

**RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:**

Marlene Bitsene
11 Laurier St. / 11, rue Laurier
Place du Portage , Phase III
Core 11C1 / Noyau 11C1
Gatineau, Québec K1A 0S5
marlene.bitsene@tpsgc-pwgsc.gc.ca

**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
Science Procurement Directorate/Direction de
l'acquisition de travaux scientifiques
11C1, Phase III
Place du Portage
11 Laurier St. / 11, rue Laurier
Gatineau, Québec K1A 0S5

Title - Sujet ADIS - Area Detect. and Ident. Syst	
Solicitation No. - N° de l'invitation W8476-14ASAA/A	Amendment No. - N° modif. 005
Client Reference No. - N° de référence du client W8476-14ASAA	Date 2015-01-22
GETS Reference No. - N° de référence de SEAG PW-\$\$\$V-065-26698	
File No. - N° de dossier 003sl.W8476-14ASAA	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-09-30	
Time Zone Fuseau horaire Eastern Standard Time EST	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Bitsene, Marlene	Buyer Id - Id de l'acheteur 003sl
Telephone No. - N° de téléphone (819) 956-1347 ()	FAX No. - N° de FAX (819) 997-2229
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

Project title: Area Detection and Identification System (ADIS)

Letter of Interest (LOI) Amendment 005

This amendment to the LOI is raised:

1- To inform industry that Canada will hold consultations sessions in regards to Value Proposition (VP) for the Area Detection and Identification System (ADIS) procurement; and

2- To extend the closing date of the LOI.

1- Canada wishes to seek industry feedback on the proposed Value Proposition (VP) approach for this procurement.

Individual, sixty-minute consultation sessions will be held in person in Ottawa, Canada or by teleconference, between **February 2, 2015 and February 06, 2015**. The objective of these sessions is to discuss the responses to the VP questions contained in the enclosed presentation as well as any other related information.

The terms and conditions applicable to the ADIS engagement process are stated in the Attachment 1 – Rules of Engagement Participation Agreement.

Please feel out the Registration Form on the following pages and send the completed form to the Contracting Authority on or before January 26, 2015.

Written responses to VP questions in the presentation are requested by February 18, 2015.

Contracting Authority:

Name: Marlene Bitsene

Title: Supply Team Leader

E-mail address: marlene.bitsene@tpsgc-pwgsc.gc.ca

Telephone: 819-332-4410

2- The closing date of this LOI is extended to September 30, 2015 for the purpose of posting further communications, if necessary. January 15, 2014 was the requested submission date for response to the original LOI.

Solicitation No. - N° de l'invitation

W8476-14ASAA/A

Amd. No. - N° de la modif.

005

Buyer ID - Id de l'acheteur

003sl

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

W8476-14ASAA

File No. - N° du dossier

003slW8476-14ASAA

CCC No./N° CCC - FMS No/ N° VME

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

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005

File No. - N° du dossier

003slW8476-14ASAA

Buyer ID - Id de l'acheteur

003sl

CCC No./N° CCC - FMS No/ N° VME

REGISTRATION FORM
VALUE PROPOSITION INDUSTRY SESSION

**Please fill out the form and send it back by e-mail to
marlene.bitsene@tpsgc-pwgsc.gc.ca on or before January 26, 2015.**

Attendance: ☐ In person ☐ teleconference

Name of the Company: _____

Names of participants (maximum of two (2)):

Preference dates and hours:
(Please check at least 3 choices)

Monday, 2 February 2015:

1st Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

2nd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

3rd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

Tuesday, 3 February 2015:

1st Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

2nd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

3rd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am

Solicitation No. - N° de l'invitation

W8476-14ASAA/A

Amd. No. - N° de la modif.

