

**THE BUILD IN CANADA INNOVATION PROGRAM (BCIP) CALL FOR PROPOSALS 005
Amendment No. 004**

The purpose of this amendment No. 004 is to:

1 – At Attachment A – Bidder Q&A, insert the following questions and answers:

Q30: Could the BCIP provide both bidders and the NRC with a Service Readiness Level assessment tool to be used in place of the current TRL tool?

A30: The BCIP is based on a fair evaluation approach for all bidders, and as a result evaluates services and goods in the same manner based on the definitions and conditions of the program. It is important that businesses review all program definitions to ensure the program is appropriate for their product or service.

Q31: Where, in the proposal, would be the best place for us to address the fact that we meet a stated governmental requirement for inter-departmental data sharing?

A31: If it is a certification, license or approval, you should indicate it at SC 1.2 Certifications, Licenses, and Approvals; if it is a technical specification (without a certification/approval/license), you should indicate it at PR 6.2 Technical Specifications of the Innovation.

Q32: Can an innovative process or service (that is, one that doesn't exist in the marketplace) using an existing information technology (e.g. mobile web technology with HTML5) be eligible as an innovation?

A32: The BCIP does not have a preference towards goods or services.

Bidders are free to submit what they think would be attractive to a test department or what would be beneficial to them. Service proposals must meet all program requirements; for example, an innovation must be an Advance on State of the Art, as defined on the program's website (<https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/program-specifics/bcip-definitions>). Evaluators will determine whether your proposed innovation represents an Advance on State of the Art with respect to current state-of-the-art.

Q33: I have a question in terms of Section 4.1, which asks for the measureable differences between our product and competitors.

Within our industry, the technology is on a fairly level playing field, so the measureable, quantitative, data will all be fairly similar. The points of differentiation are much more qualitative, in terms of low levels of training required, ease-of-use, built in maintenance mechanisms, adaptability etc.

Would qualitative differences such as these (which aren't directly measureable) still be considered acceptable?

A33: To receive top marks in relevant sections, including whether or not an innovation is an advance on the state-of-the-art, proposals will need to provide sufficient measurable evidence to support the claims of the bidder's innovation. While the benefits may be qualitative in nature, evaluators will need appropriate information that supports the bidder's claims. For example, if an innovation claims to be

more efficient than other solutions, the bidder must be able to demonstrate evidence to support this, such as work hours or money saved. Other indirect and measurable evidence may also be supportive to evaluators to help understand qualitative benefits, such as the frequency by which claims are proven to be true. Additionally, peer reviews can also be an acceptable validation of qualitative data, but the evidence provided should generally have some validated and measurable benefit.

Q34: Does my innovation qualify under the program?

A34: Eligibility under the program is determined by our technical evaluators after bid closing, so you would need to read through all of the evaluation criteria and submit a proposal. The evaluation team will be evaluating all the proposals submitted and providing a decision on their eligibility

Q35: I started my proposal under the Standard Component but now feel that it is better suited for the Military Component, can I switch?

A35: You can create a new proposal under the military component and copy any work done to date under the standard over to the military form. Once you are done moving the information over you may provide me with the old proposal number and I can submit a request to have it deleted.

Q36: Which priority area does my innovation fall under?

A36: It is the Bidders responsibility to determine where their innovation fits. Please review the detailed description of each of the priority areas on the BCIP website at <https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/program-specifics/priority-areas#150>

Q37: If the product offered is software, would the contract (up to \$500,000) provide the government with indefinite use of the software?

A37: The terms of any software license(s) will be negotiated prior to contract award.

Q38: Can a bidder reapply in following years with the same product with certain revisions in the event of a failed application?

A38: Yes, bidders who failed in past Calls for Proposal(s) are encouraged to reapply taking into consideration the comments they received during their proposal debriefing. Bidders should read the current Call for Proposals and respond accordingly as evaluation criteria may have changed from the previous Call.

Q39: If an application is approved and a contract is finalized, does that preclude the company from offering the same product via the traditional procurement process on buy&sell?

A39: If a prequalified bidder receives a contract under BCIP it does not preclude the bidder from offering the same product for other government requirements offered on Buy and Sell

Q40: In order to determine whether an application should be made via the standard/military, can bidders contact departments directly to explore potential interest?

A40: Yes, it is recommended but not required that the Bidder contact potential departments as it will increase the potential for a match. However, the Bidder must develop its proposal independently.

