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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

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Issuing Office - Bureau de distribution
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| Title - Sujet CATS/SEAI | |
| Solicitation No. - N° de l'invitation W636A-09CATS/J | Amendment No. - N° modif. 002 |
| Client Reference No. - N° de référence du client W636A-9-CATS | Date 2015-09-22 |
| GETS Reference No. - N° de référence de SEAG PW-\$\$CT-002-25298 | |
| File No. - N° de dossier 002ct.W636A-09CATS | CCC No./N° CCC - FMS No./N° VME |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2016-01-15 | |
| Time Zone Fuseau horaire Eastern Daylight Saving Time EDT | |
| F.O.B. - F.A.B. Specified Herein - Précisé dans les présentes | |
| Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input checked="" type="checkbox"/> | |
| Address Enquiries to: - Adresser toutes questions à: Genest, Frederic | Buyer Id - Id de l'acheteur 002ct |
| Telephone No. - N° de téléphone (613) 998-4307 () | FAX No. - N° de FAX (613) 991-5254 |
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Instructions: See Herein

Instructions: Voir aux présentes

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| Delivery Required - Livraison exigée | Delivery Offered - Livraison proposée |
| Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur | |
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| 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 |

This amendment 02 to Request for Proposal (RFP) W636A-09CATS/J is raised in order to:

- 1) Provide responses to questions and comments received from potential bidders. Note that additional questions and comments will be responded in a subsequent amendment.
- 2) Modify various sections of the RFP to reflect Canada's responses to such questions and comments.

1) Canada Responses to Questions and Comments Received from Potential Bidders.

Question/comment 1: Following the first CATS RFP in 2010, the Crown declared that all bids were non-responsive due to failure to meet all mandatory requirements. During the industry Consultation process, the Crown stated that this situation would not occur again and that a decision to award the CATS contract would be taken following the current RFP bidding process. In the 2015 CATS RFP, it states that "Bidders are hereby advised that failure to demonstrate compliance with any of these mandatory requirements, to the degree specified and in the manner indicated in this RFP, will render the bid non-responsive." (Contracted Airborne Training Services (CATS) Request for Proposal w636A-09-CATS/J, Volume 1, Instructions to Bidders, 3.2.4 Section II: Management and Technical Bid, subpara 2) Mandatory Criteria). Given the aforementioned assurance that the Crown would award the CATS contract following this current bidding process, what is the process that the Crown plans to follow should all bids fail to meet every stated mandatory requirement to the Crown's satisfaction?

Answer 1: Canada has addressed some of your statements as follows:

"Following the first CATS RFP in 2010, the Crown declared that all bids were non-responsive due to a failure to meet all mandatory requirements."

In early 2011, the Request for Proposal W636A-09-CATS was cancelled by Canada based on the determination that the period for submitting proposals was insufficient based on the numerous questions received just prior to the bid closing date. That cancellation stopped the bid evaluation and contractor selection process and at no time did Canada declare that all bids were non responsive due to a failure to meet all mandatory requirements.

"During the Industry Consultation process, the Crown stated that this situation would not occur again and that a decision to award the CATS contract would be taken following the current RFP process."

Canada would not have made such a blanket statement since the matter of whether bids meet the requirements of the RFP and are responsive is dependent on the content and quality of the submitted bid proposals. Canada worked diligently under the CATS Industry Engagement Process and the RFP preparation to mitigate the risk of all proposals received being declared non-compliant, including the introduction of the "Request for substantiation/clarification process" referred to in the Evaluation Plan (Volume 1, Annex B). Nonetheless, Canada will further investigate the possibility of promptly adding mechanisms further mitigating that risk.

Question/comment 2: Reference: Volume 2, Annex B – Basis of Payment`

Given the formula for Tier 1A Price for the Period of Service' found at para 3.3.4 and the statements at paras 3.0 and 4.0, as well as in the SOW, which state that Tier 1A services are identical to Tier 1B services except regarding the Minimum Volume of Services application, the Scenario Chart in Volume 2, Annex B, Basis of Payment at para 3.3.3 is confusing. Other than minor aberrations for period of service adjustments, how does the Crown account for the variation from \$10M in serial 1 to \$30M in column B, Price for the Period of Service?

Additionally, all statements regarding Tier 1A and 1B services infer that 1B services will only apply following completion of 1A service deliverables; therefore, how do the variations in columns C and D occur where Tier 1B service delivery amounts to a greater dollar value than 14 services, as in serial 6? In other words, the conclusions found in column I, Minimum Guarantee Payable, need greater explanation and clarity to better understand how the Minimum Volume of Services conditions apply.

Answer 2: The scenarios found in Article 3.3.3 of the Basis of Payment (Volume 2, Annex B) are provided solely for the purpose of clarifying the calculation mechanics associated with any payment for Minimum Volume of Services. As such, the figures indicated are entirely speculative and not to be considered in any manner as being representative of figures potentially resulting from a contract. Furthermore, the various scenarios can be based on different variables (different flying hours, different rates, etc) and are therefore not comparable (which explains scenario 1 indicating \$10M under column B and scenario 6 indicating \$30M).