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Buyer ID - Id de l'acheteur

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

W8476-14ASAA

File No. - N° du dossier

003slW8476-14ASAA

CCC No./N° CCC - FMS No/ N° VME

☐ 1 pm to 2 pm

☐ 2:15 pm to 3:15 pm

Wednesday, 4 February 2015:

- 1st Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 2nd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 3rd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

Thursday, 5 February 2015:

- 1st Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 2nd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 3rd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

Friday, 6 February 2015:

- 1st Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 2nd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm
- 3rd Choice: ☐ 9 am to 10 am ☐ 10:15 am to 11:15 am
☐ 1 pm to 2 pm ☐ 2:15 pm to 3:15 pm

AREA DETECTION AND IDENTIFICATION SYSTEM (ADIS) PROJECT INDUSTRY CONSULTATIVE PROCESS

ATTACHMENT 1 RULES OF ENGAGEMENT PARTICIPATION AGREEMENT

An overriding principle of the industry consultation is that it be conducted with the utmost of fairness and equity between all parties. No one person or organization shall receive nor be perceived to have received any unusual or unfair advantage over the others.

All Crown documentation provided throughout the industry consultative process, which begins with the Information Session and concludes when an official Request for Proposal (RFP) is published on the Government Electronic Tendering Service Buy and Sell, will be provided to all participants who have agreed to and signed the Rules of Engagement ("Participant").

The Consultative Process will consist of an Information Session and Industry Meetings to clarify information provided within the RFI responses.

Canada will not disclose proprietary or commercially sensitive information concerning a Participant to other Participants or third parties, except and only to the extent required by law.

TERMS AND CONDITIONS:

The following terms and conditions apply to the Consultative Process. In order to encourage open dialogue, Participants agree to:

- a. Discuss their views concerning the ADIS requirement and to provide positive resolutions to the issues in question. Everyone shall have equal opportunity to share their ideas and suggestions;
- b. NOT reveal or discuss any information to the MEDIA/NEWSPAPER regarding the ADIS requirement during this consultative process. Any Media questions will be directed to the PWGSC Media Relations Office at 819-956-2313;
- c. Direct inquiries and comments only to authorized representatives of Canada, as directed in notices given by the Contracting Authority from time to time. Any communication to unauthorized representatives of Canada may be subject to full disclosure by Canada to all Participants that have requested the RFI documentation;
- d. Media cannot participate in Industry Day or the one on one meetings;
- e. Canada is not obligated to issue any RFP, or to negotiate any contract for any phases of the ADIS requirement;

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- f. Throughout the entire Industry Engagement Process, all questions from industry, exchanges of information and all the industry feedback shall be provided in writing to the Contracting Authority. In accordance with and subject to the Access to information Act, R.S., 1985, c. A-1, and any other legislative or legal requirement, all information which is provided by a Participant and which is clearly marked as "Proprietary" will not be released or disclosed;
 - g. Proceedings from the Industry Day will be recorded. The information gathered will be summarized and provided to all Participants;
 - h. If Canada does release a RFP, the terms and conditions of the RFP shall be subject to Canada's absolute discretion;
 - i. Canada will not reimburse any person or entity for any cost incurred in participating in this industry consultative process;
 - j. All inquiries with regards to the procurement of ADIS requirement are to be directed to the Contracting Authority;
 - k. Participation in this Industry Engagement Process will not be a mandatory requirement for any subsequent RFP. An entity will not be precluded from submitting a proposal under any subsequent RFP on account of they not being a Participant;
 - l. A Draft RFP may be posted to the Government Electronic Tendering Service Buy and Sell for industry comment;
 - m. At any point within this process, a Participant may provide notice to the Contracting Authority that they no longer wish to participate in the Industry Engagement Process. Upon the Contracting Authority's receipt of such notice, the Participant will not be scheduled for participation in any future one on one engagement meetings;
 - n. Failure to agree to and sign the Rules of Engagement will result in the exclusion from participation in the one-on-one meetings and review of the Final Draft RFP. This Industry Engagement Agreement shall be signed by a duly authorized officer of the Participant in this respect; and
 - o. A dispute resolution process to manage impasses throughout this consultative process shall be adhered to as follows:

Dispute Resolution Process

1- By informal discussion and good faith negotiation, each of the parties shall make all reasonable efforts to resolve any dispute, controversy or claim arising out of or in any way connected with this Industry Engagement.

