

# **ANNEX E-ACQ**

## **MEDIUM RANGE RADAR**

### **Industrial and Regional Benefits (IRB)**

#### **Model Bidder Instructions**

**Version 3.0**

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## **1. INTRODUCTION**

- 1.1. It is the intent of the Canadian Government, (referred to herein as “Canada”) that this Project provide Industrial and Regional Benefits (IRB) that will contribute to the continuing viability of Canadian companies’ capabilities in advanced technology manufacturing and services and to improve their ability to compete in both domestic and international markets.
- 1.2. Canada’s objectives recognize the importance of IRB in procurement and therefore they will be a factor to be evaluated in the awarding of the Contract.
- 1.3. Bidders must submit an acceptable IRB Proposal at bid closing. The IRB Proposal will be deemed acceptable by the IRB Authority if it i) meets the IRB Mandatory Requirements outlined in Section 5; and, ii) achieves minimum points during Evaluation as outlined in Section 3 of the IRB Evaluation Plan.
- 1.4. IRB Evaluation results will be conveyed to the PWGSC Contracting Authority, who will then integrate them on a pass/fail basis into the overall bid evaluation results.
- 1.5. It is the responsibility of the IRB Authority, in cooperation with the Regional Development Agencies, to ensure that IRB Proposals are evaluated as outlined in the IRB Evaluation Plan.

## **2. GENERAL INSTRUCTIONS**

- 2.1. In preparing its IRB Proposal, the Bidder should be guided by these IRB Bidder Instructions, as well as by the IRB Evaluation Plan and the IRB Terms and Conditions. All three documents provide important guidance, definitions and/or contractual provisions related to the IRB Policy.
- 2.2. The IRB Proposal should be submitted in a separate, self-contained volume. Only the IRB Proposal is reviewed during the IRB evaluation. In order to facilitate the IRB evaluation process, any material contained in another section of the bid but relevant to the IRB Proposal should be repeated in the IRB Proposal.
- 2.3. Six (6) hard copies and one electronic copy of the IRB Proposal are required.
- 2.4. The Bidder’s IRB Proposal and its receipt, storage and protection by the IRB Authority is governed by applicable federal laws and processes.

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### **3. CANADA'S INDUSTRIAL AND REGIONAL BENEFITS OBJECTIVES**

- 3.1. The Bidder's IRB Proposal should clearly indicate how the proposed business activities will be achieved if it wins this Contract. The optimum IRB Proposal will result in the long-term creation and exploitation of capabilities, knowledge, advanced technologies and markets of lasting impact on Canadian industry.
- 3.2. Proposed IRB activities with a Canadian Company should result in the enhancement of Canadian capability to undertake other work of a similar nature. They should make a positive contribution to the continuing viability, growth, innovation, export growth and overall development of the Canadian IRB recipient.
- 3.3. The regional development objectives of Canada are to encourage long term quality improvements to the capability, capacity, international competitiveness and growth potential of Canadian firms in those regions where Canada has established specific initiatives to promote economic growth and diversification through procurement. These Designated Regions of Canada, as defined in the IRB Terms and Conditions, include: Atlantic; Quebec; Northern Ontario; Southern Ontario; West; and, North. Canadian industry in all the Designated Regions of Canada should have the opportunity to participate in the Medium Range Radar Project. IRB Transactions proposed by the Bidder in support of regional development will be assessed on this Project.
- 3.4. It is an objective of Canada to encourage the participation of Canadian Small and Medium Businesses (SMB) as suppliers on major federal procurements and to increase their competitiveness and export market access. Canadian SMB should have the opportunity to participate in the Medium Range Radar Project. IRB Transactions proposed by the Bidder in support of SMB supplier development and subcontracting will be assessed on this Project.
- 3.5. Canadian industry should have the opportunity to participate in, when possible, the maximum high quality, low risk, Direct IRB activities associated with the delivery of the Work on this Project.
- 3.6. In addition, Canadian industry should have the opportunity to participate in high quality, low risk, Indirect IRB activities, generally at the same level of technology or higher as the Work on this Project.

