



# INDUSTRY DAY

## Electro-Optic and Infrared (EO-IR) Procurement Strategy



Travaux publics et  
Services gouvernementaux  
Canada

Public Works and  
Government Services  
Canada

Canada

## Introduction

- Welcome address
  
- Stakeholders' presentations:
  - Public Works and Government Services Canada (PWGSC)
  - Defence Research and Development Canada (DRDC)
  - Fairness monitor



## Agenda

- 10:30 a.m. Presentation of EO-IR technology requirements by DRDC
- 10:45 a.m. Presentation of the proposed procurement strategy by PWGSC
- 11:00 a.m. Description of the next steps and Invitation to tender
- 11:10 a.m. Question period
- 11:20 a.m. Closing remarks



## General information

- Facilities information (bathrooms and emergency exits).
- Information about Industry Day question period.
- Information about one-on-one meetings.
- Documents and information to be posted on the Buyandsell.gc.ca site:
  - PowerPoint presentation on industry days
  - Questions asked and answers given during the entire consultation process (excluding confidential information)
  - Findings report of this consultation process
- Note that the information presented during this consultation process is for information purposes only.



## PWGSC fairness monitoring

The PWGSC fairness monitor is an independent third party whose role is to observe part or all of a contracting process in order to provide an impartial opinion that PWGSC's contract award processes are conducted in a transparent, open and fair manner.

The fairness monitor for this consultation process is:

**Christian Dugas, CPA, CA**

Consultant

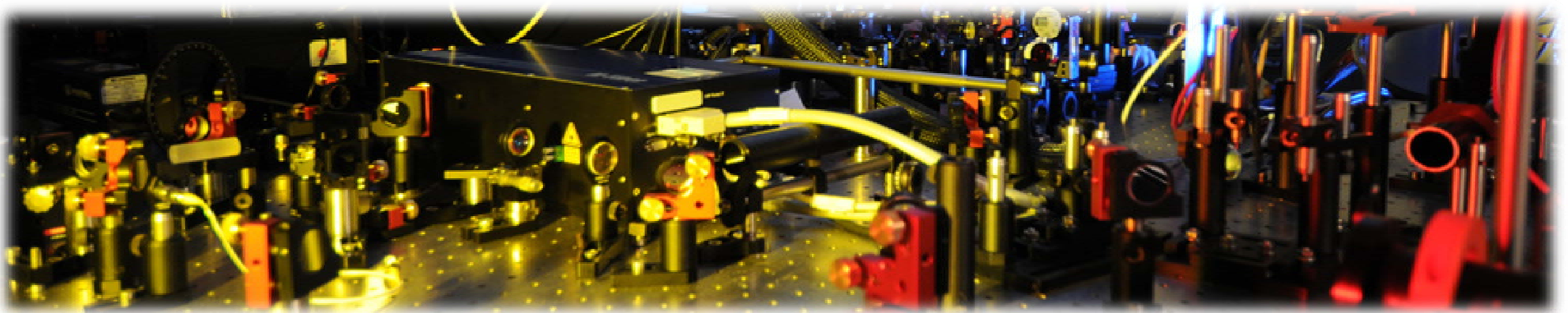


## Objectives of the second public consultation

- To inform all stakeholders about DRDC's future R&D needs in the area of EO-IR technology.
- To align the procurement strategy with the industry's best practices pertaining to EO-IR technology.
- To ensure that the major issues, previously raised, are reflected in the proposed version of the procurement strategy.
- To obtain the feedback and suggestions of all stakeholders on the proposed procurement strategy.