2. Any dispute between the Parties of any nature arising out of or in connection with this

Industry Engagement shall be resolved by the following process:

- a. Any such dispute shall first be referred to the Participant's Representative and the PWGSC Manager managing the Industry Engagement. The parties will have 3 Business Days in which to resolve the dispute.
- b. In the event the representatives of the Parties specified Article 2.a. above are unable to resolve the dispute, it shall be referred to the Participant's Project Director and the PWGSC Senior Director of the Division responsible to manage the Industry Engagement. The parties will have 3 Business Days to resolve the dispute.
- c. In the event the representatives of the Parties specified in Article 2.b. Above are unable to resolve the dispute, it shall be referred to the Participant's President and the PWGSC Director General, who will have 3 Business Days to resolve the dispute.
- d. In the event the representatives of the Parties specified in Article 2.c. above are unable to resolve the dispute, it shall be referred to the Participant's CEO and the PWGSC Assistant Deputy Minister, Acquisitions Branch who will have 5 Business Days to resolve the dispute.
- e. In the event the representatives of the Parties specified in Article 2.d. above are unable to resolve the dispute, the Contracting Authority shall within 5 Business Days render a written decision which decision shall include a detailed description of the dispute and the reasons supporting the Contracting Authority's decision. The Contracting Authority shall deliver a signed copy thereof to the Participant.

By signing this document, the individual represents that he/she has full authority to bind the company listed below and that the individual and the company agree to be bound by all the terms and conditions contained herein.

Name of Company (Print): _____

Name of individual (Print): _____

Title or Position (Print): _____

Telephone: _____

E-mail: _____

Signature: _____

(I have the authority to bind the Company)

