

Annex E-ACQ

**Medium Range Radar**

**Industrial and Regional Benefits (IRB)**

**Model Evaluation Plan**

**Version 3.0**

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## **1. INTRODUCTION**

- 1.1. The purpose of the IRB Evaluation Plan is to describe the methodology that will be used to evaluate the IRB Proposal submitted by the Bidder.
- 1.2. Bidders' IRB Proposals will be evaluated as either acceptable or not acceptable. A Bidder's IRB Proposal will be deemed acceptable if it: i) meets all of the IRB Mandatory Requirements outlined in Clause 5 of the IRB Bidder Instructions; and, ii) achieves during IRB Evaluation no less than 32 points (out of a possible 64) for the IRB Plans and no less than 240 points (out of a possible 480) for the IRB Transactions.
- 1.3. The results of the IRB Evaluation will be conveyed to the Contracting Authority at Public Works and Government Services Canada (PWGSC). The results will then be integrated into the overall bid evaluation results on a pass/fail basis, as outlined in Part 4 – Evaluation Procedures and Basis of Selection of the Medium Range Radar Request for Proposal.
- 1.4. Bidders are strongly encouraged to closely review the entire IRB Bidder Instructions document.
- 1.5. Each IRB Proposal will be evaluated to determine if it meets the requirements for acceptability as outlined in Clause 1.2
- 1.6. All IRB Proposals will be evaluated based on the factual information as presented in the IRB Proposal.

## **2. IRB MANDATORY REQUIREMENTS**

- 2.1. The chart below details each Mandatory IRB Requirement and how the IRB Authority will confirm whether each has been met.

<b>IRB Mandatory Requirement</b>	<b>Method to Confirm</b>	<b>Failure to Meet Requirement</b>
1. Bidder commits to achieving IRB activities valued at 100% of the contract value.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable

2a Bidder has specified its bid price, not including taxes and rounded to the nearest dollar	Mandatory IRB Requirements Certificate, duly signed and submitted, with bid price provided.	IRB Proposal deemed not acceptable
2b. Bidder has identified eligible IRB Transactions equal in total to not less than 30% of the bid price, measured in CCV.	CCV value of each eligible IRB Transaction in the Bidder's IRB Proposal is totalled, then compared against the bid price.	IRB Proposal deemed not acceptable
2c. Bidder commits to identifying, one year after the Effective Date of the contract, additional eligible IRB Transactions which bring the cumulative total of eligible IRB Transactions to not less than 60% of the Contract value, measured in CCV.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
2d. Bidder commits to identifying, three years after the Effective Date of the contract, additional eligible IRB Transactions which bring the cumulative total of eligible IRB Transactions to 100% of the Contract value, measured in CCV.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
3. Bidder commits to achieving not less than 30% of the Contract value in Direct IRB Transactions, measured in CCV.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
4. Bidder commits to achieving not less than 15% of the Contract value in Small and Medium Business IRB Transactions, measured in CCV.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
5. Bidder commits to achieving not less than 5% of the Contract value in EPTL Version X1 transactions, measured in CCV.	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
6. Bidder accepts and agrees to the terms associated with a failure to meet IRB obligations	Mandatory IRB Requirements	IRB Proposal deemed not

(Holdbacks and/or Liquidated Damages).	Certificate, duly signed and submitted.	acceptable
7. Bidder accepts all of the IRB Terms & Conditions	Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
8. Bidder submits all the required components in IRB Proposal:  <ul style="list-style-type: none"> <li>• Executive Summary of IRB Commitments</li> <li>• Company Business Plan</li> <li>• IRB Management Plan</li> <li>• Regional Development Plan</li> <li>• Small and Medium Business Development Plan</li> <li>• Detailed IRB Transaction Sheets, accompanied a summary chart of all IRB transactions.</li> <li>• Signed Mandatory IRB Requirements Certificate</li> </ul>	Presence of each required component in the IRB Proposal.  and  Mandatory IRB Requirements Certificate, duly signed and submitted.	IRB Proposal deemed not acceptable
<b>Table 2-1, Mandatory IRB Requirement Evaluation Chart</b>		

### **3. MINIMUM POINTS ACHIEVEMENT**

3.1. Each IRB Proposal will be evaluated to determine if it achieves the minimum points required for the IRB Plans and IRB Transactions.

3.2. Evaluation of IRB Plans

3.2.1. The Executive Summary is assessed to ensure that it is present in the IRB Proposal. It is not scored.

3.2.2. IRB Plans:

3.2.2.1. Each IRB Plan is evaluated to confirm that it is present in the IRB Proposal. Each plan is then given a score for Quality and a score for Risk, using the ratings in Tables 3-1 and 3-2.

3.2.2.1.1. Quality will be assessed as to whether the plan responds to all the requested components outlined in the Statement of IRB Work, the level of detail in the component, and how well the content of the plan meets the IRB Objectives.

