ibid.* at 216-245.

<sup>&</sup>lt;sup>8</sup> *Ibid.* at 243.

<sup>&</sup>lt;sup>9</sup> Exhibit PR-2020-077-01C (protected).

<sup>&</sup>lt;sup>10</sup> Exhibit PR-2020-077-01D at 247.

<sup>11</sup> The AIM Group.

<sup>&</sup>lt;sup>12</sup> Exhibit PR-2020-079-01D (protected).

submitted all relevant documents. On January 28, 2021, the Tribunal confirmed that AIM's complaint was complete as of the previous day.<sup>13</sup>

- [15] On February 4, 2021, the Tribunal advised AIM that its complaint had been accepted for inquiry in part. The Tribunal noted that it would not inquire into the following two grounds of complaint, as they had not raised a reasonable indication that a trade agreement has been breached: (1) the allegation of a conflicting announcement of bidders' ranks; and (2) the questioning of the legitimacy of the evaluation process. <sup>14</sup>
- [16] On February 23, 2021, Tiree requested leave to intervene in the complaint. The Tribunal granted intervener status to Tiree on February 26, 2021. 15
- [17] PWGSC filed its Government Institution Report (GIR) on March 3, 2021. Tiree filed its comments on the GIR on March 8, 2021. The state of the GIR of
- [18] On March 11, 2021, AIM requested an extension of time to file its comments on the GIR because it had just retained counsel. The Tribunal granted this extension on March 11, 2021. AIM filed its comments on the GIR on March 19, 2021. <sup>18</sup>
- [19] On April 9, 2021, the Tribunal decided to extend its inquiry to 135 days, pursuant to paragraph 12(c) of the *Canadian International Trade Tribunal Procurement Inquiry Regulations*, <sup>19</sup> due to the additional time required to accommodate: (1) submissions from the intervenor; and (2) an extension of time for the complainant to file its comments on the GIR and the intervenor's submissions.

#### TRIBUNAL'S ANALYSIS

- [20] AIM raised five grounds of complaint. At the outset of the complaint, the Tribunal decided not to inquire into the first two grounds of complaint. The Tribunal inquired into the other three grounds of complaint, but ultimately determined that these grounds are not valid. As such, the Tribunal dismisses AIM's complaint.
- [21] AIM submitted that the relevant trade agreements are the Canadian Free Trade Agreement<sup>20</sup> and the World Trade Organization Agreement on Government Procurement.<sup>21</sup> The Tribunal notes that AIM is domiciled in Canada and therefore has the benefit of the CFTA.

<sup>15</sup> Exhibit PR-2020-079-10: Exhibit PR-2020-079-11.

<sup>&</sup>lt;sup>13</sup> Exhibit PR-2020-079-02; Exhibit PR-2020-079-03; Exhibit PR-2020-079-04.

<sup>&</sup>lt;sup>14</sup> Exhibit PR-2020-079-06.

<sup>&</sup>lt;sup>16</sup> Exhibit PR-2020-079-12A.

<sup>&</sup>lt;sup>17</sup> Exhibit PR-2020-079-14.

<sup>&</sup>lt;sup>18</sup> Exhibit PR-2020-079-19A.

<sup>&</sup>lt;sup>19</sup> SOR/93-602 [*Regulations*].

Online: Internal Trade Secretariat <a href="https://www.cfta-alec.ca/wp-content/uploads/2020/09/CFTA-Consolidated-Text-Final-English\_September-24-2020.pdf">https://www.cfta-alec.ca/wp-content/uploads/2020/09/CFTA-Consolidated-Text-Final-English\_September-24-2020.pdf</a> (entered into force 1 July 2017) [CFTA].

World Trade Organization, online: <a href="https://www.wto.org/english/tratop\_e/gproc\_e/gp\_app\_agree\_e.htm">https://www.wto.org/english/tratop\_e/gproc\_e/gp\_app\_agree\_e.htm</a> (entered into force 6 April 2014) [WTO-AGP].