As it relates to the comment of column C having a higher figure than column B under scenario 6, it is correct that Tier 1B Services will only apply following delivery of the established level of Tier 1A Services at a specific Primary Service Delivery Location (PSDL). It is nonetheless possible for the value of Tier 1B Services Delivered (column D) to be higher than the value of Tier 1A Services Delivered (Column C) due to the Tier 1B On Station Hours being higher (e.g. 440 hours of Tier 1A Services being provided under serial 1A-1 and 500 hours under Tier 1B Services) or to the Serial Price per On Station Hour being higher for Tier 1A (Table 1A) than for Tier 1B (Table 1B).

Question/comment 3: Reference: Volume 1, Article 2.4

Current Requirement: All enquiries must be submitted in writing to the Contracting Authority no later than thirty (30) calendar days before the bid closing gate. Enquiries received after that time may not be answered.

Recommended Change: Make deadline for submission of questions 27 Nov.

Reason for Change: The response period for this RFP is more than 5 months. Due to the complex technical nature of the response, bidders should have a well-established solution significantly prior to mid-December. The 30 day deadline for questions will not permit Canada adequate time to respond prior to the government Holiday break. We recommend that the deadline for submission of questions be moved up to no later than 27 Nov. This will allow Canada to issue final responses in early Dec prior to the Holiday period.

Answer 3: Canada will maintain the current requirement that all enquiries be submitted in writing to the Contracting Authority no later than thirty (30) calendar days before the bid closing date (Article 2.4 of Volume 1 – Instructions to Bidders).

While the currently closing date results in enquiries being submitted as late as December 16, Canada does not wish at this time to reduce the period available for Bidders to submit them. Should an enquiry be received in a timeframe that does not allow sufficient time for Canada to respond or for potential Bidders to consider that response, Canada will consider extending the closing date appropriately.

Question/comment 4: Reference: Volume 1, Annex B, Appendix 5, CRT-3

Current Requirement: The Bidder will be awarded a score based upon the Annual Flying Hours flown in Fighter/Rotary Wing operations (FRWH) and Other non-Fighter/Rotary Wing (OH) based upon the following formula: $(\text{Ftr Hours}/2000 + \text{Non-Ftr Hours}/6000) * 100$

Recommended Change: Remove reference to and consideration of rotary wing hours.

Reason for Change: The CATS service is entirely fixed wing with a significant majority of fighter type flying hours. Evaluation of rotary wing flying rates does not adequately assess a bidder's capability to support a high performance, ejection seat equipped tactical aircraft fleet flying up to 4000 flying hours a year. This and rotary wing service are two different environments with dramatically different expertise and safety considerations.

Answer 4:

Canada concurs that there are significant differences between fighter and rotary wing operations. However, this criterion assesses a bidder's general experience in delivering a high volume of flying hours in the delivery of Live-Fly services, and is not limited to fighter operations. The bidder's capability to support high performance, ejection seat aircraft is assessed extensively throughout the remainder of the RFP.

Question/comment 5: Reference: Volume 1, Annex B, Appendix 4, CRT-45

Current Requirement: All proposed aircraft must be equipped with a certified Mode 1, 2, 3/A and 5 Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America, without limitations or exemptions.

Recommended Change: All proposed aircraft must be equipped with a certified Mode 1, 2, 3/C Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America, without limitations or exemptions.

Reason for Change: Mode 5 is not required in a training scenario, particularly not from adversary aircraft. Mode 5 is a friendly identification system that requires government furnished time sensitive crypto to be functional. Note that CF-18s are not even currently equipped with this capability

Answer 5:

Canada concurs that Mode 5 requirements are not practical for this RFP. This rated criterion is therefore modified as per Article 2a) below.

Question/comment 6: Reference: Volume 1, Annex B, Appendix 4, CRT-78Current Requirement:

The targeting system of all MCSF Aircraft proposed for Profile 7, as identified in Volume 1, Annex B, Appendix 6 - Proposed Aircraft and Aircraft Endurance Profiles - Worksheet "Proposed Aircraft", for BDU/MPB, must be capable of achieving a Circular Error of Probability (CEP) (0.7) of 100m, or better, combined using 10 and 30 degree dive delivery.

Recommended Change:

Move this requirement from the MI section to the ordnance delivery profile 7 section.

Reason for Change:

Requirement is in the wrong section of the RFP. It is the practice munitions delivery system of the a/c that must be capable of achieving a CEP.

Answer 6:

Canada understands your concern to be solely limited to the location of the criterion and not to its content. You are correct that the Technical Requirements to the Statement of Work (Volume 2, Annex A, Appendix 1) refers to that requirement under 3.3.6 Ordnance Delivery while the Management and Technical Mandatory Requirement (Volume 1, Annex B, Appendix 4) under CRT-148 Targeting Characteristics.