3.2.2.1.2. Quality will be rated on a scale of one (1) to four (4), using the ratings below in Table 3-1;

VALUE	IRB PLAN – QUALITY RATINGS
4	<b>SUPERIOR</b> Plan contains most of the requested items in the Statement of IRB Work. Items are very well developed. The plan demonstrates that most of Canada’s IRB Objectives will be met.
3	<b>GOOD</b> Plan contains many of the requested items in the Statement of IRB Work. Items are generally well developed. The plan demonstrates that many of Canada’s IRB Objectives will be met.
2	<b>POOR</b> Plan contains some of the requested items in the Statement of IRB Work. Items are somewhat developed. The plan demonstrates that some of Canada’s IRB Objectives will be met.
1	<b>VERY WEAK</b> Plan contains very few of the requested items in the Statement of IRB Work. Items are not well developed. The plan does not demonstrate that Canada’s IRB Objectives will be met.

**Table 3- 1, IRB Plan Quality Ratings**

3.2.2.1.3. Risk will be assessed as to the levels demonstrated in the plan of previous experience, IRB capability, and IRB planning, resources and engagement.

3.2.2.1.4. Risk will be rated on a scale of one (1) to four (4), using the ratings below in Table 3-2

VALUE	IRB PLAN - RISK RATINGS
4	<b>SUPERIOR</b> Plan demonstrates a comprehensive level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is extremely low.

VALUE	IRB PLAN - RISK RATINGS
3	<b>GOOD</b> Plan demonstrates a good level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is low.
2	<b>POOR</b> Plan demonstrates some level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is moderate.
1	<b>VERY WEAK</b> Plan demonstrates a very limited level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is significant.

**Table 3- 2, IRB Plan Risk Ratings**

3.2.2.2. The average Quality and Risk scores for each plan will be multiplied together and the sums added together to determine the Final Plans Score for each IRB Proposal;

3.2.2.3. The Bidder must achieve or exceed a Final Plans Score score of thirty two (32) points (out of a possible sixty-four (64) points).

**EXAMPLE:**

Plan	Quality Score (A)	Risk Score (B)	Plan Score (C) (C) = (A) x (B)
Company Business Plan	4	3	12
IRB Management Plan	2	3	6
Regional Development Plan	4	4	16
SMB Development Plan	4	2	8
<b>Final Plans Score</b>			<b>42</b>

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### 3.3. Evaluation of IRB Transactions

- 3.3.1. Each IRB Transaction will be evaluated to determine whether it aligns with the IRB Bidder Instructions and with the IRB Terms and Conditions, with respect to IRB Eligibility and transaction types.
- 3.3.2. If a proposed IRB Transaction is found to not meet the criteria outlined in 3.3.1, it will be rejected during the IRB evaluation. For further clarity, a rejected IRB Transaction:
- 3.3.2.1. will be counted as zero when calculating the final IRB Transaction evaluation score; and,
  - 3.3.2.2. will be counted as zero when calculating whether the Bidder has identified IRB Transactions totalling not less than 30% of the Bid Price.
- 3.3.3. If a Proposed IRB Transaction is found to meet the criteria outlined in 3.3.1, it will be given a score for Quality and a score for Risk, using the ratings in Tables 3-3 and 3-4.
- 3.3.3.1. Quality will be assessed as to whether the Transaction responds to the requested components outlined in the Statement of IRB Work, the level of detail in the component, and how well the IRB Transaction meets the IRB Objectives.
  - 3.3.3.2. Quality will be rated on a scale of one (1) to four (4), using the ratings below in Table 3-3;

VALUE	IRB TRANSACTION - QUALITY RATINGS
4	<b>SUPERIOR</b> The IRB Transaction is very well described. Most items contain a very good level of detail. The IRB Transaction demonstrates that most of Canada's IRB Objectives will be met.
3	<b>GOOD</b> The IRB Transaction is well described. Items are detailed. The IRB Transaction demonstrates that many of Canada's IRB Objectives will be met.

VALUE	IRB TRANSACTION - QUALITY RATINGS
2	<b>POOR</b> The IRB Transaction is somewhat described. Several items are not detailed. The IRB Transaction demonstrates that some of Canada's IRB Objectives would be met.
1	<b>VERY WEAK</b> The IRB Transaction has minimal description. Most items are not detailed in any way. The IRB Transaction demonstrates that very few of Canada's IRB Objectives would be met.

**Table 3-3, IRB Transaction Quality Ratings**

3.3.3.3. Risk will be assessed as to the levels demonstrated in the Transaction of previous experience, IRB capability, and IRB planning, resources and engagement.

3.3.3.4. Risk will be rated on a scale of one (1) to four (4), using the ratings below in Table 3-4;

VALUE	IRB TRANSACTION - RISK FACTORS
4	<b>SUPERIOR</b> The IRB Transaction demonstrates a comprehensive level of experience, capability and committed planning, resources and engagement such that the probability of failure to achieve is extremely low.
3	<b>GOOD</b> The IRB Transaction demonstrates a good level of experience, capability and committed planning, resources and engagement, such that the probability of failure to achieve is low.
2	<b>POOR</b> The IRB Transaction demonstrates some level of experience, capability and committed planning, resources and engagement, such that the probability of failure to achieve is moderate.
1	<b>VERY WEAK</b> The IRB Transaction demonstrates a very limited level of experience, capability and committed planning, resources and engagement, such that the probability of failure to achieve is significant.

