

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving - PWGSC / Réception des soumissions
- TPSGC
11 Laurier St. / 11, rue Laurier
Place du Portage, Phase III
Core 0B2 / Noyau 0B2
Gatineau
Québec
K1A 0S5
Bid Fax: (819) 997-9776

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Ship Construction, Refit and Related
Services/Construction navale, Radoubs et services
connexes
11 Laurier St. / 11, rue Laurier
6C2, Place du Portage
Gatineau
Québec
K1A 0S5

Title - Sujet SAR Lifeboat Project	
Solicitation No. - N° de l'invitation F7047-141000/C	Amendment No. - N° modif. 007
Client Reference No. - N° de référence du client F7047-141000	Date 2014-12-22
GETS Reference No. - N° de référence de SEAG PW-\$\$MC-017-24806	
File No. - N° de dossier 017mc.F7047-141000	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-02-26	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Lamothe, Brenda	Buyer Id - Id de l'acheteur 017mc
Telephone No. - N° de téléphone (819) 956-6297 ()	FAX No. - N° de FAX (819) 956-7725
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

Amendment #7 is raised to post Questions and Answers and to amend Schedule B "Milestone Payment Schedule".

Questions and Answers
Annex G

Q.1 The RFP indicates that a bidders' meeting could take place. When would this decision be made and when would the meeting be announced?

2.7 BIDDERS' CONFERENCE

A bidders' conference could be organized, in which case clause SACCA9083T (2014-06-26) Bidders' Conference would apply.

A.1 If by Friday December 5th, sufficient bidders have demonstrated their interest to the CA by email, a bidder's conference will take place on December 16th in Ottawa.

Q.2. The English RFP document is larger (818 pages) than the French (737 pages); is the French version complete?

A.2 Yes. Both the English and French documents are complete. The formatting in the French Construction Specification is different from the English hence the total number of pages.

Q.3. We just went through the RFP document and noted that Lloyds Register (LR) classification notation with no equivalencies stated in the documents. Furthermore the design documents, plans and drawing have all been approved by LR, (refer page 76 annex A section 1.4 and page 239 and 240).

We are somewhat puzzled that other companies did not receive notification for approval through Marine Safety Supply Arrangement Agreement; being one of the approved Recognized Organization (RO) members. The entire documents have references to LR rules ref. page 141, 162 & 163 etc. This is not a level playing field for other ROs to participate in shipyards bids for SAR lifeboats. We are quite disappointed to observe that CCG always make references to LR rules and no other classification societies which puts us at disadvantage. Your comments or views are greatly appreciated.

A.3. In accordance with the RFP the SAR Lifeboats shall be built under the Delegated Statutory Inspection Program (DSIP) and in accordance with the rules of a Classification Society designated by Transport Canada as a Recognized Organization (RO). Bidders are free to use any RO that they would like as long

as fulfilling the above requirement. The design of the SAR Lifeboat was conducted utilizing Lloyd's Register Rules as the baseline rule set for the initial design work and LR was the RO selected to review and appraise the design IAW these rules. However, IAW the Construction Specification (CS), bidders are free to use any RO rules set for the final design of the SAR as long as the selected RO meets the DSIP requirements in the RFP. This is indicated in the CS in 1.70.2.0-8 The Vessel must meet all applicable Lloyds Register Classification Society Rules or equivalent rules of IACS members recognized by Transport Canada.

- Q.4. As a qualified Canadian sub-contractor in this domain it seems very strange that we can neither get the program specification drawings nor the contact info of the potential primes to then get it from them. There are potentially 10 shipyards in Canada who will now be inundated with potential subcontractors trying to get the information that should be available under NDA. If there was at least an industry day scheduled that would help us identify the primes.
- A.4. With reference to the memory / USB sticks they are to be distributed to the Prime bidders / Shipyards who will be building these SAR Lifeboats due to the Intellectual Property rights and to limit the number of these memory / USB sticks. Canada does promote that your company contacts any of the Canadian shipyards.
Please see question and answer #1 about the Industry Day / Bidders Conference.
With regards to your question on the identification of the potential shipyards, our new Buy and Sell website does not allow this due to Privacy Policies but does allow for open data on the Buy and Sell Website.
- Q.5. Due in part to the holiday season approaching, and most notably, the complexity of this solicitation and requested deliverables, may we also request an extension to the bid closing date until end of February?
- A.5. Your question is noted and at this time the bid closing date remains unchanged. The bid closing date is January 27th, 2015.
- Q.6. Last March responses were made to the Letter of Interest for these vessels with a number of suggestions. Suggestions were not addressed or adopted in the RFP so we will now pose the major ones as questions to this solicitation.