While this has no impact on the evaluation process or the resulting contract, it is correct that the Technical Requirements to the Statement of Work refers to that requirement (ANN-160) under the ordnance Delivery (3.3.6). For consistency purposes, the mandatory requirement CRT-78 is therefore relocated under the ordnance delivery section (CRT-149) as per Article 2b) below.

Question/comment 7: Reference: Volume 1, Annex B, Appendix 5 CRT-22

Current Requirement: The Bidder is proposing a single fleet of Multi-role Fighter aircraft = 100%

Recommended Change: The bidder is proposing a minimum of 8 LOTs of a single type of Multi-role Fighter aircraft = 100%

Reason for Change: The minimum requirement is for 8 LOTs of MCSF. Therefore any bidder with a minimum of 8 LOTs of a single type of MCSF could technically fulfill the contract requirements and score 100% for this rated item. However, adding additional a/c beyond the minimum 8 LOTs with different capabilities may actually provide Canada with a better training solution. The fact that there are 2 types in the bidder's fleet does not reduce operational flexibility or result in potential increased ferry cost to Canada as the required 8 LOTs of a single type would be present. This

approach would not “penalize” bidders offering differing platforms and could provide Canada with a broader spectrum of Training capabilities, but would also ensure that Canada has a large enough fleet of a single type to mitigate operational issues caused by having more than one type of a/c. This is a good means of balancing capability vs value.

Answer 7: Canada considers this to be a valid observation. While having a single fleet of Multi-role Fighter aircraft bring various benefits, this rated criterion was meant to focus on ensuring maximum operational and scheduling flexibility within the minimal obligations of the contract. Canada now realise that, while meeting that intent, the current approach may restrict bidders from providing an optimal solution.

As such, Canada has elected to modify this rated criterion CRT-22 as per Article 2c) below in order to maximize a Bidder’s opportunity to meet the objective of this criterion. Maximum score will now be provided if the bidder proposes a sufficient number of compliant MCSF aircraft (whether from one or multiple types) for all of the MCSF mission profiles (1, 3, 5 and 7) to provide the required number of concurrent LOT for each of these profiles as per Table 3 (SOW-875) of the Statement of Work (Volume 2, Annex A).

Question/comment 8: Reference: Volume 1, Annex B, Appendix 5, CRT-22

Current Requirement: The Bidder is proposing a single fleet of Multi-role Fighter aircraft = 100%

Question: Different models of a single type of aircraft can have significant differences, such as engine models, with related differences in certification, operating limits, maintenance schedules and aircraft capabilities and performance. Based on industry consultation, Canada’s desire for a single type fleet seems to be to mitigate operational complexity, and increase scheduling flexibility while containing ferry costs. Can you confirm that to be treated as a “single fleet” that all aircraft should be of the same type and model?

Answer 8: As per Question/comment 7 before, rated criterion CRT-22 is revised.

However, Bidders are reminded that Volume 2, Annex A, Appendix 3 provides various definitions applicable to the RFP. Among others, it defines “Aircraft Type” as “An aircraft type is an individual or group of aircraft/platforms which have the identical make and model and incorporate the same modifications.”

Question/comment 9: Reference: Volume 2, Annex A, SOW-257

Current Requirement: There is no requirement in the CATS RFP Evaluation for bidders to demonstrate their safety record.

Recommended Change: Some measure, or at minimum disclosure, of each bidders safety record needs to be included. Safety is one of the cornerstones of CF and CATS operations. All bidders (including all members of any Joint venture) should be required to certify disclosure of any and all

accidents involving aircraft that they owned, or operated over the past 5 years.

Reason for Change:

We believe that the employment of any single parameter, such as the technical accident rate for a particular aircraft type, does not provide a broad enough picture to adequately demonstrate an established safety record. For example any operator with a new aircraft may be eliminated due to the absence of historical data; or, an operator with a good safety culture could be eliminated due to a single unfortunate equipment failure. CATS program safety must be a primary concern for the program to succeed. The Operators culture, Quality Management System, airworthiness process, aircraft, technicians and aircrew are all integral contributors to establishing a safe operation. We believe that the best path to evaluation of an established safety record should consider multiple parameters. As an absolute minimum, Canada should be aware of the historical safety record of all bidders.