- [22] While AIM did not raise specific trade agreement provisions in its initial complaint, it argued in its reply to the GIR that the procurement breached the following provisions:
  - (i) Article 503.1 of the CFTA: "A procuring entity shall not prepare, design or otherwise structure a procurement, select a valuation method, or divide procurement requirements in order to avoid the obligations of this Agreement. . . ."
  - (ii) Article 515.1 of the CFTA: "A procuring entity shall receive, open, and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders."
  - (iii) Article 515.5 of the CFTA: "... the procuring entity shall award the contract to the supplier that the procuring entity has determined to be capable of fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the tender notices and tender documentation, has submitted: (a) the most advantageous tender; or (b) if price is the sole criterion, the lowest price."
  - (iv) Article IV(4) of the WTO-AGP: "A procuring entity shall conduct covered procurement in a transparent and impartial manner that: (a) is consistent with this Agreement, using methods such as open tendering, selective tendering and limited tendering . . . ."
  - (v) Article XV(1) of the WTO-AGP: "A procuring entity shall receive, open and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders."

#### Grounds of complaint not accepted for inquiry

## <u>Ground 1 – Conflicting announcement of bidders' ranks</u>

- [23] AIM submitted that, initially, it was informed by PWGSC that Tiree was the second-ranked bidder. AIM took this to mean that it was the first-ranked bidder. However, later that day, PWGSC informed AIM that the initial announcement had been erroneous: Tiree had been ranked first and AIM had been ranked second. AIM argued that these differing announcements called into question the integrity of the solicitation results.
- [24] AIM has not raised any evidence that would suggest this was anything other than a simple and inadvertent mistake. In the Tribunal's view, this does not raise concerns about the integrity of the procurement process, as AIM alleges. The Tribunal finds no indication that this was anything more than a clerical error, which PWGSC promptly corrected. As these facts did not give rise to a reasonable indication that the trade agreements had been breached, the Tribunal did not inquire into this ground of complaint.<sup>23</sup>

Exhibit PR-2020-077-01D at 15.

See paragraph 7(1)(c) of the *Regulations*.

## Ground 2 - Legitimacy of the evaluation process

[25] Initially, AIM argued that a full re-evaluation by a third party was warranted, given that AIM had received only slightly fewer points than Tiree.<sup>24</sup> Later, AIM submitted the results of a re-evaluation by PWGSC, in which PWGSC found that all bidders should have been given a higher financial score but that the ranking of the bids remained the same.<sup>25</sup>

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- [26] The Tribunal decided not to conduct an inquiry into the evaluation of the bids, as AIM's arguments and evidence on this ground did not raise a reasonable indication that a trade agreement had been breached.<sup>26</sup> AIM did not provide specific arguments about where it should have received more points or where Tiree should have received fewer points, despite the fact that it received a full breakdown of its scoring in the technical evaluation.
- [27] It is not the Tribunal's role to conduct its own evaluation or re-evaluation of bids. The Tribunal has to review whether the evaluation was reasonable, showing deference to the evaluators' expertise and making recommendations only if the evaluation was unreasonable in light of the solicitation's criteria.<sup>27</sup> As AIM has not raised specific issues with regard to PWGSC's interpretation of the RFP requirements or the allotment of points, the Tribunal fails to see a reasonable indication that the trade agreements were breached.

#### Grounds of complaint inquired into

# Ground 3 – Disparity in the values of contracts assigned

[28] AIM argued that there was an unjustified disparity between the value of the contract assigned to Tiree and the value of the contract assigned to AIM, as Tiree's estimated contract value was over 15 times larger than AIM's estimated contract value.<sup>28</sup> According to AIM, it was told by PWGSC that the contract values were just estimates and could be increased or decreased at the discretion of DFATD.<sup>29</sup> AIM submitted that, on the other hand, DFATD had asked PWGSC to increase the value of the contract and PWGSC had not done so.<sup>30</sup>

- [29] In its GIR, PWGSC raised two issues that the Tribunal will address in advance of analyzing the merits of this ground of complaint:
  - (i) PWGSC submitted that the value of the contracts stems from the terms of the RFP, and that any arguments about the terms of the RFP are late.<sup>31</sup> In the Tribunal's view, to the extent that any arguments relate to the *content of the RFP*, they are late as PWGSC suggests, because AIM did not object or complain within ten working days of learning of the RFP's content.<sup>32</sup> While AIM argued that the unfairness did not

<sup>30</sup> *Ibid.* at 18.

<sup>&</sup>lt;sup>24</sup> Exhibit PR-2020-077-01D at 11.

<sup>&</sup>lt;sup>25</sup> Exhibit PR-2020-079-01E at 4.