## Presentation on DRDC's EO-IR Requirements



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*Start of DRDC's slides*





## DRDC's Mission

- Support defence and security operations at home and abroad with knowledge and technology
- Provide S&T to forecast, cost, and deliver future readiness levels to meet operational requirements
- Generate knowledge and technology for a robust, connected and multi-jurisdictional security/intelligence environment
- Create a more networked environment that leverages other expertise, knowledge and resources
- Anticipate S&T and defence and security challenges



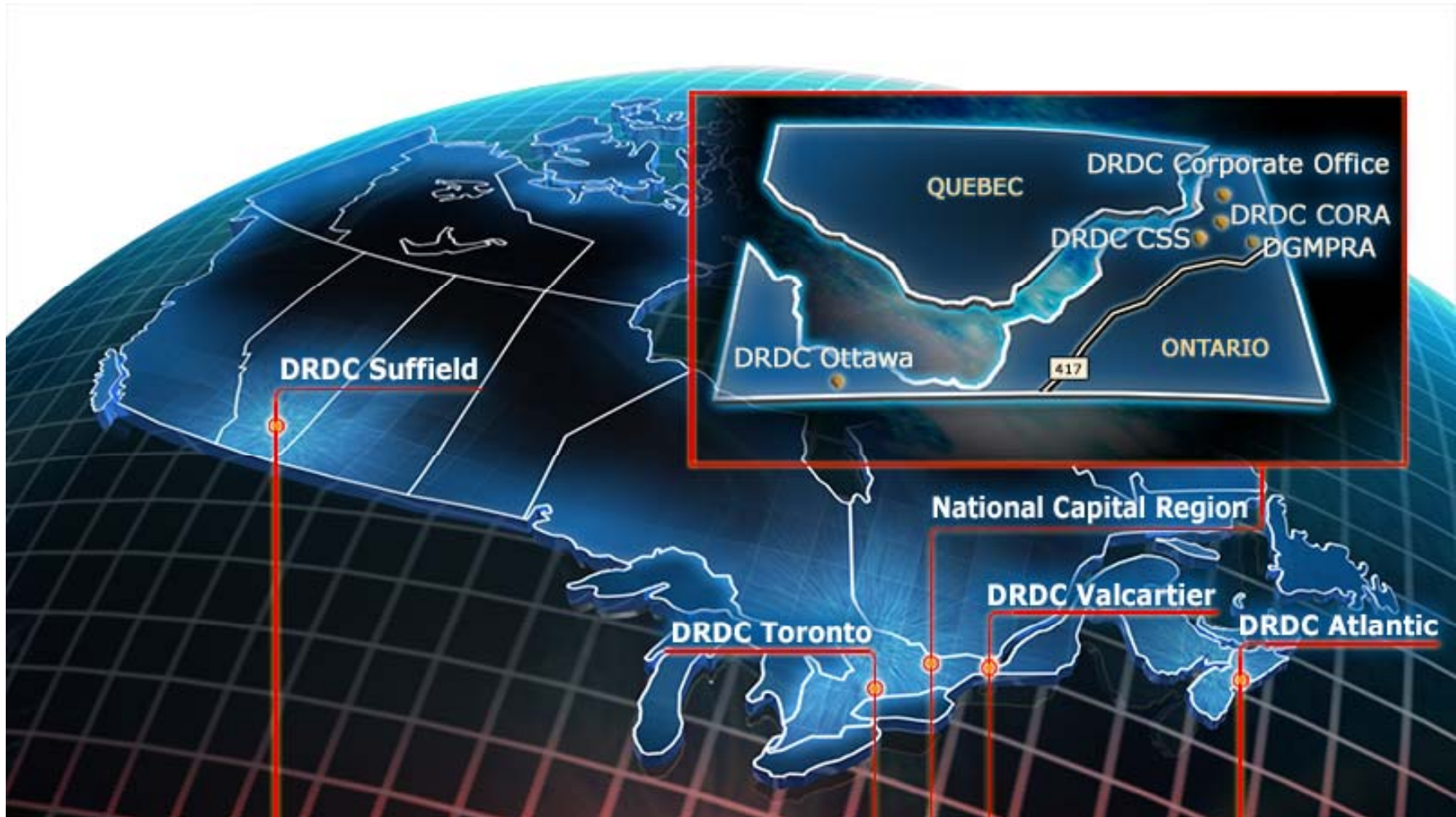
# DRDC's Strategic S&T Program

DRDC is focused on

- an S&T program focused on outcomes that are priority for Canada's defence and security and the Department of National Defence
- the development of an S&T program focused on science, technology and knowledge that no other organization can perform
- implementing a business model that supports agility internally and helps develop a robust innovation environment based on a diverse set of partners, nationally and internationally