If Canada were to consider examining each bidders safety record in more depth, we propose you evaluate the requirement for a bidder to demonstrate an established safety culture by employing multiple criteria in two major areas: the bidder's organizational safety culture; and the proposed aircraft type safety record. Assessing a combination of safety related criteria within these two areas will more fully provide an evaluation of the proposal from a safety point of view. We recommend the following:

Organizational safety culture - The organization's safety culture, complemented by its quality culture, has a direct impact on the safety record of any aircraft operator. Consequently, we propose to evaluate the organizational safety and quality cultures of each bid using the following rated criteria:

- a) Flight safety system or Safety Management System (SMS) (completeness, effectiveness, experience with DND, etc)
- b) Quality Management System (ISO accreditation, Transport Canada certification, audit track records, etc)
- c) Airworthiness oversight system (TC, FAA, EASA, etc)
- d) Flight safety record (accident rate, effectiveness of corrective actions, etc)
- e) Aircrew experience (civilian experience, military experience)
- f) Airworthiness regulatory organization disciplinary action(s)
- g) AOC, AMO certificate holder experience

Aircraft type - The proposed aircraft type must also be evaluated using multiple rated criteria in order to provide a more complete assessment of the established safety record of the proposed solution. We propose the following rated criteria for each proposed aircraft type:

- a) Multi vs Single engine (multi-engine should score higher)
- b) Technical accident rate (Operators fleet, Proposed fleet)
- c) Aircraft age (Newer scores higher)
- d) Experience with type (flight hours for the Operator with this aircraft type)
- e) Maintenance program certification on type (OEM certified maintenance program rated higher than an altered maintenance program (i.e. experimental))

Answer 9: This topic has been raised to Canada's attention under the Industry Engagement Process. As indicated at that time, Canada has carefully reviewed the safety requirements and determined that there are sufficient provisions to ensure safe operations, without assessing the technical accident rate or adding the suggested evaluation criteria.

As discussed under that engagement process, Canada has been advised and agreed that the technical accident rate is not a reasonable measure to assess a bidder's safety, and decided to remove an associated rated requirement then considered. Furthermore, past safety record could have been achieved against standards that do not compare directly to the standards required within this RFP. A company with a lower safety record while operating in a largely unregulated environment may have an outstanding safety record when operating in a highly regulated environment as proposed within this RFP.

Canada does place significant importance on safety and considers that a company's ability to operate safely is adequately considered and evaluated under this RFP.

Question/comment 10: Reference: Volume 2, Annex A, Appendix 1, ANN-3.4.3.1-4

Current Requirement:

- 3.4.3.1 The Contractor's aircraft flight station(s) must incorporate an airborne multi-purpose electronic display including at least one of the following elements: an Electronic Altitude Director Indicator (EADI), an Electronic Horizontal Situation Indicator (EHSI) or a similar conventional instrument.
- 3.4.3.2 The Contractor's aircraft flight station must incorporate a Multi-Function Display (MFD) allowing full control to configure, modify, and delete routes, navigation aids (NAVAIDs) and other navigational and communication information critical to situational awareness.
- 3.4.3.3 The Flight Station MFD must have a display of knots indicated airspeed (KIAS).
- 3.4.3.4 The Flight Station MFD must have sufficient equipment/displays to allow a crew member to assist in aircraft flight safety status determinations via a warning panel which must have at least a Master Caution Indicator.

Recommended Change:

- 3.4.3.1 The contractor's aircraft flight station must include display of altitude, airspeed, vertical speed and radar altitude. Each flight station must incorporate a multi-purpose electronic display including electronic altitude indicator (EADI) and electronic horizontal situation indicator (EHSI), or similar conventional instruments.
- 3.4.3.2 Each flight station must have a back-up altitude reference system.
- 3.4.3.3 Each flight station must incorporate a multi-function display (MFD) that displays aircraft position and track information and allows full control to configure, modify, display navigation information in accordance with 3.4.4.1.3 thru 8.
- 3.4.3.4 Each flight station must have sufficient equipment/displays to allow a crew member to assist in aircraft flight safety status determinations via a warning panel which must have at least a Master Caution Indicator.

Reason for Change: These requirements should include primary flight instruments, HSI and an electronic situational awareness display that includes navigation information. As currently written, the requirement to display airspeed and caution/warnings in the MFD are overly onerous, as this information can be suitably displayed by conventional means. While some communication & navigation control may be integrated into the MFD, obliging the contractor to do so vice employing individual conventional radios will limit options and increase cost for negligible value.

Answer 10: Article 3.4.3.4 inadvertently specified "MFD" where the intent was to ensure this information is suitably displayed. This error is corrected through Article 2d) below. Note that no change is required to the associated mandatory requirement CRT-93 as it does not make reference to MFD.

The other requirements identified above are correct, as they specify the minimum equipment necessary for the EWO to complete their duties.

Question/comment 11: Reference: Volume 2, Annex A, Appendix 1, ANN-216, Table 1

Current Requirement: The weight of chaff pod is shown as 340 lbs.

Recommended Change: The chaff pod weight with full chaff load should be required carriage – This is approximately 660 lbs

Reason for Change: The loaded chaff pod is the heaviest GFE store. Canada should ensure that contractor a/c are capable of hard point carriage of this heavy store with a chaff load that will meet training requirements.

Answer 11: Canada concurs with this observation. The RFP will be revised to reflect the fully loaded weight of 660 lbs as per Article 2e) below.