### **4. IRB TRANSACTIONS**

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- 4.1. The business activities proposed in support of the IRB Objectives outlined above must be in the form of specific IRB Transactions. A Proposed IRB Transaction is a work package that would become a contractual obligation of the Contractor in any ensuing Contract.
  - 4.2. An IRB Transaction proposed for the Medium Range Radar Project cannot be the same or substantially similar to a proposed or existing IRB Transaction associated with an IRB obligation on another project.
  - 4.3. There are two types of IRB Transactions: Direct IRB Transactions and Indirect IRB Transactions.
    - 4.3.1. Direct IRB Transactions
      - 4.3.1.1. Direct IRB Transactions are those achieved through the provision of the goods and services required to deliver the **Medium Range Radar Project**
      - 4.3.1.2. Canadian resources should be utilized to the maximum extent possible to develop, produce, integrate and deliver the **Medium Range Radar Project**.
    - 4.3.2. Indirect IRB Transactions
      - 4.3.2.1. Indirect IRB Transactions are those achieved through business activities not related to the **Medium Range Radar Project**.
      - 4.3.2.2. Indirect Transactions proposed by the Bidder should involve advanced technology products, services and activities that are generally at the same level of technology, or higher, as the Work on this Project.
      - 4.3.2.3. Indirect IRB Transactions must have a Canadian Content Value (CCV) of no less than 30 percent of the total value of a given activity.
    - 4.3.3. Global Value Chain (GVC)
      - 4.3.3.1. GVC Transactions are Indirect IRB Transactions which may be counted towards fulfilling a Direct IRB Commitment, if the activities are related to the provision of goods and services on an eligible GVC Platform.
      - 4.3.3.2. A GVC Platform is a vehicle/craft or Tier 1 major sub-system, used for a particular purpose or which performs a specific mission. It has various stages in the supply chain which are connected by the division of production

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and aftermarket support among many global firms, leveraging each partner's core competencies.

- 4.3.3.3. To be an eligible GVC Platform for IRB purposes, the platform must:
- 4.3.3.3.1. be the same or similar in nature and complexity to the platform being proposed for the Medium Range Radar Project
  - 4.3.3.3.2. have the same or greater market potential, measured by estimated market value, size and/or timeframe, as the platform proposed for the Medium Range Radar Project
  - 4.3.3.4. GVC Platforms should also offer significant opportunities for:
    - 4.3.3.4.1. technological advancement and growth in the level of system integration
    - 4.3.3.4.2. regional and SMB participation; and,
    - 4.3.3.4.3. high-value and long-term activities related to acquisition and/or in-service support
  - 4.3.3.5. Bidders should clearly describe in their IRB Proposals how their proposed GVC platform(s) meets the criteria above. Bidders are asked to provide details and documentation in support of GVC platform eligibility in their IRB Proposals submitted at bid closing.
  - 4.3.3.6. Activities associated with GVC platforms may include, but are not limited to: pre-commercialization activities (e.g. collaborative technology development and demonstration projects); production activities (e.g. definition, design, and manufacturing); and, In-Service Support (ISS) activities.
  - 4.3.3.7. Bidders should note that even though a GVC Transaction may be counted towards meeting a Direct IRB requirement, this does not negate the need for the GVC Transaction to meet all of the IRB Eligibility Criteria, including those related to Causality and Incrementality.
- 4.3.4. IRB Eligibility Criteria
- 4.3.4.1. Any business activity proposed as an IRB Transaction in support of Canada's IRB Objectives must meet the Eligibility Criteria for IRB

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Transactions outlined in the IRB Terms and Conditions. These criteria will be used in evaluating the Bidder's IRB Proposal submitted at bid closing and will form the basis for IRB Transaction eligibility under any ensuing Contract. Bidders are asked to provide complete details and documentation in support of IRB Transaction eligibility within their IRB Proposals submitted at bid closing.

4.3.5. Validating IRB Transactions

4.3.5.1. The IRB Authority reserves the right to validate, within one year of Contract award, the eligibility of any proposed IRB Transaction included in the Bidder's IRB Proposal. This validation could involve the IRB Eligibility Criteria, or the additional criteria associated with Global Value Chain (GVC) and Enhanced Priority Technology List (EPTL). Validation details are outlined in the IRB Terms and Conditions.