# DRDC' Centres



## DRDC Supports a Networked S&T and Innovation System

- Defence and security S&T engages across the innovation system to ensure that the best solutions are generated
- DRDC will continue to access external capacity in OGDs, industry, academia and to collaborate with international, domestic partners
- Strategic engagement – partnership mechanisms will be reviewed in light of impact, alignment with priorities, return on investment
- Explore greater coordination, burden-sharing, creative solutions



## EO-IR Work Streams

1. Technical and engineering support for the characterization of electro-optic systems
2. Development of methodologies for the characterization of electro-optic systems
3. Characterization of electro-optic systems
4. Opto-mechanical
5. Electronic
6. Architecture, programming, software engineering and systems engineering
7. Operating EO systems
8. Hyperspectrale systems
9. Electro-optical support integration
10. Airborne platform
11. Laser and LIDAR
12. Image fusion
13. Aircraft signatures



# PWGSC's presentation on the proposed procurement strategy



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## Overview of the Procurement Strategy

- Information on the contracting mechanisms used:
  - Standing offer (SO)
  - Supply arrangement (SA)
- Bid solicitation terms and contract terms:
  - Mandatory and rated technical evaluation criteria
  - Intellectual property
  - General conditions and standard conditions





## Contracting mechanisms – Standing offer (SO)

An SO is not a contract. It is an offer submitted by a potential supplier that is proposing to supply goods or services, as needed, at pre-established prices, based on defined clauses and conditions. When the government issues a call-up against an SO, it is only then that a contract is entered into, for the amount indicated in the call-up.

- Validity period of the standing offer
- Prequalification by resource category
- Guarantee the provision of the proposed resources in an offer submitted by the supplier
- Evaluation and establishment of prequalified supplier lists
- Annual renewal/refresh of the standing offer (new supplier / change in prequalified suppliers)
- Selection method for issuing call-ups:
  - Less than \$25,000 - Request sent to three (3) prequalified suppliers selected by DRDC
  - Greater than \$25,000 - Option 1: best resource based on cost per point.  
Option 2: best resource based on score obtained.





## Contracting mechanisms – Supply arrangement (SA)

- The contracting process under an SA occurs in two (2) separate stages, namely the prequalification phase under one or more of the 13 EO-IR Streams and the phase of issuing resulting solicitations (resulting RFP).
- An SA is not a contract and does not legally bind either party after it is issued.
- SAs contain a set of pre-established terms and conditions that will apply to resulting RFPs and/or resulting contracts.
- An SA is issued further to a request for supply arrangements (RFSA) process.



## Contracting mechanisms – Supply arrangement (SA) – cont'd

- First step: Issue an RFSA in order to prequalify bidders.
- Qualification for the SA will be done by Work Stream and through the establishing of 13 lists of pre-qualified bidders.
- RFSA evaluation and selection criteria.
- Second step: Issue a competitive request for proposals (Resulting RFP) to prequalified bidders.
- Resulting RFP that includes work under more than one Work Stream.
- Evaluation and selection criteria under a Resulting RFP.
- Possibility of sub-contracting among prequalified bidders.
- Validity period of the SA.
- Annual renewal of the SA (new supplier / change to the offers of the prequalified bidders).



## Bid solicitation terms and contract terms

- Canadian Content Policy.
- Standard Instructions 2006 - Request for Standing Offers - Goods or Services - Competitive Requirements:  
<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/1/2006/18>
- Standard Instructions 2008 – Request for Supply Arrangements:  
<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/1/2008/14>
- General Conditions 2040 for research and development, available at the following address:  
<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/3/2040/14>
- Intellectual property resulting from work performed by the contractor.



## Next steps in the consultation process and Invitation to Tender



- Industry Days in Quebec City and NCR as well as one-on-one meetings to be held during August 2015.
- All questions and answers will be posted on the Buyandsell.gc.ca website.
- The findings report of this Engagement process will be posted on the Buyandsell.gc.ca site by the end of August 2015.
- A drafts RFPs document may be posted in fall 2015 in order to obtain input from industry members.
- Canada plans to publish the official invitation to tender documents by the end of 2015.

Note that the above timelines may vary.

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# Question period



# Closing remarks

# Thank you!