Q41: Could I have a .doc version of the online proposal submission form?

A41: Yes, when you are logged into Fluidreview, there is link entitled "Resources" in the upper right hand corner....if you click on that link it contains both a PDF and Word version of the submission form.

Q42: Is there a deadline as to when the Testing should be finished and the final report submitted

A42: The test must realistically be completed by March 31st, 2016.

Q43: Where can I find a copy of the detailed financial cost breakdown form?

A43: When you are logged in to Fluidreview, there is link entitled "Resources" in the upper right hand corner....if you click on that link it contains a copy of the detailed financial cost breakdown form which will assist you in responding to this criterion.

Q44: We have a letter of support from a testing department, how can we submit this with our proposal?

A44: We do not require supporting letters from potential testing departments; you may specify a point of contact from the interested department/agency at section PR 8.4 Test Departments and Potential Benefits.

Q45: Can I edit my proposal once it has been submitted?

A45: Once you have submitted your application you would need to submit a request to the Contracting Authority at PICC.BCIP@tpsgc-pwgsc.gc.ca to unsubmit your proposal in order to edit it.

Q46: Can you let me know if it's permissible to include two images, or is there a limit of one?

A46: There is a limit of one image.

Q47: I have a question regarding the application - my company is the lead in a joint venture with a second company providing equipment and services. In *STAGE ONE – Screening Criteria 2: Commercialization Capacity*, do you only require information on my company, or both?

A47: You will need to submit details for both companies and how collectively your new "joint venture" meets all of the criteria for Screening Criteria 2.

Q48: Are service innovation evaluated differently than goods?

A48: The BCIP is based on a fair evaluation approach for all bidders, and as a result evaluates services and goods in the same manner based on the definitions and conditions of the program. It is important that businesses review all program definitions to ensure the program is appropriate for their product or service.

Q49: Does the BCIP show any preference towards goods or services?

A49: No, the BCIP does not have a preference towards goods or services.

Bidders are free to submit what they think would be attractive to a test department or what would be beneficial to them. Service proposals must meet all program requirements; for example, an innovation must be an Advance on State of the Art, as defined on the program's website (<https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/program-specifics/bcip-definitions>). Evaluators will determine whether your proposed innovation represents an Advance on State of the Art with respect to current state-of-the-art.

Q50: We have a testing department who is willing to test the innovation do they need to issue a tender on the Buy and Sell minisite?

A50: No, the tender for the program is currently available on the Buy and Sell Mini-Site. Companies must submit a proposal for their innovation(s) under the current Call for evaluation. If you have a potential testing department we ask that you provide their contact information in your proposal. Should your innovation be accepted under the program, the point, assuming they are an eligible testing department under the program, will be approached to test your innovation.

Q51: Can delivery and billing occur after March 31, 2015 but everything must be finished by March 31, 2016?

A51: All goods and services must be received prior to March 31, 2016.

Q52: What is the timeframe to determine winning a bid (the imitation of the contract award process)? Another way of looking at it would be from the time of submission (SEP 16), to being selected in a Pre-Qualified pool, what would be the shortest and longest periods for this selection?

A52: We cannot give an accurate timeline for the evaluation as we have no sense as to how many proposals we are going to receive. Based on past calls the process can be as short as 3 months to six months.

Q53: Once selection to a Pre-Qualified pool is made, what are the approximate time frames for the following steps in the Contract Award Process?

A53: Once the Pre-Qualified Pools are made public, the Contract Award Process commences with the success of the following steps: Testing Department match, drafting the Statement of Work, Financial Capability & Certifications, Contract Negotiations & Contract Award. There are numerous variables impacting the timeline. Having a Testing Department interested at time of bid closing may shorten the Contract award process duration. The complexity of the work, negotiations & various internal or external factors will impact the timelines. A typical timeframe could be anywhere between three months and nine months. All delivery and testing must be completed by March 31, 2016. All goods and services must be received prior to March 31, 2016.

Q54: We prequalified under the program under a previous call and would like to submit our Mark 2 product for Call 005. Will this be considered?

A54: An innovation can be submitted if it has not previously been awarded a contract under the BCIP or for any previous versions of the innovation. If you have submitted the innovation or any previous

version of it and it was included in a pool, the proposal validity period must be expired and a contract must not have been awarded. In this case, you will need to clearly demonstrate that your innovation 'Mark 2' is a completely different innovation from 'Mark 1'. Specifically you will need to explain how the 'Mark 2' is a newly developed innovation and how it differs from 'Mark 1'.