Time of order:

When does Canada expect an order to be placed for these vessels?

- A.6. All contract awards are subject to Canada's internal approval process which

includes a requirement to approve funding in the amount of any proposed contract and is subject to Canada securing appropriate licensing terms for the design. Subject to the above, the commencement of work for this requirement will be determined once the winning bidder has been selected and awarded the contract.

Q.7. Response to RFP:

Last March we suggested a minimum 3 months for a response to this RFP. Request an extension be granted to at least the end of March 2015 in consideration of the complexity and magnitude of the project and the loss of the month of December because of year end business requirements and the Christmas season.

A.7. Your question is noted and an extension to the bid closing is under consideration.

Q.8. Design Responsibility:

Canada is providing a detailed design for the vessels. We do not understand why the builder is being asked to provide a performance guarantee ref 6.2 (a).

A.8. As this is not a proven design and Canada has yet to build these SAR Lifeboats, the winning contractor must perform the Design Check in accordance with the Contract.

Q.9. Design Check:

If the builder is required to provide a performance guarantee, then the Design Check must be very detailed and thorough. Request that a minimum 90 days be allotted for this.

A.9. Your question is noted and at this time, the 45 days allotted to complete the Design Check remains unchanged.

Q.10. Vessel deliveries:

The required delivery schedule posted in the solicitation is unrealistic, especially considering that 'time is of the essence'. Suggest that Canada require bidders to submit their best proposed delivery schedule.

A.10. Your question is noted, however the delivery schedule remains unchanged.

Q.11. Cost escalations and exchange rates:

Please advise how bidders are to handle cost escalations and currency exchanges over the life of the project.

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- A.11. These factors should be taken into account by the bidder when preparing their submission.
- Q.12. Request that Canada advise who the project Technical Authority will be.
- A.12. The Technical Authority is not divulged until Contract Award. All questions are to be addressed to the Contracting Authority on the file.
- Q.13. It would be very helpful and reassuring to bidders to be provided a unequivocal list of mandatory's that must be complied with rather than the RFP making the statement that all mandatory's are defined by the terms "shall, will, must, etc. It has been very typical in the past that bidders have been considered "non-responsive" if they miss even a single mandatory item defined this way and needless to say bidding this type of project is extremely expensive to the industry.
May we please request such a definitive list?
- A.13. As per the RFP, Part 3 in order for a bid to be declared responsive, a bid must:
a) comply with all the requirements of the bid solicitation; b) meet all the Mandatory Criteria (MC) and the Mandatory Technical Criteria (MTC); c) obtain the required minimum of 40 percent for each individual Rated Technical Criterion (RTC); and d) obtain the required minimum pass of 80 out of 200 points overall for the Rated Technical Criteria (RTC).
- Q.14. RFP section 5.3, 5.4 and 5.5. Can you please re-confirm that these specific documents can be provided after contract award, and NOT at bid submission time?
- A.14. Part 5 sections 5.3, 5.4 and 5.5 are certifications that should be submitted with the bid, however they are not mandatory requirements at bid submission. They are mandatory precedent to Contract Award.
- Q.15. Milestone schedule – "B" ; a) May bidders provide an alternative schedule as the schedule "B" in this RFP is NOT conducive to our production methods and cash flow requirements. Eg: Milestone 11 representing a 15% payment "after vessel delivery (including spares and training) and Canada's acceptance". This is considered totally unreasonable.
b) May bidders provide a "2% Warranty Bond" in lieu of the 2% cash warranty holdback for 12 months ?
- A.15. a) Canada has reviewed Schedule "B" Milestone Payment Schedule and has determined that it remains unchanged.
b) At Milestone 13 the deliverable is a Completion of 12 month warranty period and it remains at 2% payment of the unit price.