Question/comment 12: Reference: Volume1, Annex B, Appendix 7, Worksheet 'Description of Tier Services' B10 to B15

Current Requirement: TIER 1B Services Table

Recommended Change: The PEM description of Tier 1B services should specify 4 LOT daily for 1B-1 & 1B-2.

Reason for Change: Description of Tier 1B in the PEM table above does not match the description of Tier 1B services in the SOW (SOW-874) which requires 4 LOT daily in Cold Lake and Bagotville.

Answer 12: This is a correct observation. To remove that discrepancy and prevent other potential discrepancy in the Price Evaluation Model (Volume 1, Annex B, Appendix 7), the associated worksheet "Description of Tier Services" will be removed in its entirety in a revised Price Evaluation Model workbook to be provided through a subsequent amendment. This change does not remove clarity, all information in that worksheet being available in other sections of the RFP.

Question/comment 13: Reference: Volume 1, Annex B, Appendix 5, CRT-1

Current Requirement: The Bidder should have experience in providing Live-Fly Combat Support Training to Military customers similar to the services outlined in the Statement of Work.

Recommended Change: This rated item should have a minimum threshold of 50%.

Reason for Change: Canada cannot risk a gap in service, any company that does not have a minimum of 2 years experience providing Live-Fly Combat Support Training to a Military customer, poses a very high risk of underestimating the resources and time required to bring such a service into operation. The lack of established operating systems and knowledge of the cost/effort of bringing fighter type a/c into service are risk items that Canada should not accept.

Answer 13: Mandatory requirement CRT-1 already requires Bidders to have a minimum of three (3) years of experience (36 months) within the last five (5) years operating a fleet of aircraft.

Canada views providing Live-Fly Combat Support training to military customers to be an asset and therefore awards points according to associated level of experience. However, Canada considers that a minimum pass mark of 50% is not necessary for this criterion, and would unnecessarily reduce competition under the RFP. Canada has incorporated numerous criteria that will, in conjunction with this criterion, determine which Bidder represents best value while mitigating risk.

Question/comment 14: Reference: Volume 1, Annex B, Appendix 3, Article 4.3.2

Current Requirement: For identification of Proposed Transactions that meet the Eligibility Criteria in Direct Work and/or within Identified Market Segments, the Bidder will receive 0.04 of VPP for each percentage of the Original Period Bid Price identified through such Transactions, up to a maximum of 4 VPP; For illustration: A Bidder identifies Transactions that meet the Eligibility Criteria in Direct Work and/or Identified Market Segments and are equal to 60% of the Original Period Bid Price. The calculation of VPP would be 60×0.04 VPP equals a total of 2.4 VPP.

Recommended Change: Similar to 4.3.1, this rated item should score only the identification of proposed transactions that exceed the 30% threshold that is a mandatory requirement (see Table 2.1, 3(a)). The bidder should receive $4/70=0.05714$ VPP for each percentage of commitment above 30%, up to a maximum of 4 VPP.

Reason for Change: Identification of 30% of Proposed Transactions that meet eligibility criteria is a mandatory requirement, it should not be scored as part of Rated items, only the Proposed Transactions above and beyond the mandatory 30% should be scored.

Answer 14: Canada has reviewed your suggestion and has determined that the rated criterion of Article 4.3.2 (Identification of Proposed Transactions that meet the Eligibility Criteria in Direct and/or within Identified Market Segments) will remain unchanged as it has a different scope than

the mandatory requirement of Article 2.1, item 3. (a), and is therefore not incremental to it as suggested in the comment.

It is important to note the distinction between Articles 4.3.1 and 4.3.2 for evaluation purposes. Article 4.3.1 relates to Commitments in Direct and/or within Identified Market Segments, while Article 4.3.2 relates to the Identification of eligible Proposed Transactions in Direct and/or within Identified Market Segment.

It is also important to note that there is no mandatory requirement to identify eligible Direct and/or Identified Market Segment Identified Transactions as part of the proposal. The mandatory requirement to identify eligible Transactions equal to no less than 30% of the Original Bid Price (Article 2.1, item 3(a).) is not limited to Direct and/or Identified Market Segment Transactions, but also accepts eligible Indirect Transactions not in the Identified Market Segments. Canada does, however, encourage Bidders to identify eligible Proposed Transactions in Direct and/or Identified Market Segment in order to receive Value Proposition Points, as per Article 4.3.2.