Q55: If a design has been registered in a country besides Canada, can it be considered an innovative design in Canada and be eligible for Canadian government funding?

A55: The bidder must meet the following mandatory criteria:

MC-1 Canadian Bidder: The Bidder must be Canadian and must be submitting the proposal on its own behalf. A Canadian Bidder is defined as a Bidder having a place of business in Canada where the Bidder conducts activities on a permanent basis that is clearly identified by name and accessible during normal working hours.

Q56: Along the same lines, if a design has been registered in the US but not in Canada, can it be considered an innovative design in Canada and be eligible for government funding?

A56: The bidder must meet the following mandatory criteria:

MC-2 Canadian Content: The Bidder must certify that a minimum of 80% of the financial proposal costs are Canadian goods or Canadian services, as defined in the Canadian Content certification.

Q57: At section SC 1.1: Regarding technology Readiness level, there are 3 options: The technology that we are proposing is complete in modelling and conceptual design and could be reached to the commercialization level, but it needs to be completed and produced as prototype. Creating this prototype is the subject of our proposal. I am not sure what level we have to check.

A57: It is up to the bidder to determine the technology readiness level of their proposed innovation. Please visit the following the webpage for guidance:

<https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/program-specifics/technology-readiness-levels>

Q58: At section SC 1.2: Certifications, Licences and Approvals: Test certifications and approvals will be available after making the prototype. We know what kind of test or certificate we might need, but we have to have the prototype ready and then request for the certificates. What should we put in this section?

A58: Bidders are responsible for determining if their innovation has the required certifications, licenses and approvals to support a test in an operational setting at time of bid closing. If the innovation does not have the basic certifications required it may be unusable for testing and therefore a contract would not be possible

Q59: We are requesting the clarification on what information is required in PR 5.4 "Total Acquisition and Installation Cost" as distinct from section 8.6 (a) "Financial Proposal Cost Breakdown". It is clear that 8.6(a) required the details of our financial proposal. It is not clear what additional information could be required under PR 5.4. Is this just information simply referring to a general case? Our innovation is

software which is priced as per employee basis. How many employees do we use for calculation the amount in PR 5.4(a)? Please clarify.

A59: PR 5.4(a) is referring to the cost incurred by the typical end user (customer) to purchase and install your innovation. The number of software licences required by the typical end user is the bidder's responsibility to determine. This information will be used to evaluate the potential for broader adoption of the proposed innovation.

PR 8.6(a) is the cost of the proposed BCIP test plan. This information will be used evaluate the scope and feasibility of the BCIP test plan.

Q60: Can you confirm that if the project is not picked up by the military that other agencies will get the opportunity to test this system?

A60: Proposals submitted under the Military component will be reviewed by the Defence Validation Committee and if they cannot match it in the Department of National Defence/Canadian Armed Forces we will seek a match outside of the Department of National Defence/Canadian Armed Forces.

2 – At Attachment B – July 24, 2014 Webinar Questions and Answers, add the following questions and answers:

Q91: Is a process incorporating a number of stakeholders eligible?

A91: You may establish a partnership with another company if you wish. In terms of the department responsible for the trial, only one department will be required to carry it out.

Q92: Can the proposal be put in place by another company if it puts forward the right cost?

A92: Any resulting contract will be awarded to the bidder indicated in section 1.5 of the bid's electronic form. Please refer to PART 2 – BIDDER INSTRUCTIONS, Standard instructions – Goods or Services – Competitive Requirements, 2003 (2014-03-01) of the call for proposals document.

Q93: Can a non-engineer submit his or her innovation and work with engineers?

A93: Yes, absolutely. Being an engineer is not a mandatory prerequisite. However, you must demonstrate in your proposal that your management structure includes a representative with the appropriate technical qualifications for your respective industry, which will allow you to introduce your proposed innovation to the market.

3- Insert Attachment C – Proposal Submission Guidance – Call for Proposals 005

4 – Amend the Call for Proposals at Part 4, Article 1, Conduct of the Evaluation

This Article is amended to specify that contractors may also form part of the evaluation team.