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- Q.16. Further to a review of the bid documents, I would like to know whether it would be possible to extend the bid submission deadline to the end of February?
- A.16. Please see Question and Answer #7, your question is noted and an extension to the bid closing is under consideration.
- Q.17. Paragraph 24.0 (TRADE QUALIFICATIONS AND WELDING) of the solicitation document reads as follows: *“The Contractor shall use qualified, certificated and competent trades people and supervision to ensure a uniform high level of workmanship. The Inspection Authority may request to review and record details of the certification and/or qualifications held by the Contractor’s tradespeople.”*
- Quebec shipyards do not employ “trades people” at their sites, but rather workers, supervisors and inspectors who have training in welding and fitting and who hold a Canadian Welding Bureau (CWB) welding competency card, which is regularly renewed, as specified in paragraph 38.0 of the Invitation to Tender document.
- I would appreciate it if you could confirm the validity of paragraph 24.0.
- A.17. The RFP document at Part 7 Section 24 has been amended to read:
The Contractor must use qualified, certified (where applicable) and competent tradespeople and supervision to ensure a uniform high level of workmanship. The Inspection Authority may request to view and record details of the certification and/or qualifications held by the Contractor's tradespeople. This request should not be unduly exercised but only to ensure qualified tradespeople are on the job.
- Q.18. RFP section 13 , ANNEX “A” , Spec 2.6.2.6 & 2.6.2.6.7. and ANEX “A” - APPENDIX A-2 ; regarding French documents , manuals , labels etc . May we request the Crown consider that bidders provide French translated documents and manuals “where available” , and include an allowance “established by the Crown” for all other translation work, documents , labels etc . The rationale is that it is impossible for bidders to know what this costing will involve and vendors will not commit either . This has been a recurring problem on every RFP for all of the 38 years I’ve been involved in Government bidding .
- A.18. All deliverables are required in both official languages where indicated. Concerning Technical Manuals, Canada draws attention to the following statement in Annex A, Appendix A-2, DID I-001 (Technical Manuals):

“Technical manuals are required both in English and French. Where required copies of English or French are not readily available commercially, unilingual versions in either of Canada’s official languages will then be accepted provided that the Contractor provides written evidence from the supplier that the prescribed manuals are not commercially available in the other official language.”

Q.19. There’s a paragraph that states: “Object Number: 2.2.33.1.0-3 - The diesel engines must be compliant with IMO exhaust emission levels required at the time of keel laying. To be discussed with Canada.” Can you ask the Crown to clarify specifically what they are requiring? If all of the keels are laid prior to Jan 1 2016, IMO II would still be in effect, which is a simpler and less expensive option to supply and integrate. Also, what is meant by: “To be discussed with Canada”?

A.19. Object Number 2.2.33.1.0-3 of Annex A- Search and Rescue Lifeboat: Appendix A-3 Construction Specification is modified to read as follows:

“Each diesel engine must meet or exceed the Tier II requirements for exhaust emission limits required by MARPOL, Annex VI, Regulations for the Prevention of Air Pollution from Ships.”

The sentence “To be discussed with Canada” has therefore been removed.

Q.20. We wish to raise this additional concern regarding section 4.4.1 of Annex “A”. In the past Federal solicitations have stated that the builder must maintain a quality system that “models” the ISO 9001 system, which we have accommodated. This section of Annex ‘A’ states that our QA system must now be “CERTIFIED” to the current version of the ISO 9001:2000. This “certification” now adds another layer of overhead cost to the bidders without adding any value or assurance to the build quality, and could take a considerable length of time to obtain. The Governments own inspection process ensures that the successful proponents system is maintained through routine auditing of its functionality during the contract period. May we request that the requirement for “Certification” be deleted?

A.20. Section 4.1 of Annex A- Search and Rescue Lifeboat: Shipbuilding Statement of Work is amended to read as follows:

The Contractor must implement and maintain a Quality Management System (QMS), consistent with the current version of the ISO 9001:2000 standard. The Contractor need not be certified to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard. The Contractor must use reasonable commercial

efforts to ensure that all other Subcontractors and Suppliers comply with appropriate quality management requirements.