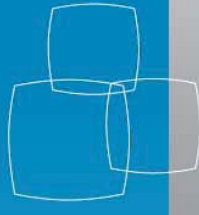
Date: _____



Industry
Canada

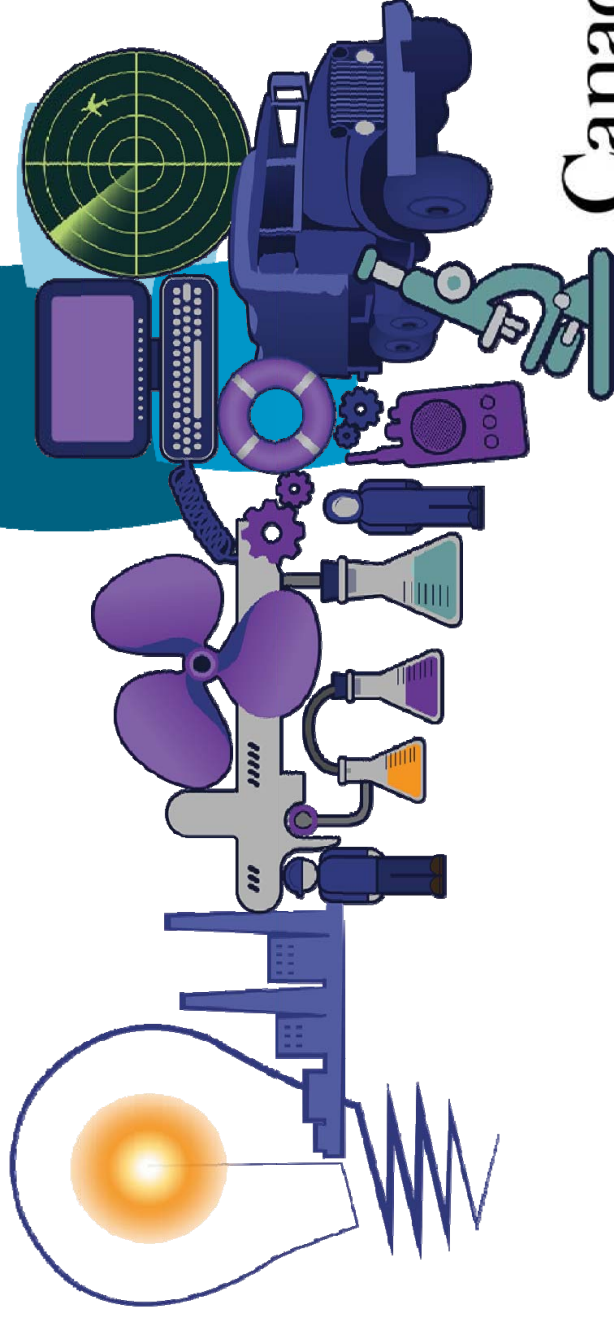
Industrie
Canada

Defence Procurement Strategy and the Area Detection and Identification System



**Industrial and Technological Benefits Policy
Including Value Proposition**

January 2015



 **Canada**

Outline



- **Objective**
- **Defence Procurement Strategy**
- **Industrial and Technological Benefits Policy**
- **Value Proposition**
- **Market Analysis**
- **Proposed Value Proposition**
- **Next Steps**



Objective



- Consult with industry in order to develop a comprehensive Value Proposition (VP) for the Area Detection and Identification System (ADIS) procurement
 - Validate the Government's market analysis and procurement strategy
 - Seek input on the structure of VP evaluation criteria through responses to targeted questions
- The development of VP approach will be informed through industry engagement coupled with internal market research and analysis
 - Industry will have an opportunity to provide input on leveraging this procurement to achieve maximum economic outcomes for Canada
- Feedback from industry provided during the industry engagement process will be considered by Industry Canada in developing a draft VP approach
 - In spring 2015, feedback from industry will be sought prior to finalizing the VP evaluation methodology
 - Final RFP is targeted for July 2015



Defence Procurement Strategy (DPS)



- Canada's DPS was announced in February 2014 by the Ministers of PWGSC, DND and IC, overhauling the government's defence procurement system
- The DPS aims to:
 - Deliver the right equipment to the Canadian Armed Forces and Canadian Coast Guard in a timely and cost effective manner
 - Streamline procurement processes, including early engagement with industry
 - Leverage purchases of equipment to create jobs in Canada and maximize export opportunities
- Under the DPS, the Industrial and Regional Benefits Policy has been transformed into the Industrial and Technological Benefits (ITB) Policy including Value Proposition





- Minister of Industry announced the new VP Guide on December 19, 2014
- **Four objectives:**
 - *Support the long-term sustainability and growth of Canada's defence sector*
 - *Support the growth of prime contractors and suppliers in Canada, including small and medium-sized enterprises in all regions of the country*
 - *Enhance innovation through R&D in Canada*
 - *Increase the export potential of Canadian-based firms*
- **Backed by an aggressive 40 percent growth target over ten years against which progress will be measured, starting in 2015-16**



The Value Proposition (VP)



- Winning bidders are now selected on the basis of price, technical merit and their *Value Proposition*
- The VP includes bidder's commitments to undertake work and invest in Canada and will generally account for 10 percent of the overall score
- Companies awarded procurement contracts must undertake business activity in Canada equal to the value of the contract

Value Proposition

- Commitments/activities proposed at bid time
- Rated and weighted during bid evaluation

Outstanding Obligation

- Activities identified after contract award
- Brings identified activities up to 100 percent of contract value



Value Proposition Framework: Evaluation Criteria



Defence Sector

- Work in Canada specific to the procurement
- May include work in Canada's defence sector

Canadian Supplier Development

- Work undertaken by suppliers in Canada
- Work undertaken by SME suppliers in Canada

R&D

- R&D undertaken in Canada
- R&D in Canadian post-secondary institutions

Exports

- Strategy to export the procured product from Canada
- May include incremental exports in any sector

Value Proposition Framework



On a procurement-by-procurement basis, there is flexibility to:

- increase/decrease the weight of the VP
- weigh criteria differently
- apply all or some of the criteria
- add additional criteria
- apply mandatory requirements
- develop different rating grids