THERE ARE NO OTHER CHANGES TO THE SOLICITATION

Attachment C

Build in Canada Innovation Program (BCIP) Call for Proposals - Proposal Submission Guidance – Call for Proposals 005

1. Scope/Purpose

This document on Build in Canada Innovation Program (BCIP) Proposal Submission Guidance is intended to serve as an information tool for industry to assist in completing the BCIP Call for Proposals electronic Proposal Submission Form requirements by providing practical information, sample phrases, the type of information that can be submitted and examples related to the various proposal evaluation steps and evaluation criteria elements.

2. Expected Outcomes

Expected results from the implementation of this Guidance tool are:

- Provide a clear understanding on how to/what to include when responding to the evaluation criteria elements;
- Provide sample phrases, examples, options on how to respond to evaluation criteria requirements;
- Support industry in identifying key elements that should be considered, addressed in the Proposal Submission Form; and
- Serve as a tool to potentially increase the quality of proposal submissions for evaluation.

To be eligible for the Program, proposals must meet the Mandatory Criteria and must pass the Screening Criteria. Proposals that are successful in passing the Screening Criteria will proceed to the point rated criteria.

3. Advice to Bidders

- Plan ahead and ensure the required information is prepared in advance of the bid closing. It is the bidder's responsibility to ensure information is submitted before the deadline. No late bids will be accepted. Submitting at the last minute puts the bidder at risk of not being able to submit as a result of power or internet outages.
- Proof read the entire document. Evaluators are not able to make assumptions and are only permitted to evaluate the innovation based on the information enclosed in the bid. Spelling errors, incomplete sentences or incorrect information may inhibit the evaluator's ability to fully understand the innovation and its benefits.
- Where possible bidders should validate claims with quantified data. Without measurable evidence or data evaluators may not be able to properly assess bidders claims.

- Be clear and direct in responses. It is important to use the allotted space for each question wisely. Be sure to carefully read each question and address all of the requested information. For example, when describing the benefits of your innovation, do not take up the majority of the section talking about competitors.

4. Stage One - Mandatory Requirements

Proposals must meet the 6 Mandatory Criteria(MC); Canadian Bidder, Canadian Content, Intellectual Property, Priority Areas, Commercial Sales and Maximum funding.

a) Key terms and definitions that all Bidders should become familiar with are:

- Advance on State of the Art
- Certifications
- Commercial Sales
- Configuration
- Customization
- Innovation
- Invention
- Technology Readiness Level (TRL)

These definitions can be found on the BCIP website at: <https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/program-specifics/bcip-definitions>.

b) Bidder Information and Contact Information

The information provided under this section will be used for communication purposes throughout the procurement and contracting process. It is important for a Bidder to ensure information is accurate.

5. STAGE ONE – Screening Criteria(SC) 1: Readiness

This section is designed to determine if the innovation is at the appropriate level of development to support a test through the BCIP. Questions specifically seek information on:

- What testing has been conducted to validate the TRL;
- Who tested the innovation(e.g. third party laboratory, in-house);
- Where was the innovation tested (regional office, various locations, etc.);
- Under what operational setting and environmental conditions was the testing completed;
- The results of the testing;
- The licenses, certifications and approvals for safe operational use obtained to date;
- Technical challenges (if applicable) encountered during the development of the innovation, and how they were addressed;
- Technical challenges that remain to be addressed;
- Whether the innovation is ready to be tested and the test can be completed within the timelines specified in the Call for Proposals.

Examples of the types of Information and statements to include are:

a) TRL Level

- The XYZ Corp. application has been evaluated in a laboratory environment against a series of simulation exercises and was previously field tested on various hardware platforms. The results from the evaluation and field testing were favorable and the application performed flawlessly.
- Several units are being tested by three potential clients in an operational setting with positive results, pushing the TRL towards 9.
- The innovation was tested in a controlled operational setting and witnessed by subject matter experts.

b) Technical Challenges Addressed

- The hardware platform on which the innovation was tested identified several technical challenges. The platform required higher performance specifications than anticipated to process greater bandwidths over a wider frequency range. This required us to modify the algorithm and introduce new techniques to overcome the resource limitations without loss of performance.
- 20 prototypes were assembled and tested, design revisions were made and the units were recalibrated. A run of 100 additional units was executed and were tested with good success post recalibration.
- The test validated our expected results. Testing confirmed operational capability at a cold temperature down to -40C in an operational environment. Further lab testing has been done in a University lab to validate that the innovation will operate in conditions down to -49C.

c) Remaining Technical Challenges

- The application's ability to communicate back to the end user although useful was limited. Additional functionality will have to be developed to allow for integrated communication and additional feedback to/from the end user.
- A potential end user has identified additional functionality; therefore we will look into networking several units together.
- The feedback received from performance validation was that the system be ruggedized and more compact. The outer casing is being redesigned for a more rugged design with additional protection, the inner casing was removed to render the innovations overall size more portable. This partially completed redesign will have to be revalidated.

d) Certifications, Licenses, and Approvals

It is the Bidders responsibility to determine what certifications and licenses apply to their innovation.

