



## 1. Advance Contract Award Notice (ACAN)

An ACAN is a public notice indicating to the supplier community that a department or agency intends to award a contract for goods, services or construction to a pre-identified supplier, thereby allowing other suppliers to signal their interest in bidding, by submitting a statement of capabilities. If no supplier submits a statement of capabilities that meets the requirements set out in the ACAN, on or before the closing date stated in the ACAN, the contracting officer may then proceed with the award to the pre-identified supplier.

## 2. Definition of the requirement

The firm will provide on demand technical support to Environment Canada related to its operation of TIM and E3MC integrating module.

Without limiting the scope of work, the successful contractor shall carry out the following tasks as describe herein:

### **Task 1: General Forecast and Simulation Support**

Under this task, the consultant will provide "upon request" support to Environment Canada staff in the development of TIM and integrated model simulations, databases and forecasts. Examples of the types of activities include (but not limited to):

- Debug TIM and E3MC simulations
- Edit and review Mosaic command files (MCC)
- Update Mosaic data files (MOS)
- Update and/or change SIMSYS override files (OVR)
- Compile data for the underlying TIM databases

### **Task 2: TIM Development**

As the TIM data structure is no longer compatible with Statistics Canada's, updating the TIM data bases to recently released historical data requires modifications to TIM.

Under this task, the consultant will provide "upon request" support to Environment Canada staff on activities related to enhancements to accommodate the updating of TIM's data bases and key forecasting parameters. Some example activities to be undertaken could include (but not limited to):

- Provide methodology (potentially files) that updates the 1997 constant dollar and prices (TIM is anchored in 1997 constant dollars) to those consistent with official data from Statistics Canada.
- Identify and decompose potential inconsistencies with the internal interactions of TIM, and where possible provide both short-term and long-term solutions.
- Identify and decompose potential inconsistencies between data transferred between TIM and ENERGY 2020 (component models of E3MC) and TIM processing of the data to and from ENERGY 2020.

As the nature of the requirement is not fully known, work under this contract will proceed through task authorizations. While the deliverables will be explicitly reflected in the Task Authorizations, they will generally consist of:

- Transferring to Environment Canada updated Mosaic command files (MCC).
- Transferring to Environment Canada updated Mosaic data files (MOS).

- Transferring to Environment Canada updated and/or changed SIMSYS override files (OVR).
- Transferring to Environment Canada compiled data for the underlying TIM databases.

Activities for tasks authorized will be performed either on-site or off-site, and will depend on the nature of the activity and resources required for each task.

As the tasks will be request for on-demand services, tasks authorizations will be used to initiate specific tasks. Task authorizations will include: activities to be performed, identification of general or explicit deliverables, and an estimate of the time required. Tasks that are expected to span several months, the bidder will provide, via email, an end-of-month report that accounts for time used and remaining.

### 3. Criteria for assessment of the Statement of Capabilities (Minimum Essential Requirements)

*Detail the criteria against which the statement of capabilities submitted by potential suppliers will be assessed. This will allow the contracting officer to have an adequate basis for evaluating a potential supplier's statement of capabilities. The pre-identified supplier must be evaluated on the same basis.*

Any interested supplier must demonstrate by way of a statement of capabilities that it meets the following requirements:

- Experience 5 years' experience in the past 10 years in software development for econometric model simulation systems and in writing software interface linking an econometric model simulation system to an technology-based behavioral energy supply and demand simulation system and in the application of Input/Output matrix techniques in economic modeling, energy models and immigrations flows; 5 years' experience in the past 10 years in write and compiling equations for econometric model simulation system ; conducting at least 3 projects similar in size, scope and complexity;
- Knowledge and understanding of i) national and provincial econometric model simulation systems, ii) technology-based behavioral energy supply and demand simulation system, and iii) the equation structure of The Informetrica Model ; and the following software: MOSAIC, SIMSYS, VISUAL BASIC, FORTRAN, APL, PASCAL, BASIC on IBM, UNIVAC, BURROUGHS Mainframes, APPLE and IBM/PC, and VAX/VMS systems

### 4. Applicability of the trade agreement(s) to the procurement

This procurement is subject to the following trade agreement(s) (*insert the applicable trade agreement(s)*):

- Agreement on Internal Trade (AIT)
- World Trade Organization - Agreement on Government Procurement (WTO-AGP)
- North American Free Trade Agreement (NAFTA)



## 5. Justification for the Pre-Identified Supplier

PolicyModels Corp. (PolicyModels) is a Canadian-controlled private firm that specializes in development of economic model software. Mr. Saunders, who is the owner and principal shareholder of Policy Models, holds a Master's degree in economics from Carleton University, bachelors in both economics and biochemistry from Queen's University.