For illustration:

- Bidder 1 does not identify any Transaction in its Proposal. Bidder 1's proposal is declared non-responsive as it does not meet the mandatory requirement to identify eligible transactions valued at no less than 30% of the Original Bid Price.
- Bidder 2 identifies eligible Indirect Transactions that are not within the Identified Market Segment valued at 35% of the Original Bid Price, but does not identify any Direct and/or Identified Market Segment Transactions. Bidder 2's proposal meets the mandatory requirement of Article 2.1, item 3 (a), but receives 0 Value Proposition Points under Article 4.3.2 as the identification of Transactions does not include Direct and/or Identified Market Segments.
- Bidder 3 identifies eligible Indirect Transactions that are not within the Identified Market Segment valued at 10% of the Original Bid Price and Direct and/or Identified Market Segment Transactions valued at 25% of the Original Bid Price. Bidder 3's proposal meets the mandatory requirement of Article 2.1, item 3 (a), and receives 1 Value Proposition Point (i.e. (25 percentage x 0.04).

Question/comment 15: Will there be an Industry Day scheduled for this RFP?

Answer 15: In view of the extensive discussion undertaken under the CATS Industry Engagement Process preceding the release of the RFP, Canada currently does not see a requirement to hold such an event.

Question/comment 16: Reference: Volume 2, Annex A, Appendix 13, Article 5.5

Current Requirement: For FOC Achievement Scores (FAS) that are >105%, there will be a disincentive penalty of up to 100%.

Question: Confirm that the maximum penalty for late FOC is \$500K? How will this disincentive penalty for late FOC be collected?

Answer 16: Canada confirms that the maximum monetary penalty for late FOC is \$500K, as outlined in Appendix 13.

As stated in Article 14.5 of the Basis of Payment (Volume 2, Annex B), The terms of disbursement for the performance Incentive adjustments will be negotiated at the time of Contract award. Once negotiated and agreed to, the frequency of disbursement of a positive incentive adjustment will be identical to the frequency of disbursement for a negative incentive adjustment and will be adhered to throughout the life of the contract.

Question/comment 17: Reference: Volume 1, Annex B, Article 8 - Evaluation of Aircraft at Site Visit With respect to the graded ratings contained in Article 8.10 to be evaluated during the airworthiness site visit, how and where will these rating scores be applied in the overall evaluation? These ratings are critical to assessing the risk of obtaining timely airworthiness certification, and must be integrated into the scoring of Rated items.

Answer 17: This element will not be integrated into the Rated Management and Technical Evaluation. While assessed through a percentage approach, due to various elements being considered, this element is essentially assessed as a mandatory requirement (i.e. pass or fail approach). As indicated in Article 8.11 of the Evaluation Plan (Volume 1, Annex B), any proposal assessed by Canada as having a high likelihood of the proposed aircraft not being able to meet the requirements within twelve (12) months of contract award will be declared non-responsive.

Question/comment 18: Reference: Volume 2, Annex A, SOW-217 and SOW-251
Current Requirement: One Familiarization & one Currency Ground based Training Course for DND Aircrew per year at no expense to Canada.

Question: To enable manpower & cost planning, what is the maximum number of DND participants in subject courses?

Answer 18: The Statement of Work will be revised as per Article 2f) below to reflect a maximum of 6 students for the ground based Aircraft Familiarization course and a maximum of 25 students for the ground based currency training course.

For clarity purposes, additional courses will be for the number of students identified in Article 12.1 of the Basis of Payment (Volume 2, Annex B).

Question/comment 19: Reference: Volume 2, Annex A, Appendix 1, ANN 3.11.1.1.15

Current Requirement:

Provide target tow reel systems and controls for Profile 6, Naval Target Tow, to carry and stream

GFE targets to support one (1) line of tasking;

Question:

Confirm that Profile 6 (1 LOT) could be flown in YHZ one day and YYJ the next?

Answer 19:

Although the scenario is unlikely, it is possible that Profile 6 could be flown on the East coast one day, and then the West coast on the following day.

Question/comment 20: Reference: Volume 1, Annex B, Appendix 7, Aircraft Fuel Consumption Tab Current Requirement: Enter the total fuel used by EPE profile & ferry burn rate.

Question: How will the PEM calculate profile fuel burn rates if more than one a/c type will be employed for a profile?

Answer 20: The Proposed Aircraft and Aircraft Endurance Profile workbook (Volume 1, Annex B, Appendix 6) calculates a Total Fuel Used figure and a Tier 2 Ferry Used figure for each mission profile and each aircraft type proposed for that profile. Weighted average figures (Profile Total Fuel Used and Profile Tier 2 Ferry Burn Rate) are then calculated from the results for each profile.

As indicated in Article 3.2.5 of the Instructions to Bidders (Volume 1) and Article 1.2 of the Financial Evaluation (Volume 1, Annex B, Appendix 2), Bidders are required to input these calculated weighted average figures in the worksheet "Aircraft Fuel Consumption" of the Price Evaluation Model (Volume 1, Annex B, Appendix 7). The workbook will then use such figures to calculate the estimated fuel costs included in the Total Evaluated Price for that bid.

Question/comment 21: Reference: Volume 2, Article 11.