- This equipment uses radio communication systems. As such, the appropriate permissions must be sought from Industry Canada for the test and evaluation of this equipment.

- There are no certifications, licenses or approvals required. The innovation undergoes standard quality assurance (QA) testing prior to delivery to a customer, as per our ISO 9001:2008 processes. The QA testing verifies that the unit has been correctly built and is fully functional for customer use. The innovation can be safely used by a testing department.

6. **STAGE ONE – Screening Criteria(SC) 2: Commercialization Capacity**

In this section the Bidder must provide sufficient details to demonstrate that they have a sound management structure; financial strategy; and intellectual property strategy to move the innovation to a commercial market. Bidders are requested to:

- Give an overview of your company;
- Detail your company’s management structure including information on your key member(s) which shall include financial, technical and business representation and what experience they have in their field;
- Include your financial history and forecast for the future;
- Detail your go-to-market plan including the time and the financial requirements to commercialize your innovation, provide details on secured financing or detail your plan to obtain the financing;

Examples of the types of Information and statements to include are:

(a) Management Structure Overview (Capacity and Capability)

This sub-section is designed to determine if the company has the capacity or expertise to successfully commercialize the proposed innovation. Where possible, examples should also highlight how each member fits into the organization, and how together, they cover the three key functions: financial, technical and commercialization capacity.

- XYZ Corps’ management structure includes the following:

Dr. Bob (President/CEO). He received his Ph.D. from the University of BC in 1982 and was a scientist prior to founding the company and developing the innovation. He has published 10 scientific papers and holds multiple patents. (Technical Rep. with relevant qualifications)

Dr. Jill (Vice President) is responsible for business operations and business development. She received her Degree in Business Management from the University of Ottawa in 1994 and served as Chief Operating Officer for an IT firm for 10 years. (Business Rep. with relevant qualifications)

Mr. Jack Smith (Finance and Accounts Manager) is a Certified Public Accountant with 20 years of prior experience from 123 Accounting. (Financial Rep. with relevant qualifications)

- John Doe is the founder and president of the company. He graduated with a degree in Software Design and has 26 years of software development experience from his employment with the IT Group where 4 of those years were served as the Business Development Manager managing business lines. John is also a Chartered Accountant with 8 years of experience as a corporate accountant with 123 Accounting Firm. (Business, Technical and Financial Rep. with relevant qualifications).

(b) Go-to-Market Financial Requirements

Demonstration must be made that there is sufficient cash flow in the company to operate and commercialize. The amount anticipated from any BCIP contract cannot be included in this amount.

- The estimated breakdown of costs required to reach the commercialization are as follows:
 - \$100,000 in additional research and development;
 - \$50,000 in product launch marketing;
 - \$50,000 in sales costs including sales training

- The estimated breakdown of costs required to reach the commercialization are as follows:
 - \$ 500,000 Human Resources
 - \$ 50,000 Travel
 - \$ 30,000 Rent / Office
 - \$ 23,000 Accounting / Legal
 - \$ 8,000 Research \$ Development
 - \$ 8,000 Communications
 - \$ 619,000 Total

(c) Plan to secure the funds:

- XYZ Corp will fund the remaining development and marketing activities out of its working capital, which amounted to 50 000 \$ as of end of Fiscal year 2014, combined with a line of credit of 100 000 \$ from ABC Bank and royalty revenues of \$50,000 on existing products.
- ABC Ltd. has a line of credit from 123 Bank for the \$120,000 needed to commercialize. The line of credit is currently available.

(d) Intellectual Property Strategy

- XYZ Corp. owns its IP and has a patent for the technology. Patent No. 12345-6789
- ABC Ltd. protects the IP as a trade secret. Patenting the innovation would be risky as public disclosure could put the innovation at risk of reverse engineering.