**5. IRB MANDATORY REQUIREMENTS**

5.1. There are eight (8) mandatory requirements that the Bidder must meet with its IRB Proposal. The omission of any part of the following eight (8) requirements will result in the Bidder's IRB Proposal being deemed not acceptable:

5.1.1. Requirement One: The Bidder's IRB Proposal must commit to achieving IRB activities, measured in Canadian Content Value (CCV), valued at 100% of the Contract value (including any Contract options), to be achieved within the period beginning March 3, 2008 and ending Seven years after the Effective Date of Contract. For the winning Bidder, their 100% IRB Commitment will become an IRB obligation which must be achieved under Article 2 of the pursuant Contract.

5.1.2. Requirement Two: In its IRB Proposal due at bid closing, the Bidder must:

5.1.2.1. specify its bid price, not including taxes and rounded to the nearest dollar;

5.1.2.2. identify eligible IRB Transactions which are detailed, fully described and equal in total to not less than 30% of the bid price without options, measured in CCV;

5.1.2.3. commit to identifying, one (1) year after the Effective Date of the Contract, additional eligible IRB Transactions which are detailed, fully described and

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bring the cumulative total of identified eligible IRB Transactions to not less than 60% of the Contract value, measured in CCV;

- 5.1.2.4. commit to identifying, three (3) years after the Effective Date of the Contract, additional eligible IRB Transactions which are detailed, fully described and bring the cumulative total of identified eligible IRB Transactions to 100% of the Contract value, measured in CCV.
- 5.1.3. Requirement Three: The Bidder must commit to achieving not less than 30% of the Contract value in Direct IRB Transactions, measured in CCV.
- 5.1.4. Requirement Four: The Bidder must commit to achieving not less than 15% of the Contract value in Small and Medium Business IRB Transactions, measured in CCV.
- 5.1.5. Requirement Five: The Bidder must commit to achieving not less than 5% of the Contract value in Enhanced Priority Technology List (EPTL) Version 1 IRB Transactions, measured in CCV. Version 1 is attached as Annex D to the IRB Terms and Conditions.
- 5.1.6. Requirement Six: The Bidder must accept and agree to the terms associated with Performance Guarantees (Holdbacks and/or Liquidated Damages).
- 5.1.7. Requirement Seven: The Bidder must accept all of the IRB Terms and Conditions.
- 5.1.8. Requirement Eight: The Bidder's IRB Proposal must contain the following components:
- 5.1.8.1. Executive Summary of IRB Commitments;
  - 5.1.8.2. Company Business Plan;
  - 5.1.8.3. IRB Management Plan;
  - 5.1.8.4. Regional Development Plan;
  - 5.1.8.5. Small and Medium Business Development Plan;
  - 5.1.8.6. Detailed IRB Transaction Sheets, accompanied by a summary chart of all IRB Transactions; and,
  - 5.1.8.7. Mandatory IRB Requirements Certificate, signed by a duly authorized company official. See Annex A.

- 6. STATEMENT OF IRB WORK**: The following sections detail the requested content of each of the IRB Proposal mandatory components referred to above in

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Section 5.1.8. Bidders are strongly encouraged to thoroughly review and respond to the instructions listed below. Failure to adequately respond to the instructions may result in the Plan or Transaction receiving a poor score or being rejected as ineligible.

6.1. Executive Summary of IRB Commitments

- 6.1.1. The Executive Summary should summarize how the Bidder will address Canada's IRB Objectives in Section 3 and how each of these Objectives will be achieved through the proposed IRB Plans and Transactions.
- 6.1.2. The Executive Summary should constitute an integrated overview of the complete IRB Proposal. The information in the Executive Summary should only summarize and/or be drawn from content in other sections in the IRB Proposal.