See paragraph 7(1)(c) of the *Regulations*.

<sup>&</sup>lt;sup>27</sup> AJL Consulting v. Department of Agriculture and Agri-Food (12 February 2020), PR-2019-045 (CITT) at paras. 8-16.

<sup>&</sup>lt;sup>28</sup> Exhibit PR-2020-077-01D at 12.

<sup>&</sup>lt;sup>29</sup> Ibid.

<sup>&</sup>lt;sup>31</sup> Exhibit PR-2020-079-12A at paras. 34-40.

<sup>&</sup>lt;sup>32</sup> See section 6 of the *Regulations*.

become apparent until contract award, the Tribunal's jurisprudence is clear that if a potential supplier has an issue with the content of a solicitation, it must act on its grounds of complaint immediately as opposed to waiting until contract award.<sup>33</sup> As AIM did not complain about the content of the RFP within ten working days of the RFP's publication, it must take the RFP as it is.

On the other hand, arguments relating to the *amount of the contract award* are not late, as this issue arose later. The amount of contract award was not determined by the content of the RFP (at least not directly) but rather estimated by the government institution at a later date. In other words, the RFP did not set out in advance what amount would be assigned to the first and second place contracts, so AIM could not have been expected to complain about the amount at the time the RFP was issued.

- (ii) PWGSC argued that any communications carried out after contract award are a matter of contract administration.<sup>34</sup> The Tribunal disagrees. In the context of this third ground of complaint, AIM is contesting the amount of the award itself, not post-award conduct or contract administration. As the award was later discussed among AIM, PWGSC, and/or DFATD, these post-award communications are relevant to this ground of complaint to the extent that they either explain or illuminate AIM's grievances with the award itself.
- [30] In light of the above, the scope of the Tribunal's inquiry into this ground of complaint is therefore whether the amounts of the contract awards and the evidence provided by AIM (including communications made after the contract award) revealed any breach of the RFP (taken as it is) and/or the trade agreements' requirement of impartiality.
- [31] AIM argued that a fair outcome would have been for the contract values to reflect more closely the nominal difference in scoring. However, the RFP does not provide for an allocation of contract values based on scoring. Rather, it sets out a right of first refusal for the first-ranked bidder. The relevant clause of the RFP (the multiple contracts clause) reads as follows:

#### E. Multiple contracts

As more than one contract has been awarded for this requirement of Work specified in the Statement of Work, in Annex A, a request to perform a task will be sent in accordance with paragraph F of this clause to the first ranked contractor in the Contractors' order of ranking below. If that contractor confirms in writing that it is unable to perform the task as a result of previous commitments under one or more than one authorized TA, the request to perform a

<sup>&</sup>quot;In procurement matters, time is of the essence and potential suppliers are required not to wait for the award of a contract before filing complaints that they may have with respect to a solicitation process. Rather, they must challenge problems as soon as they become aware or reasonably should have become aware of them in order to ensure that their complaints are submitted to the Tribunal in a timely manner." *J.K. Engineering Ltd.* (16 December 2015) PR-2015-045 (CITT) at para. 18, citing: *Sani Sport* (10 March 2015), PR-014-064 (CITT) at para. 29; *Teledyne Webb Research, a business unit of Teledyne Benthos, Inc.* (20 October 2011), PR-2011-038 (CITT) at para. 17; *The Corporate Research Group Ltd., operating as CRG Consulting* (26 January 2010), PR-2009-075 (CITT) at para. 24; *IBM Canada Ltd. v. Hewlett Packard* (Canada) Ltd., 2002 FCA 284 (CanLII).

<sup>&</sup>lt;sup>34</sup> Exhibit PR-2020-079-12A at paras. 53-56.

task will be forwarded to the next highest ranked contractor in the Contractors' order of ranking until another contractor in the ranking can perform the task. . . . 35