Question: Can you confirm that all travel necessary for Tier 2 services, including Pilots, Technicians, Logistics and Ops personnel, will be reimbursed? How will Canada determine who can travel, i.e. what level of support is reasonable to support deployed operations? The process for claiming travel expenses for Tier 2 travel will be very cumbersome (e.g. an expense report for each individual traveler will need to be submitted with receipts), how rapidly will Canada be able to process and pay these claims?

Answer 21: Canada will not reimburse travel expenses for any Contractor personnel other than pilots required for Tier 2 Services, Additional Aircrew and Standby Aircraft. Contractor personnel for whom travel and living expenses will be reimbursed under an Additional Work Requirement will be as agreed between the parties under the associated task authorisation. The RFP is amended to reflect that clarification as per Article 2g) below.

Question/comment 22: Reference: Volume 2, Annex A, Appendix 3

Current Requirement: On Station Hours/On Station Time: On station hours is the difference between the time at the initial point (IP) or entering the exercise airspace and the time at the end exercise point (EEP) or leaving the exercise airspace.

Question: Can you confirm that the IP and EEP may be far (sometimes hundreds of miles) from the base of Operations (PSDL)? Are these very long transits for some exercises captured in the historical data?

Answer 22: Canada confirms that the initial point (IP) and end exercise point (EEP) may, in some instances, be at a significant distance from the PSDL. The historical data provided in Volume 1, Annex B, Appendix 08-Notional Flight Schedule and Historical Data document has captured the taskings with lengthy transits.

Question/comment 23: Reference: Volume 1, Annex B, Appendix 7, Worksheet 'Period D-N' B12 to E12

Question: Period D 'Fixed Transit Price (FTP) Per Sortie' calculation is '=Period A-C'!R12*(1+(+\$G\$4)/100)... the '/100' part of the calculation appears to be an error. It is omitted from the other formulas in row 12. The calculation is also missing the round to decimal places part of the calculation present in the other formulas for row 12, e.g. '=Round(X,2)'. Are the formulae in row 12 for Period D correct?

Answer 23: This is a correct observation. The calculations of cells B 12 to E 12 should not include the '/100' and should be rounded to two decimals. A revised Price Evaluation Model workbook will be provided through a subsequent amendment.

Question/comment 24: Reference: Volume 2, Annex A, SOW-257

Current Requirement: Refresher of the Before and After (AB) checks and the Drag Indices (DI) checks.

Recommended Change: Refresher of the Before and After (AB) and Daily Inspection (DI) checks.

Reason for Change: DI is actually the acronym for Daily Inspection, not Drag Indices.

Answer 24: Canada concurs with this observation. The term should read "Daily Inspection" vice "Drag Index". The RFP is revised as per Article 2h) below to make this correction.

2) Modification to Various Sections of the RFP.

2a) Removal of the requirement for certified Mode 5 Identification Friend or Foe (IFF) transponder

l) At Volume 1, Annex B, Appendix 4 -Management and Technical Mandatory Requirements, item CRT-45:

DELETE:

All proposed aircraft must be equipped with a certified Mode 1, 2, 3/A and 5 Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America, without limitations or exemptions.

INSERT:

All proposed aircraft must be equipped with a certified Mode 1, 2, and 3/A Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America, without limitations or exemptions.

- ii) At Volume 2, Annex A, Appendix 1 - Technical Requirements for the Statement of Work, item ANN-86 :

DELETE:

Must be equipped with a certified Mode 1, 2, 3/A and 5 Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America without limitations or exemptions; and

INSERT:

Must be equipped with a certified Mode 1, 2, and 3/A Identification Friend or Foe (IFF) and Mode S transponder approved for unrestricted access to all airspace throughout North America without limitations or exemptions; and

2b) Relocation of mandatory criterion CRT-78

At Volume 1, Annex B, Appendix 4 - Management and Technical Mandatory Requirements, MOVE CRT-78 from CRT-148 (24 Targeting Characteristics) to CRT-149 (25 Ordnance Delivery).

2c) Modification of rated criterion CRT-22

At Volume 1, Annex B, Appendix 5 - Management and Technical Rated Requirements, REPLACE item CRT-22 in its entirety with:

| | | | | | | |
|------------|---|---|--|--|------|---------|
| CRT-2 2 | One or multiple types of Multi-role Combat Support Fighter (MCSF) aircraft are proposed by the Bidder for <u>all</u> of mission profiles 1, 3, 5 and 7 and in sufficient number to provide the required number of concurrent LOT for each of such | The Bidder must identify in its proposal the number and types of MCSF aircraft being proposed for <u>all</u> of mission profiles 1, 3, 5 and 7. | Scoring: 100%: The number of compliant MCSF aircraft proposed for all of mission profiles 1, 3, 5 and 7 is sufficient to provide the required number of concurrent LOT for each of these mission profiles as per Table 3. 0%: No MCSF aircraft is proposed for all of mission profiles 1, 3, 5 and 7, or there is no a sufficient number of such compliant aircraft to | | 22.5 | SOW-112 |
|------------|---|---|--|--|------|---------|