6.2. Company Business Plan

- 6.2.1. The purpose of the Company Business Plan is to demonstrate the ability of the Bidder to assemble, plan and describe its proposed team to complete the Work on the Project. The Plan should also demonstrate the bidding team's ability to meet the IRB Objectives.
- 6.2.2. The Bidder's Company Business Plan should outline the structure, conduct and performance of the business operations of the Bidder and each of its Eligible Parties/major sub-contractors that are performing Work on the Project.
- 6.2.3. The Plan should outline, in detailed text or graphic format, the proposed role of each company (Bidder, Eligible Party and major sub-contractors) in delivering all elements of the Project and the proposed location of that Work. It should also include an organizational chart identifying the key personnel in each company who would be responsible to manage and deliver the Project.
- 6.2.4. The Plan should include a description of the long-term impact of the Work on each company's business operations, in Canada and abroad.
- 6.2.5. The Plan should include the following information, both on the Bidder and each of its Eligible Parties:
  - 6.2.5.1. a description of the decision-making process for establishing product and services responsibilities and market mandates within the company;

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- 6.2.5.2. a description of the management and oversight of company functions, including but not limited to future planning, research and development and marketing, including the identification and location of these responsibility centres;
  - 6.2.5.3. an outline of worldwide corporate operations, including a narrative description and hierarchically ordered chart which describes the present corporate family structure, including parent and subsidiary relationships;
  - 6.2.5.4. a detailed description of any existing Canadian facilities, which includes: the location, date of establishment, nature of operations, number of employees, identification of key personnel, corporate structure and functional interrelationship with the worldwide corporate structure.

### 6.3. IRB Management Plan

- 6.3.1. The purpose of the IRB Management Plan is to demonstrate the Bidder's ability to develop, implement, manage and report on the proposed IRB program. It is also the place for Bidder to detail and document its proposed Eligible Parties and proposed GVC Platforms.
- 6.3.2. The IRB Management Plan should provide a detailed overview of all of the IRB management functions and associated organization required by the Bidder to execute a successful IRB program, in a level of detail sufficient to demonstrate that the Bidder understands its IRB Commitment and is prepared to respond to requirements associated with it for the full duration of the IRB Achievement Period.
- 6.3.3. The IRB Management Plan should include a list of the Bidder's proposed Eligible Parties, with details and documentation justifying how each one meets the Eligible Party criteria outlined in the IRB Terms and Conditions.
  - 6.3.3.1. All proposed Eligible Parties are subject to review and approval by the IRB Authority during evaluation.
  - 6.3.3.2. Bidders are strongly encouraged to demonstrate in the Plan that each of its proposed Eligible Parties that are Canadian Companies with less than 500 employees have the capacity to undertake IRB Obligations. Capacity is assessed in areas such as company size, product offerings, market conditions, corporate ownership, IRB management processes, level of Canadian content, etc.

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- 6.3.3.3. Any proposed Eligible Party which is found not to meet the criteria will be excluded from the List of Eligible Parties in the ensuing Contract. In addition, any IRB Transaction with an excluded Eligible Party as the IRB Donor will be rejected as not meeting the IRB Eligibility Criteria.
- 6.3.4. The IRB Management Plan should include the following information on the Bidder and each of its Eligible Parties:
- 6.3.4.1. the name and contact information of each company's IRB official(s) assigned to the Project;
- 6.3.4.2. job descriptions for each company's IRB official(s) and biographical information about their work experience and education;
- 6.3.4.3. a description of each company's corporate and project-specific resources assigned to execute the management of the IRB program;
- 6.3.4.4. a description and explanation of each company's internal processes for IRB organization, advocacy and awareness, both specific to this project and in general. Bidders should include a description of how IRB considerations will be factored into the company's broader decision making processes, along with how these decisions will be documented and tracked;
- 6.3.4.5. a description of the methods, processes and procedures that each company will use to identify, submit, track, record keep and report IRB activities;
- 6.3.4.6. a description of any previous IRB/offset programs that have been undertaken over the past ten (10) years, in Canada and elsewhere, along with a brief overview of the achievement status of each project.
- 6.3.5. The plan should include a list of the Bidder's proposed GVC Platforms, along with details and documentation justifying how each meets GVC Platform eligibility.
- 6.3.5.1. All proposed GVC Platforms are subject to review and approval by the IRB Authority during evaluation. Any proposed GVC Platform which is found not to meet the criteria will be excluded from the List of GVC Platforms in the ensuing Contract. Any IRB Transaction associated with an excluded GVC platform will still be reviewed and considered for IRB Transaction eligibility during evaluation as an Indirect Transaction.