Q.21. We would like to have more detail about the IMO Tier certification. Knowing that the construction of the lifeboat will most likely start in 2016 or later, the IMO Tier3 should be the certification but there is no detail or evidence that IMO Tier3 engines are required in the RFP. We also have to consider that some emergency vessels can be excluded from the IMO certification.

What is the requirement concerning the certification level for the SAR lifeboat diesel engines? IMO Tier2 or Tier3?

A.21. Please see Question and Answer #19.

Q.22. May I please request reconsideration and response to question and answer # 15 of amendment 004 , schedule "B" milestone payment schedule.?

With all due respect, we find the response answer to this question very unreasonable and inflexible, to the extent that we are considering dropping out of the competition on the basis of this alone . As the milestone schedule stands it is flawed and posses unnecessary hardship on a shipyard. In addition , it drives up cost to the Crown due to financing requirements .

Additional rationale is as follows:

a) We provided an alternative milestone schedule which deleted two milestones (4 and 9) as they overlap the requirements of milestone block 1(a to d). This however meant moving funds up into block 1 where they should be, and as needed. There is a lot more upfront costs in this project, than funds have been allotted for in block 1.

b) In addition to the aforementioned hardship of payment # 11 at 15% the Crown maintains it wishes to hold back an additional 2% for the one year warranty period. Then there is 3% for as-fitted drawings which also can't be completed and provided until after delivery. Therefore at delivery on the first vessel (and possibly subsequent vessel's), the Crown will be holding back 20% of each vessel's value with the added impact that the shipyard will not receive payment for an additional 30 days minimum post approved invoicing. This will be an exponential problem when vessels are being delivered every 4 months (7 to 10 vessels in a 4.5 year program).

In summary, the shipyard will be struggling in a cash negative position.

As a last comment, it was our understanding that this build program was to be slotted for smaller shipyard businesses outside of the NSPS, however we're finding many of the requirements of this solicitation scaled for "Big Business".

A.22. Please see attached the amended Schedule B "Milestone Payment Schedule". At Milestone #4 it is requested by Canada for "All Contract Design Drawings and

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F7047-141000/C

Amd. No. - N° de la modif.

007

Buyer ID - Id de l'acheteur

017mc

Client Ref. No. - N° de réf. du client

F7047-141000

File No. - N° du dossier

017mcF7047-141000

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Purchases orders submitted to Canada” as this must be verified by Canada and is a deliverable under the Contract.

At Milestone #9 “Test and Trials procedures and agenda submitted to Canada” is also verified by Canada and is a deliverable under the Contract.

At Milestone 13 “Completion of 12 month warranty period” is a required deliverable under the Contract and remains unchanged.

Q.23. Question 23 is raised to correct the French translation answer at Q. and A. #17.

A.23. Answer 23 remains unchanged for the English Q. and A.#17 and is only raised to correct the French translation Q. and A. #17.

**SCHEDULE "B" Milestone Payment Schedule
RFP NO: 17MC.F7047-141000**

**MILESTONE SCHEDULE
1 to 10 Boats**

Milestone	Description	Deliverable(s)	Payment
1.a	Design Check Phase completed by Contractor and accepted by Canada.	Refer to Table 1 , "Deliverables required for completion of Design Check Phase"	0.50% of total contract price
1.b	Initial Design Phase completed by Contractor and accepted by Canada.	Refer to Table 2 , "Deliverables required for completion of Initial Design Phase"	1.00% of total contract price
1.c	Production Design Phase completed by Contractor and accepted by Canada	Refer to Table 3 , "Deliverables required for completion of Production Design Phase"	1.00% of total contract price
1.d.	Delivery of long-lead spares and test equipment for shore-based stock	Refer to SOW 5.10.4	0.50% of total contract price
2.1 to 2.10	Hull materials delivered to Contractor and accepted by Canada		10% of the unit price
3.1 to 3.10	Sustained Construction commenced and accepted by Canada		12% of the unit price
4.1 to 4.10	All Contract Design Drawings and Purchase orders submitted to Canada		5% of the unit price
5.1 to 5.10	Main propulsion machinery package (engine & gear) delivered to Contractor and inspected by Canada		10% of the unit price
6.1 to 6.10	Hull Fabrication 90% complete		10% of the unit price
7.1 to 7.10	Hull outfit 90% complete		12% of the unit price
8.1 to 8.10	Propulsion machinery - 90% installation complete including system piping		10% of the unit price
9.1 to 9.10	Tests and Trials procedures and agenda submitted to Canada		2% of the unit price
10.1 to 10.10	Completion of Tests and Trials and delivery of related documentation with a Provisional Acceptance completed by Canada.		7% of the unit price
11.1 to 11.10	Vessel delivery (including spares and training) and Canada's acceptance		15% of the unit price
12.1 to 12.10	As Fitted Drawings and all manuals delivered to Canada		2% of the unit price
13.1 to 13.10	Completion of 12 month warranty period		2% of the unit price
Note: The Milestone schedule above shall be updated to reflect the actual number of boats purchased at contract award.			100%