Informed by:

industry

engagement

*research and
analysis*

3rd party experts



Market Research and Analysis



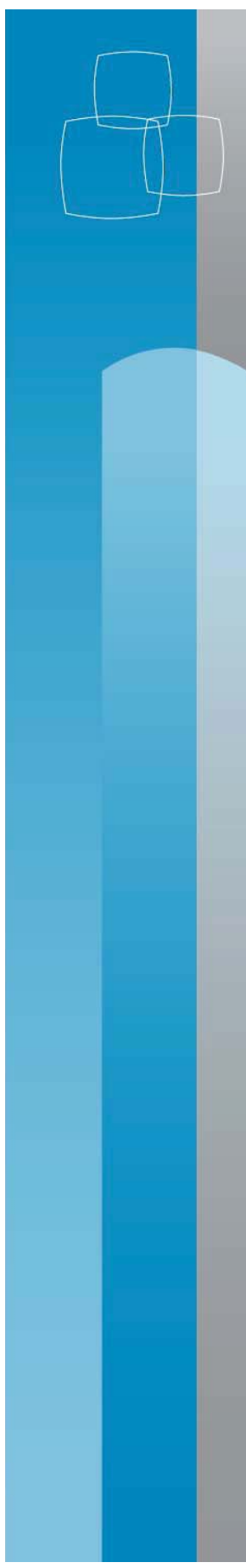
- Market research and analysis was conducted in order to better understand domestic industrial capabilities and global market in relation to ADIS
- Findings identified leveraging opportunities and provided a foundation for establishing a VP framework
- Key sources of information:
 - Avascent, Jane's, SDI, Visiongain market reports and forecast databases
 - Statistics Canada, *Canadian Commercial Aerospace, Defence, Commercial and Civil Marine and Industrial Security Sector Survey (2011)*
 - Regional Development Agencies and Other Government Departments' industry capability analysis
 - Government and company materials, and others sources of company level information





Industry
Canada

Industrie
Canada

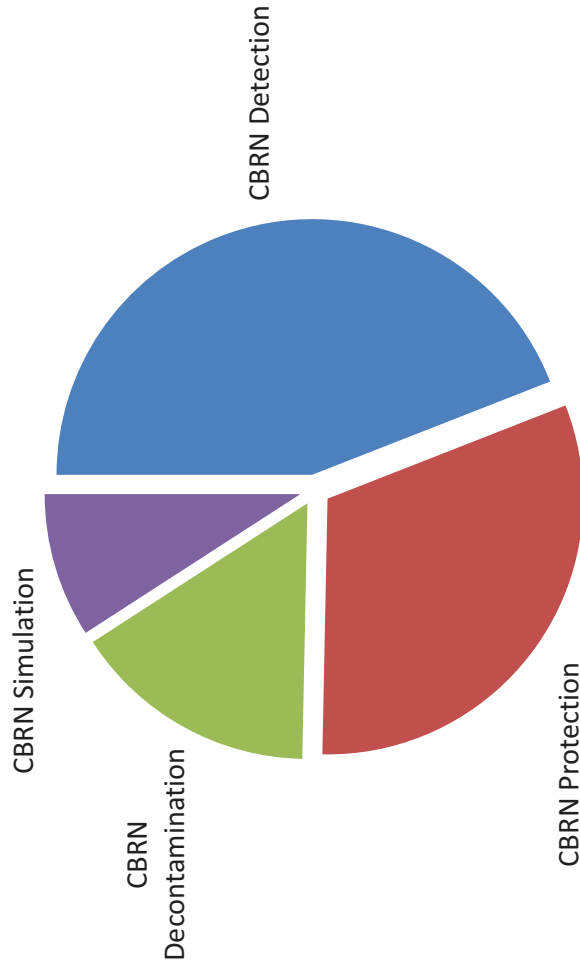


Canada

Market Analysis



CBRN Market Segments: 2015-19



- Detection technologies represent more than 40% of the global CBRN market
- Moderate growth is anticipated over the next five years in this market segment



Sources: Chart based on more comparable data from reports by, Strategic Defence Intelligence—SDI “The Global CBRN Defense Market 2013–2023” © SDI; and, Visiongain “CBRN Defence Market Forecast 2014–2024: Leading Companies for Chemical, Biological, Radiological and Nuclear Detection Equipment”, Visiongain, UK.