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- 6.3.6. The IRB Management Plan should include a forecast plan for the Tranche 2 and Tranche 3 IRB Transactions, due one (1) and three (3) years following the Effective Date of the Contract, respectively. The forecast plan should include such information as, but not limited to: an overview of the processes and plans in place to identify and submit transactions; any planned supplier development activities; a list of Canadian firms being considered; and/or, the specific capabilities being sought from Canadian suppliers.

#### 6.4. Regional Development Plan

- 6.4.1. The purpose of the Regional Development Plan is to demonstrate the Bidder's commitment to providing opportunities and assistance for businesses in the Designated Regions of Canada.
- 6.4.2. The Regional Development Plan should identify and describe the Bidder's proposed IRB activities in the Designated Regions, which will become IRB obligations to be achieved under Article 2 of the ensuing Contract. The Plan should also identify any regional commitment targets to which the Bidder is prepared to commit contractually.
- 6.4.3. The Regional Development Plan should provide, in as much detail as possible, the following information on the Bidder and each of its Eligible Parties:
- 6.4.3.1. a description of the activities undertaken and the approaches to date of each company, along with the business rationale, that have resulted in the proposed distribution of IRB activities to the Designated Regions;
  - 6.4.3.2. a description of the activities that will be undertaken and the approaches of each company that will be followed after Contract award until the end of the IRB Achievement Period, along with the business rationale, to improve the IRB opportunities available to the Designated Regions;
  - 6.4.3.3. a description of whether and how regional considerations are factored into each company's procurement/IRB decision making processes;
  - 6.4.3.4. a description of the economic impact of the proposed IRB activities on the regional IRB Recipients' current operations and areas of business, as well as on their capability to pursue and undertake new business activities.

#### 6.5. Small and Medium Business (SMB) Development Plan

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- 6.5.1. The purpose of the SMB Development Plan is to demonstrate the Bidder's commitment to providing opportunities, assistance and encouragement to SMB in Canada.
  - 6.5.2. The SMB Development Plan should identify and describe the Bidder's proposed IRB activities involving SMB in Canada, which will become an IRB obligation to be achieved under the ensuing Contract.
  - 6.5.3. The SMB Development Plan should provide, in as much detail as possible, the following information on the Bidder and each of its Eligible Parties:
    - 6.5.3.1. a description of the activities undertaken and the approaches followed to date by each company, along with the business rationale, that have resulted in the proposed distribution of IRB to SMB;
    - 6.5.3.2. a description of the activities undertaken and the approaches that will be followed by each company, after Contract award until the end of the IRB Achievement Period, to improve the IRB opportunities available to SMB;
    - 6.5.3.3. a description of whether and how SMB consideration are factored into each company's IRB decision-making processes;
    - 6.5.3.4. a description of the economic impact of the proposed IRB activities on the SMBs' current operations and areas of business, as well as on their capability to pursue and undertake new business activities; and,
    - 6.5.3.5. a description of any initiatives, assistance and/or encouragement (at a broad corporate level or specific to this IRB program) that would be provided to SMB to help stimulate and promote them, both as potential suppliers to the project and for their general development. Examples could include financing, special payment provisions, mentoring programs, etc.

## 6.6. Detailed IRB Transaction Sheets

- 6.6.1. The Bidder's IRB Proposal must provide detailed information on each IRB Transaction that the Bidder proposes to provide to Canada and for which it is prepared to commit contractually. A separate transaction sheet is to be completed for each Proposed IRB Transaction. The IRB Transactions will form the basis for the IRB Commitments to be specified in Article 2 of the ensuing Contract.

