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11 Laurier St./11, rue Laurier
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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
Canadian Aerospace Training Procurement
(CATP)/Programme canadien de formation en
aérospatiale (PCFA)
1 Nicholas Street/1, rue Nicolas
Suite 215/Suite 215
Ottawa
Ontario
K1A 0S5

| | |
|---|--|
| Title - Sujet CATS/SEAI | |
| Solicitation No. - N° de l'invitation W636A-09CATS/J | Amendment No. - N° modif. 013 |
| Client Reference No. - N° de référence du client W636A-9-CATS | Date 2016-01-23 |
| 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 2016-02-16 | |
| Time Zone Fuseau horaire Eastern Standard Time EST | |
| 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 |
| 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 |

This amendment 13 to Request for Proposal (RFP) W636A-09CATS/J is raised in order to:

- 1) Provide a clarification to Answer 71;
- 2) Provide responses to questions/comments #96 to 98 received from potential bidders; and
- 3) Modify the RFP to reflect Answer #97.

1) Clarification to Answer 71

Canada wishes to clarify its earlier response to Question/Comment 71. In addition to the definition of Intellectual Property (IP) in the ITB Terms and Conditions (Volume 2, Annex D), IP may take the form of trade secrets or other technical information which may or may not be registered. The Bidder is required to demonstrate that they and/or their Eligible Parties have access to the IP Rights needed to export from Canada. As IP may take many forms, evidence to demonstrate this criteria can include, but is not limited to: application of patent, trademark or design; copy of IP transfer; copy of licensing agreement; IP registration number; confidentiality agreement for trade secrets; attestation in writing, etc. Canada considers that that no changes are required to the ITB-related provisions of the RFP pursuant to this clarification.

**2) Canada's Response to Questions/Comments #96 to 98 Received from Potential Bidders
Question/comment 96**

Reference: Answers to Questions 93 and 94, Amendment 12

Question: Can the Government of Canada please confirm that any fuel purchased at Canadian airports will be considered as 100% CCV and therefore qualify as a direct transaction on the CATS program? It is understood that based on the Answer to Question 93 that this excludes Cold Lake and Bagotville MOBs where the fuel will be provided at no cost to the Contractor and directly recovered by the Wing from the CATS PMO.

Answer 96: As indicated before, Canada does not commit in any manner in fuel being available and provided to the Contractor by 4 Wing Cold Lake and/or 3 Wing Bagotville, and any such services will be subject to a Service Level Agreement (SLA) with the Wing/Base outside the scope of this RFP and any resulting contract.

Fuel purchased by an Eligible Party at Canadian airports for the delivery of the CATS program will be considered as 100% CCV and may qualify as a Direct Transaction if it meets the Eligibility Criteria set out in Volume 2, Annex D – Industrial and Technological Benefits Terms and Conditions. For clarity, any equipment (including fuel) purchased by the Contractor from Canada is not an eligible Transaction as it does not meet the definition of Eligible Party (Canada cannot be an Eligible Party). This position is consistent with Canada's standard approach in similar contracts.

Question/comment 97

Reference: Answers to Questions 93 and 94, Amendment 12

Observation: In its answer to Question 94 the Government of Canada states that the cost of fuel required at 4 Wing Cold Lake and 3 Wing Bagotville is considered as "low expected value". Based on the assumptions made by the Government of Canada in the PEM evaluation matrix, the total number of MCSF hours flown on Tier 1A and 1B service (and therefore executed from the Cold Lake

and Bagotville MOBs) accounts for over half of the total T1 hours flown in the 10 year period. Given the high fuel consumption rate of military fast jet aircraft, it is our understanding that the dollar value of the fuel expense will be quite significant (in the 10's of millions of dollars over the 10 year period).

Request for Clarification: We therefore request further clarification on the VP/ITB treatment for this amount. Based on Answer to Question 93 this fuel will likely not be paid for by the Contractor and will therefore not be eligible for ITB activities. That being the case it is submitted that the associated value of all fuel used on Tier1A and 1B services provided in Cold Lake and Bagotville should not be counted in the overall Contractor ITB commitments.

Answer 97: The Contractor's overall IRB Obligation Value will be based on the Contract Value as defined in Article 1.1.12. of the ITB Terms and Conditions (Volume 2, Annex D). In order to ensure that the Contract Value reflects the actual value of the Contractor Work under Task Authorizations, the RFP is revised as per Article 3 below.

Question/comment 98

Reference: Answer to Question 95, Amendment 12

Observation: Based on historical flying data provided in the PEM, the estimated flying hours outside of Canada represents around 20% for the T1 aircraft and around 10% for T2 aircraft. And it is observed that the program taskings set out in the RFP are such that it is necessary for the Contractor to have to service the aircraft while outside of Canada. Considering these observations, the mandate is such that the Contractor must purchase non-Canadian fuel when the aircraft are outside Canada, which is estimated to be in the 10's of millions of dollars over the 10 year period of the program.

Question: Given that the Contractor is not permitted to add profit, or G&A on the cost of fuel, and may be reimbursed for most, if not all, of this foreign fuel cost, why must the Contractor be made to bear the extra ITB burden for finding equivalent Canadian offsets for all fuel purchased by the Contractor outside Canada and that which is reimbursed by Canada under the CATS contract?

Answer 98: Presence of non-Canadian content is not unusual in these types of contracts. As per Canada's standard approach in similar contracts, any non-Canadian sourced costs (such as foreign fuel costs) will form part of the ITB Commitments to be met by the Contractor under the CATS contract (for example, through Indirect Transactions).

3) Modification to the RFP to Reflect Canada's Answer 97

Note: Canada will provide, through a subsequent amendment, a revised version of the Price Evaluation Model (PEM) workbook identifying the estimated contract values for each Service Periods.

At Volume 2, Annex D – Industrial and Technological Benefits Terms and Conditions, REPLACE Article 1.1.12 in its entirety with:

1.1.12 “Contract Value” means, for the purpose of the ITB Commitments, at any point of time, the sum of amounts in the Contract Value for ITB Commitments table below. At Contract award, the Contract Value for ITB Commitments table shall be populated with the estimated contract values for each Period of Services as found in the PEM workbook , amended (if applicable) per Articles 1.2, 1.3 and 1.5 of the Financial Evaluation Plan (Volume 1, Annex B, Appendix 2) and Article 7 of the Evaluation Plan (Volume 1, Annex B). Upon the completion of a Period of Services, the estimated value for the completed Period of Service shall be replaced with the actual amounts paid to the Contractor under the Contract for that completed Period of Service.

Table: Contract Value for ITB Commitments (applicable taxes extra)

| | | | | |
|---|---|---|---|------------------------|
| PS A | PS B | PS C | PS D | PS E |
| <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> |
| PS F | PS G | PS H | PS I | PS J |
| <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> |
| PS A1 (if the 1 st option term is exercised) | PS A2 (if the 1 st option term is exercised) | PS B1 (if the 2 nd option term is exercised) | PS B2 (if the 2 nd option term is exercised) | |
| <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | <i>To be indicated</i> | |