Proposed Value Proposition Drivers



- Market analysis indicates that Canada has capacity to perform ADIS related work
 - Canadian defence sector has considerable presence of firms that possess the necessary technical capabilities, including: electro-optical laboratories, sensor technologies and highly-skilled personnel
- Canada owns Intellectual Property (IP) on current engineering model that will be provided to successful bidder for improvement and optimization for production of ADIS
- Canada will retain ownership of future improved design/IP for ADIS
 - Contractor will have a license to use IP for own commercial exploitation
- Research and development (R&D) represents a significant component of overall scope of work
- This emerging technology has potential to position Canadian industry for future growth and export opportunities



Proposed Value Proposition Criteria



Defence Sector

- Canada wishes to incentivize direct work on the ADIS procurement to promote business activities and growth of Canada's defence sector

Questions for Consideration

1. What portion of work directly related to ADIS, do you plan to undertake in Canada?
2. What portion of your commitment for direct work at bid time, are you able to identify in terms of business transactions?



Proposed Value Proposition Criteria (cont'd)



Supplier Development

- Canada wishes to take full advantage of existing industrial capabilities by integrating Canadian companies into global supply chains, especially small and medium-sized enterprises (SMEs) in direct work on ADIS

Questions for Consideration

1. How strong is your ability to integrate Canadian companies into your supply chains, particularly SMEs? Do you have internal programs or initiatives that promote supplier development?
2. What opportunities for Canadian suppliers do you foresee in relation to work on ADIS?
3. What portion of overall work will your company commit to doing with SMEs?
4. Recognizing that ITB Policy has a minimum 15% SME requirement, how should the SME commitment in excess of that threshold be scored?



Proposed Value Proposition Criteria (cont'd)



Research and Technology Development

- Given that R&D makes up about a quarter of the overall work, Canada wishes to maximize investment in R&D activities in relation to ADIS with Canadian companies, SMEs and universities
- In addition, Canada may wish to motivate commitment in R&D in other areas of the economy more broadly

Questions for Consideration

1. How much R&D specifically related to ADIS does your company plan to undertake in Canada?
2. Should non-defence R&D investment be considered as part of this requirement?
Please explain.
3. How would you suggest Canada measure and score this requirement? For example, R&D investment in absolute monetary value or proportional to contract value, etc.?



Proposed Value Proposition Criteria (cont'd)



Exports

- Given that ADIS will be considered “cutting-edge” technology that will attract interest from other nations, Canada wishes to capitalize on future export opportunities resulting from this procurement

Questions for Consideration

1. How much Canadian export activity related to ADIS does your company forecast in the future?
2. What should the contractual commitment be in relation to your proposed export strategy?
3. What evaluation elements should be considered for the export strategy, such as: decision-making authority to export from Canada, global product mandate for Canadian operations, and human and financial resources?



Proposed Value Proposition Criteria (cont'd)



Other VP Criteria & Overall Score

Questions for Consideration

1. Are there other high-value industrial activities which you might consider making that could strengthen the Canadian economy? How would you suggest we measure this for scoring purposes?
2. Relative to price and technical merit, typically 10 percent is the weighting of the Value Proposition within the overall bid score. Do you believe this weighting is appropriate or what do you believe it should be for this procurement? Please explain.
3. Based on the Value Proposition objective to leverage defence spending to achieve economic benefit for Canada, what proportional weighting would you assign to each of the evaluation criteria?
 - Defence Sector
 - Canadian Supplier Development
 - Research and Technology Development
 - Exports



Next Steps



- Information provided to Industry Canada will be considered in the development of a VP approach
- Draft RFP planned for spring 2015 will afford another opportunity for industry to provide feedback and comment on the draft VP evaluation methodology
- Final RFP is scheduled for release in July 2015



Canada