SCHEDULE “B” Milestone Payment Schedule
RFP NO: 17MC.F7047-141000

The Milestones shown above will be included and identified in all production schedules.

At Milestone 1.a Design Check, 1.b Initial Design, and 1.c Production Design the payment amount will be calculated by the percentage indicated by the contract price.

Payment amounts for Milestones 2 to 13 shall be calculated by the percentage indicated times the unit price per boat.

Milestone 11 inclusive shall be payable by Canada upon delivery of the Vessel(s) to the Crown, minus the holdback for double the total estimated value of any outstanding Work items.

The holdback for outstanding Work shall be payable by Canada upon completion and acceptance by Canada of the outstanding Work.

The payment for completion of Warranty Milestone 13 inclusive (completion of the warranty period) shall be payable by Canada upon completion of the warranty period of each Vessel, minus the total cost of any Work undertaken by the Crown to repair any defects subject to warranty.

Note: Sustained Construction means: the commencement of work to the hull structure.

Also note: The Milestones shown in the schedule shall be updated to reflect the actual number of boats purchased at time of contract award.

TABLE 1: Design Check Phase Deliverables

M-001	Project Management Plan
M-002	Master Plan and Schedule
M-02-1	Design Schedule
M-02-3	Drawing Schedule
M-02-5	Major Milestones and Key Events Schedule
M003	Risk Management Plan and Risk Register
M-005	Technical Data Management Plan
M-006	Configuration and Change Management Plan
M-009	Master Equipment List
M-010	Issues Management Plan
Q-001	Quality Plan
I-007	Asset Breakdown Structure

**SCHEDULE “B” Milestone Payment Schedule
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T-101	Weight Control Program
2.11.2.1	Review of weights, and centre of gravity estimate
2.11.2.2	Evaluation of the condition of the design with respect to the vessel’s performance characteristics
2.11.2.3	Welding and erection sequence and a detailed welding schedule
2.11	Design Check Phase

TABLE 2: Initial Design Phase Deliverables

T-008	Working Decks Arrangement
T-102	Weight Report
T-103	Stability Analysis
T-201	Engine Solid Body Dynamic Analysis
T-203	Machinery Room Arrangements
T-206	Fuel Endurance Calculations
T-208	Shaft Vibration Analysis
T-301	Electrical Load Analysis
T-302	Electrical Systems Report
T-303	Short Circuit Analysis
T-307	Lighting Fixture Arrangement
T-401	Mast Structure and Arrangement
T-402	Antenna Arrangement EMC Analysis
T-405	Machinery Control Monitoring System
T-503	Auxiliary Systems
T-602	Compartment Arrangement & Outfit Drawings and Lists
2.12	Initial Design Phase

TABLE 3: Production Design Phase Deliverables

**SCHEDULE “B” Milestone Payment Schedule
RFP NO: 17MC.F7047-141000**

M-02-2	Construction Schedule
M-02-4	Material Schedule
M-02-6	Test and Trial Schedule
M-02-7	Factory Acceptance Test Schedule
M-012	Ship's Specification
Q-002	Inspection Plan
I-010	Sparing and Supply Plan
T-004	Coatings and Surface Treatments
T-207	Propeller Design Reports
2.13	Production Design Phase
2.13.3	Contractor's Work Breakdown Structure
2.13.4	Technical Drawing Package
2.13.5	Classification Society Approvals and Approved Drawings
2.13.6	Final Weight Report and Stability Assessment
2.13.7	List of materials and spares
2.13.8	Design-specific calculations and analyses