- [32] As such, the RFP provides that the bidder's ranking, as opposed to the absolute amount of a bidder's score, is what determines the allocation of work. As PWGSC submitted, the amounts allocated for the contract awards were not a guarantee of business but were rather included for the administrative purposes of the Crown. AIM's contract indicated that the amount was the "total *estimated* cost" [emphasis added]. The only guarantee, according to the RFP, was a fixed minimum contract value of \$5,000. Otherwise, the amount received by each bidder would be determined based on the outcome of the process for allocating task authorizations set out in the multiple contracts clause.
- [33] AIM argued that there was a latent ambiguity in the RFP that did not become apparent until contract award. In the Tribunal's view, there was no ambiguity in the multiple contract clause, whether patent or latent. The clause was clear as to how work would be allocated between the first-and second-ranked bidders. The only question was which bidder would be ranked first.
- [34] AIM was correct to point out that initially, it received conflicting information about the nature of task allocations. Emails between AIM, DFATD and PWGSC show that there was an initial misunderstanding between PWGSC and DFATD as to how tasks would be allotted between the first-and second-ranked bidders. PWGSC submitted that the project authority was not the original project authority on the file and was not initially aware that the RFP granted the first-ranked contractor the right of refusal to all task authorizations. This caused AIM some confusion. However, eventually, the project authority received clarification from PWGSC on the RFP's procedure for allocating tasks, and correctly explained that, according to the RFP, the first-ranked bidder would have the right of first refusal.<sup>38</sup> As such, the miscommunication was eventually clarified, and it does not mean that there was any ambiguity in the RFP itself.
- [35] Finally, AIM argued that the disparity in the values of the contracts awarded demonstrates that the Crown has not acted impartially and fairly, as required by the trade agreements. Having considered the evidence on record and the RFP itself, the Tribunal finds no indication of bias on the part of PWGSC or DFATD, whether actual bias or a reasonable apprehension of bias.<sup>39</sup> The amounts of the contract awards were estimates for administrative purposes, and do not govern the eventual amount that either AIM or Tiree will receive under their contracts, which will rather depend on the amount of task authorizations and Tiree's right of first refusal. PWGSC was entitled to make an estimate of the amount of contract award for administrative purposes, and there is no indication that it lacked impartiality in doing so. Tribunal jurisprudence is clear that "it is not sufficient to simply state that there is a belief that there is bias—[the complainant] must offer sufficient evidence in that regard." The Federal Court of Appeal has also been clear that an allegation of bias "cannot rest on mere suspicion, pure conjecture, insinuations or mere impressions . . . It must be supported by

<sup>35</sup> Exhibit PR-2020-079-08A at 42.

<sup>&</sup>lt;sup>36</sup> Exhibit PR-2020-077-01B (protected) at 190.

<sup>&</sup>lt;sup>37</sup> Exhibit PR-2020-079-08A at 44.

<sup>&</sup>lt;sup>38</sup> Exhibit PR-2020-077-01D at 242.

See SoftSim Technologies Inc. v. Department of Foreign Affairs, Trade and Development (11 June 2020), PR-2019-053 (CITT) at paras. 71-86.

Sunny Jaura d.b.a. Jaura Enterprises v. Department of Foreign Affairs, Trade and Development (30 January 2019), PR-2018-058 (CITT) at paras. 13, 15.

material evidence demonstrating conduct that derogates from the standard."<sup>41</sup> AIM has not provided evidence that would meet this standard.

[36] Therefore, for all of the reasons above, the Tribunal finds that this ground of complaint is not valid.

<u>Grounds 4 and 5 – AIM being prevented from receiving any requirements, and ramifications of the ranking methodology and the multiple contracts clause found in the RFP</u>

- [37] AIM's fourth and fifth grounds of complaint are overlapping, and the Tribunal will therefore consider them together.
- [38] AIM argued that the administration of the contract is being carried out in such a way that AIM is "being blocked" from receiving any task authorizations. 42 AIM submitted that an official from DFATD stated over the phone that AIM would not get any requirements under this contract because Tiree has the right of first refusal.
- [39] AIM also submitted that its consultants, who were currently working at DFATD, were told that the only way they could continue to work at DFATD would be to terminate their contract with AIM and accept employment through Tiree. Further, AIM alleged that its consultants were coerced by Tiree to terminate their contracts with AIM and accept employment with Tiree, only to be placed back into their same positions at DFATD. <sup>43</sup> AIM submitted that Tiree's rates were higher than its own, so DFATD would be getting the same consultants for a higher price, and that therefore Tiree would not be providing the best value to the Crown.
- [40] PWGSC submitted that AIM's evidence is hearsay and should not be given any weight. In the Tribunal's view, however, it is unnecessary to weight the reliability of AIM's evidence as, even if it were true, it would not give rise to a breach of the trade agreements, for the following reasons.
- [41] To the extent that AIM's arguments relate to the effects of the multiple contract clause of the RFP (that is, the right of first refusal given to the first-ranked bidder), these arguments are timebarred as explained above. AIM cannot now request that the right of first refusal be altered, simply because it is the second-ranked bidder.
- [42] Further, AIM's arguments about its consultants joining Tiree raise no valid ground of complaint. The Tribunal has previously held that the "'poaching' of employees is an internal matter between two bidders that does not amount to a breach of the trade agreements."<sup>44</sup> AIM may have other contractual or employment law recourse against its consultants, but those issues are not within the Tribunal's jurisdiction.
- [43] To the extent that AIM's arguments under these grounds again evoke a lack of impartiality by DFATD or PWGSC, the Tribunal reiterates that AIM has not supported these allegations of bias