Mr. Saunders worked for Infrometrica Limited (IL) for over 11 years, and his work at IL focused on the continued development of TIM and the use of TIM in the development of economic forecasts. Specifically, Mr. Saunders designed the interaction methodology between TIM and ENERGY 2020, and coded the TIM Modgen (Simsys language) for the integration functions that used data transferred from ENERGY 2020. ENERGY 2020 is the main analytical tool that Environment Canada uses to i) develop the government of Canada's integrated energy, emissions and economy projections that are reported in Canada's Emissions Trends and respond to international reporting obligations on climate change; and ii) support development of climate change policies, programs and measures. Design features include: energy-dynamic input-output model, energy investment, emission permit system, and government energy tax, transfers and subsidies. All aspects of TIM development were either overseen or directly coded by Mr. Saunders, including: personal consumption expenditure, business and government investment, employment, imports and exports, provincial output, input-output model (real and prices), and international prices. Mr. Saunders also held a key role in the development of many TIM forecasts for both general Infrometrica clients and client-specific forecasts and scenarios.

Given Mr. Saunders' experience and knowledge of the TIM he is uniquely positioned to provide assistance to Environment Canada to support the use of TIM and linkages between TIM and ENERGY 2020.

### *Additional Information*

The Business Planning and Branch Operations directorate of Strategic Policy Branch has been trying to have a new model created to aid in satisfying their economic modelling needs. This activity is taking two directions. First, a competitive process was launched to acquire a macroeconomic model that is fully aligned to the System of National Accounts and linked to ENERGY 2020. This process is on-going. Second, to initiate in-house improvement to TIM aimed at developing a re-design macroeconomic model. In the event that Mr. Saunders does not wish to continue to provide his services for technical support to Environment Canada, the current TIM model could cease to exist.

Strategic Policy Branch has published RFPs looking for a company that would be able to create a new model for them as a TIM replacement. Using information gathered to date, the development of a replacement model will take roughly 2 years following contract award. The RFP process is on-going and has not yet moved into the contract awarding phase. We are waiting of PSPC advice on whether there is a strong rationale to proceed with contract awarding or re-issue the RFP. In the interim, to ensure continuity of its action in support of key environmental policy files, Environment Canada requires the support of PolicyModels Corp and Mr. Saunders'.



6. Government Contracts Regulations Exception(s)

The following exception(s) to the *Government Contracts Regulations* is (are) invoked for this procurement under subsection 6(d) - "only one person is capable of performing the work".

7. Ownership of Intellectual Property

Ownership of any Foreground Intellectual Property arising out of the proposed contract will vest in the Contractor.

The Contractor will grant to Canada a non-exclusive, perpetual, irrevocable, world-wide, fully-paid and royalty-free license to exercise all Intellectual Property Rights in the Foreground Information that vest in the Contractor, for any public purpose except Commercial Exploitation in Competition with the Contractor.

8. Period of the proposed contract or delivery date

The proposed contract is for a period of contract award to March 31, 2017, with two options to extend the contract period for a one year period each.

9. Cost estimate of the proposed contract

The estimated value of the contract, including option(s), is \$276,900.00 x (GST/HST included).

10. Name and address of the pre-identified supplier

POLICYMODELS CORP.  
680 Eagleson Road  
PO Box 45001,  
Kanata South PO  
Kanata, ON  
K2M 2Y1

11. Suppliers' right to submit a statement of capabilities

Suppliers who consider themselves fully qualified and available to provide the goods, services or construction services described in the ACAN may submit a statement of capabilities in writing to the contact person identified in this notice on or before the closing date of this notice. The statement of capabilities must clearly demonstrate how the supplier meets the advertised requirements.

12. Closing date for a submission of a statement of capabilities

The closing date and time for accepting statements of capabilities is August 5, 2016 at 2:00 p.m. EST.

13. Inquiries and submission of statements of capabilities

Inquiries and statements of capabilities are to be directed to:



Environment  
Canada

Environnement  
Canada

**5000022768**

*Christina Granda*

*Contracting Officer*

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