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- 6.6.2. In addition to the individual transaction sheets, the Bidder must include a summary of all of its proposed IRB Transactions in a tabular/chart format. The tabular/chart summary should clearly identify each IRB Transaction and provide a breakdown (with appropriate sub-totals and percentages) by: Direct, Indirect, Regional, SMB, EPTL and Unidentified.
- 6.6.3. A template of the IRB transaction sheet is attached as Annex C of the IRB Model Terms and Conditions. Bidders are encouraged to use this template, to promote administrative consistency and ease.
- 6.6.4. Bidders are strongly encouraged to fully complete each section of the IRB transaction sheet, as outlined below, so that the IRB Transaction can be properly evaluated. Failure to adequately describe any portion of the proposed IRB Transaction may result in it being rejected.
- 6.6.4.1. Obligor Contact Information (information regarding the proposed Contractor on the Medium Range Radar Project)
- 6.6.4.2. Transaction Details
- 6.6.4.2.1. Transaction Title (provide a brief title identifying the activity);
- 6.6.4.2.2. Transaction Number (assign a unique number, in simple, sequential order, for reference purposes)
- 6.6.4.2.3. Date Transaction Submitted
- 6.6.4.2.4. Tranche (the IRB bid Proposal is Tranche 1)
- 6.6.4.2.5. IRB Transaction Type (direct or indirect)
- 6.6.4.2.6. IRB Activity Type (purchase, investment, etc)
- 6.6.4.2.7. Business Activity Type (electronics, manufacturing, etc);
- 6.6.4.2.8. Federal Supply Class (FSC) Code (website reference provided on template)
- 6.6.4.2.9. GVC and platform (if applicable)

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- 6.6.4.2.10. EPTL/SADTL and details (if applicable)
- 6.6.4.2.11. Description of IRB Transaction (provide a detailed description of the proposed IRB activity, so that it is clear: the nature of the work; the location of the work in Canada, the estimated quantities and timelines; any end-use market, platform or program; that it is different from other similar Transactions; and, other relevant information);
- 6.6.4.2.12. Canadian Government Assistance (describe the date and details of any assistance provided -- either to the specific activity, the Donor, or the Recipient -- from any level of government in Canada);
- 6.6.4.3. Donor information: (Note that the Donor must be an Eligible Party);
- 6.6.4.4. Recipient information Notes: i) the company description should include locations, business history and core capabilities; ii) each Transaction sheet should contain only one Recipient company, unless it is a Grouped Transaction; and iii) government organizations cannot be IRB Recipients, unless it is a Public Research Institution);
- 6.6.4.5. Consortium Member (if applicable);
- 6.6.4.6. Eligibility Criteria (be as specific and detailed as possible in addressing how the proposed transaction meets each Eligibility Criteria, which are outlined in the IRB Terms and Conditions. Include all details and supporting documentation in the IRB Proposal);
- 6.6.4.7. Quality of Transaction (detail the quality of the proposed Transaction and how it meets the IRB Objectives, including factors such as scope of innovation, increases in capability or employment, global export potential, long-term relationship, etc)
- 6.6.4.8. List of Supporting Documentation
- 6.6.4.9. Valuation and Time Phasing (specify the overall values as applicable, plus the detailed commitment schedule broken out by 12 month periods, which mirror the IRB Reporting Periods detailed in the IRB Terms and Conditions)
- 6.7. Mandatory IRB Requirements Certificate

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- 6.7.1. Bidders must submit with their IRB Proposal the Mandatory IRB Requirements Compliancy Certificate (Annex A), completed with their company name and bid price, and signed and dated by a company official duly authorized to bind the company. Beyond adding their name, bid price, signature and date, Bidders shall not make any other changes to the template provided in Annex A.

## **7. ENHANCED PRIORITY TECHNOLOGY LIST (EPTL)**

- 7.1 Bidders must commit to identifying and achieving IRB Transactions in technology areas specific to the EPTL Version 1, as outlined in Section 5.1.5.
- 7.2 Bidders should fully describe and document in their IRB Proposals how any proposed EPTL Transactions are: relevant to the EPTL Version 1; and, involve technology and/or capability that does not currently exist among global product offerings. Bidders should note that any proposed EPTL Transaction must also meet the IRB Eligibility Criteria.
- 7.3 Bidders may choose to include a Banked EPTL-related Transaction in their IRB Proposal for this Medium Range Radar Project. (See Section 8 - Banking). The version of the EPTL which was in effect at the time of the Transaction's acceptance into the IRB Bank will be the Version that applies with respect to the Banked EPTL Transaction.
- 7.4 The IRB Authority is the single point of contact between industry and government regarding the EPTL. All enquiries regarding the EPTL contents should be directed to the IRB Authority, through the PWGSC Contracting Authority.