<sup>&</sup>lt;sup>41</sup> Arthur v. Canada (Attorney General), 2001 FCA 223 [Arthur] at para. 8.

<sup>&</sup>lt;sup>42</sup> Exhibit PR-2020-077-01D at 12-13.

<sup>&</sup>lt;sup>43</sup> Exhibit PR-2020-079-19A at 10-11.

Paul Pollack Personnel Ltd. o/a The Pollack Group Canada v. Department of Foreign Affairs, Trade and Development, PR-2012-021 (CITT) at para. 29; Brains II Canada v. Department of Public Safety (28 March 2012), PR-2011-056 (CITT) at para. 20.

with "material evidence demonstrating conduct that derogates from the standard", as explained above. 45

- [44] Finally, AIM's argument that Tiree does not provide the best value to the Crown also raises no valid ground of complaint. AIM quoted Article 515.5 of the CFTA, but neglected to include subsection (b):
  - ... the procuring entity shall award the contract to the supplier that the procuring entity has determined to be capable of fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the tender notices and tender documentation, has submitted:
    - (a) the most advantageous tender;
    - (b) *if price is the sole criterion, the lowest price.*

[Emphasis added]

- [45] Accordingly, Article 515.5 first requires that the contract award be based solely on the evaluation criteria in the solicitation. The contract should be awarded to the bidder with the lowest price only if price is the sole criterion. Here, the RFP sets out that the basis of selection will be the "**Highest Combined Rating of Technical Merit [60 %] and Price [40 %]**".<sup>46</sup> This means that it was acceptable for a bidder with a higher price and higher technical merit (i.e. Tiree) to be ranked higher than a bidder with a lower price and lower technical merit (i.e. AIM), as technical merit was weighted more than price.
- [46] As a result, the Tribunal finds that the fourth and fifth grounds of complaint are not valid.

#### **COSTS**

- [47] Pursuant to section 30.16 of the *CITT Act*, the Tribunal awards PWGSC its reasonable costs incurred in responding to the complaint, to be paid by AIM.
- [48] In accordance with the *Procurement Costs Guideline* (*Guideline*), the Tribunal's preliminary indication of the level of complexity for this complaint case is Level 1 (\$1,150). The procurement at issue in this complaint was not overly complex. Although the inquiry involved an intervenor, it made only a short submission and did not greatly increase the complexity of the complaint proceedings. While the inquiry was extended to 135 days, this was in part to allow a pause for AIM to retain counsel.

#### **DETERMINATION**

- [49] Pursuant to subsection 30.14(2) of the *CITT Act*, the Tribunal determines that the complaint is not valid.
- [50] Pursuant to section 30.16 of the *CITT Act*, the Tribunal awards PWGSC its reasonable costs incurred in responding to the complaint, to be paid by AIM. In accordance with the *Guideline*, the Tribunal's preliminary indication of the level of complexity for this complaint case is Level 1. The

<sup>45</sup> *Arthur* at para. 8.

<sup>&</sup>lt;sup>46</sup> Exhibit PR-2020-079-08A at 22.

Tribunal's preliminary indication of the amount of the cost award is \$1,150. If any party disagrees with the preliminary level of complexity or indication of the amount of the cost award, it may make submissions to the Tribunal, as contemplated in Article 4.2 of the *Guideline*. The Tribunal reserves jurisdiction to establish the final amount of the cost award.

Frédéric Seppey

Frédéric Seppey Presiding Member