**Table 3-4, IRB Transaction Risk Ratings**

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- 3.3.4. The score for each IRB Transaction will be determined by multiplying together the following three items: i) the applicable CCV value (rounded to the closest million Canadian dollars); ii) the average Quality score; and iii) the average Risk score;
- 3.3.5. The resulting scores for each IRB Transaction will then be totalled, divided by the total IRB Commitment (or the total of the Bidder's identified IRB Transactions, whichever is greater) and multiplied by one hundred (100) to obtain the Final Transactions Score;
- 3.3.6. For the first tranche of IRB Transactions due at bid closing, the Bidder must achieve or exceed a Final Transactions Score of two-hundred and forty (240) points (out of a possible four hundred and eighty [480] points).

**EXAMPLE:**

In this example the Bidder makes an IRB Commitment of \$250M and has identified eligible IRB Transactions valued at \$80M in its IRB proposal at bid closing.

<b>IRB Transaction #</b>	<b>CCV \$ (A)</b>	<b>Avg Quality score (B)</b>	<b>Avg Risk score (C)</b>	<b>Transaction Score (D)=(A) x (B) x (C)</b>
001	\$20M	3	2	120
002	\$15M	4	3	180
003	\$45M	4	3	540
<b>Total of Transaction scores</b>				<b>840</b>
<b>Final Transactions Score – (840/250) x 100</b>				<b>336</b>

- 3.3.7. For the second tranche of IRB Transactions due from the winning contractor one year after contract award, the point score for these Transactions will be combined with the point score from the first tranche, and taken together, the minimum acceptable IRB Transaction assessment score is four hundred and eighty (480) points (out of a possible nine hundred and sixty [960]).

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#### 4. **IRB EVALUATION PROCESS**

- 4.1. IRB evaluations take place within the context of the overall procurement evaluation process, led by the PWGSC Contracting Authority and outlined in Part 4 – Evaluation Procedures and Basis of Selection of the Medium Range Radar RFP.
- 4.2. Participant Roles and Responsibilities
- 4.2.1. The IRB Evaluation is led by the IRB Authority, with participation from representatives of the Regional Development Agencies (RDAs).
- 4.2.2. Members of the IRB Evaluation team are responsible to:
- 4.2.2.1. Possess sufficient IRB knowledge and evaluation experience to contribute effectively to the IRB evaluation;
  - 4.2.2.2. Be cognizant of all relevant IRB documentation;
  - 4.2.2.3. Be aware of and use the evaluation tools provided ;
  - 4.2.2.4. Be aware of and follow evaluation process, conduct and security guidelines;
  - 4.2.2.5. Actively participate in evaluation discussions and scoring;
  - 4.2.2.6. Perform the IRB evaluation in accordance with the Evaluation Plan;
  - 4.2.2.7. Seek consensus and endorse evaluation results.
- 4.2.3. The IRB Authority will lead the IRB evaluation and hold overall responsibility for ensuring that the members of the evaluation team carry out their responsibilities. The IRB Authority will act as the liaison between the IRB evaluation team and outside officials, such as project evaluation officials, the Contracting Authority, any Fairness Monitor, etc.
- 4.2.4. The Fairness Monitor (*if applicable*) is responsible to the PWGSC Contract Authority and has the responsibility of providing fairness advice and oversight on all aspects of the procurement. He/she may observe any part of IRB Evaluation.
- 4.3. Process Overview
- 4.3.1. The Industry Canada (IC) Evaluation Lead will provide participants with an introductory overview of IRB mandatory requirements, evaluation procedures, security and documentation, and any Fairness Monitor participation.

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- 4.3.2. In evaluating each IRB Proposal, evaluators will first read the proposal. Discussion and scoring of each plan and transaction will then take place.
  - 4.3.3. Once discussion and scoring are completed for all IRB Proposals, the results will be calculated and endorsed by all participants, and the pass/fail status of each Bidder will be conveyed to the PWGSC Contract Authority.
  - 4.3.4. The IRB evaluation team will make every effort to ensure that the same officials participate throughout the entire evaluation, so as to ensure maximum fairness and consistency for all bidders.
  - 4.3.5. The sensitive nature of the IRB Proposal evaluation requires the application of stringent security measures throughout the process. The overall responsibility for IRB evaluation security rests with the IC Evaluation Lead and extends out to each participant.
  - 4.3.6. Upon receipt by the IRB Authority, the Bidders' IRB Proposals shall only be made available during the evaluation, to those individuals participating in the evaluation process. All IRB Proposals and any written evaluation material shall be secure at all times during the course of the evaluation and will be securely stored and locked when not in use. IRB evaluation participants will not discuss the evaluation material or results outside of the evaluation room, except as required by the evaluation process. At the completion of the evaluation process, the IRB Proposals will be disposed of in accordance with consultation with the PWGSC Contracting Authority).