## **8. BANKING**

- 8.1. Bidders may use Banked IRB Transactions as part of their IRB Proposal.
- 8.2. Bidders submitting a Banked IRB Transaction in their IRB Proposal should include and attach the following:
- 8.2.1. a copy of the exact and latest version of the Banked Transaction sheet which was approved by the IRB Banker; and,
- 8.2.2. a copy of the signed letter of approval from the IRB Banker with respect to that Banked Transaction sheet.

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- 8.3. If a Banked IRB Transaction is used as part of a Bidder's Proposal, the IRB Evaluation Committee will consider the Transaction as accepted for meeting the IRB Eligibility Criteria. However, the Transaction will be evaluated for quality and risk, as outlined in the IRB Evaluation Plan.
  - 8.4. Bidders may submit Banked IRB Transactions of any value in their IRB Proposal. However, not less than 15% of the cumulative value of the Bidders's eligible Transactions submitted in their IRB Proposal must be non-banked Transactions.
  - 8.5. The entire CCV of a Banked IRB Transaction, not portions thereof, must be submitted as a single IRB Transaction in the IRB Proposal.

**9. INVESTMENT FRAMEWORK (IF)**

- 9.1. An *IF* Transaction should only be included in the Bidder's IRB Proposal submitted at bid closing if it has already been fully reviewed and approved by the IRB Authority as a Banked Transaction.
- 9.2. Any *IF* activity which has not been fully reviewed and approved by the IRB Authority as a Banked Transaction, yet included in a Bidder's IRB Proposal submitted at bid closing, will be counted as zero for the purposes of evaluation.

**Mandatory IRB Requirements Certificate**

The Bidder, \_\_\_\_\_, declares and certifies that through this IRB Proposal for the Medium Range Radar Project, the Bidder:

1. Commits to achieving IRB activities valued at 100% of the Contract value (including any Contract options), measured in Canadian Content Value (CCV), to be achieved within the period beginning March 3, 2008 and ending Seven years after the Effective Date of Contract.
2. Identifies its bid price (not including taxes and rounded to the nearest dollar) as:  
\$ \_\_\_\_\_
- 2(a). Identifies eligible IRB Transactions equal in total to not less than 30% of its bid price without options, measured in CCV
- 2(b). Commits to identifying, one (1) year after the Effective Date of the Contract, additional eligible IRB Transactions which bring the cumulative total of identified eligible IRB Transactions to not less than 60% of the Contract value (including any options), measured in CCV
- 2(c). Commits to identifying, three (3) years after the Effective Date of the Contract, additional eligible IRB Transactions which bring the cumulative total of identified eligible IRB Transactions to 100% of the Contract value (including any options), measured in CCV
3. Commits to achieving not less than 30% of the Contract value in Direct IRB Transactions, measured in CCV.
4. Commits to achieving not less than 15% of the Contract value in Small and Medium Business IRB Transactions, measured in CCV.
5. Commits to achieving not less than 5% of the Contract value in EPTL Version 1 Transactions, measured in CCV.
6. Accepts and agrees to the terms associated with Performance Guarantees (Holdbacks and/or Liquidated Damages).

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7. Accepts all of the IRB Terms and Conditions.
  8. Has submitted all the required components of an IRB Proposal:
    - Executive Summary of IRB Commitments
    - Company Business Plan
    - IRB Management Plan
    - Regional Development Plan
    - Small and Medium Business Development Plan
    - Detailed IRB Transaction Sheets, accompanied by a summary chart of all IRB Transactions, and
    - This Mandatory Requirements Certificate, duly completed, signed and dated.

IN WITNESS THEREOF THIS MANDATORY REQUIREMENTS CERTIFICATE HAS BEEN SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ BY A SENIOR COMPANY OFFICIAL WHO IS DULY AUTHORIZED TO BIND THE COMPANY.

\_\_\_\_\_  
SIGNATURE

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NAME AND TITLE OF SENIOR COMPANY OFFICIAL