| | | | | | |
|--|--|--|--|--|--|
| mission profile as per Table 3 (SOW-875) of the Statement of Work (Volume 2, Annex A). | | <p>provide the required number of concurrent LOT for each of these mission profiles as per Table 3.</p> <p>Note: A Bidder proposing more than one aircraft type may meet this rated criterion even if all aircraft types are not proposed for all of mission profiles 1, 3, 5 and 7.</p> <p>As an example, a Bidder proposes three Aircraft Types (A, B and C). If the Bidder proposes the types A and B aircraft for all mission profiles 1, 3, 5 and 7 and demonstrates sufficient number of compliant aircraft of such types to meet all requirements of Table 3, this criterion will be assessed as met (and a total score of 100% provided) even if the type C aircraft are only proposed for one mission profile (e.g. profile 1).</p> | | | |
|--|--|--|--|--|--|

2d) Modification of aircraft requirement associated with Multi-Function Display (MFD)

At Volume 2, Annex B, Appendix 1 – Technical Requirements for the Statement of Work, item ANN-142,

DELETE:

The Flight Station MFD must have sufficient equipment/displays to allow a crew member to assist in aircraft flight safety status determinations via a warning panel which must have at least a Master Caution Indicator.

INSERT:

The Flight Station must have sufficient equipment/displays to allow a crew member to assist in aircraft flight safety status determinations via a warning panel which must have at least a Master Caution Indicator.

2e) Revision to the weight of the chaff pod (AN/ALE-503(V))

At Volume 2, Annex A, Appendix 1 – Technical Requirements for the Statement of Work, item ANN-341, Table 1 – GFE List

DELETE:

| | | | |
|-----------|---|-----|--------------------|
| Chaff Pod | AN/ALE-503(V) 1 Chaff Dispensing System | 340 | L132, W19.6, h19.6 |
|-----------|---|-----|--------------------|

INSERT:

| | | | |
|-----------|---|-----|--------------------|
| Chaff Pod | AN/ALE-503(V) 1 Chaff Dispensing System | 660 | L132, W19.6, h19.6 |
|-----------|---|-----|--------------------|

2f) *Clarification on the Number of Students under the Ground-based Aircraft Familiarization and Currency Training Courses under Steady State.*

At Volume 2, Annex A – Statement of Work, SOW-217

DELETE:

For each aircraft/engine combination requiring DND aircrew, the Contractor must deliver one (1) ground based Aircraft Famil Course acceptable to DND per year at no cost to Canada (scheduling at discretion of DND).

INSERT:

For each aircraft/engine combination requiring DND aircrew, the Contractor must deliver one (1) ground based Aircraft Famil Course acceptable to DND per year to up 6 students at no cost to Canada (scheduling at discretion of DND).

At Volume 2, Annex A – Statement of Work, SOW-251

DELETE:

For each aircraft/engine combination requiring DND aircrew, the Contractor must deliver one (1) ground based currency training course acceptable to DND per year at no expense to Canada (scheduling at discretion of DND).

INSERT:

For each aircraft/engine combination requiring DND aircrew, the Contractor must deliver one (1) ground based currency training course acceptable to DND per year to up to 25 students at no expense to Canada (scheduling at discretion of DND).

2g) *Clarification on the Travel and Living Expenses Reimbursed by Canada*

At Volume 2, Annex B – Basis of Payment,

i) REPLACE sub-article 5.2 c) in its entirety by:

- c. for travel and living expenses associated with Contractor pilots in accordance with Article 11.0;

ii) REPLACE sub-article 6.4 b) in its entirety by:

- b. Authorised travel and living expenses associated with Contractor pilots, in accordance with Article 11.0.

iii) REPLACE sub-article 7.3 b) in its entirety by:

- b. Authorised travel and living expenses associated with Contractor pilots, in accordance with Article 11.0, required to ferry the aircraft;

iv) REPLACE article 11.2 in its entirety by:

11.2 All travel associated with Contractor pilots associated with Tier 2 services, Additional Aircrew or Standby Aircraft, as well as with Contractor personnel agreed to by Canada under an Additional Work Requirements must have the prior authorization of the Procurement or Contracting Authority in accordance with each Task Authorization and are subject to reimbursement as described below. Any travel occurring more than 48 hours before the first Sortie under the Task Authorization and more than 48 hours after the last Sortie shall be specifically authorized and indicated in the Task Authorization.

v) REPLACE sub-article 13.2 d) by:

d. **Travel and Living**

The Contractor will be reimbursed for Travel and Living associated with agreed upon Contractor personnel and authorized as per Article 11.0.

2h) *Correction of the Refresher Required under the Currency Training Course*

At Volume 2, Annex A – Statement of Work, SOW-257

DELETE: Refresher of the Before and After (AB) checks and the Drag Indices (DI) checks.

INSERT: Refresher of the Before and After (AB) checks and the Daily Inspection (DI) checks.