



RETURN BIDS TO:

RETOURNER LES SOUMISSIONS À:

**Bid Receiving - PWGSC / Réception des soumissions
- TPSGC**

11 Laurier St. / 11, rue Laurier

Place du Portage , Phase III

Core 0B2 / Noyau 0B2

Gatineau

Quebec

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

Interim Auxiliary Oiler Replenishment /Pétrolier

Ravitailleur d'escadre Intérimaire

105 Hotel de Ville

Gatineau

Quebec

K1A 0S5

Title - Sujet INTERIM ICEBREAKING AND TOWING	
Solicitation No. - N° de l'invitation F7017-160056/A	Amendment No. - N° modif. 001
Client Reference No. - N° de référence du client F7017-160056	Date 2016-12-21
GETS Reference No. - N° de référence de SEAG PW-\$\$MB-003-26062	
File No. - N° de dossier 003mb.F7017-160056	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2017-02-27	
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: Aubin, Marc A.	Buyer Id - Id de l'acheteur 003mb
Telephone No. - N° de téléphone (873) 469-4989 ()	FAX No. - N° de FAX () -
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

Letter of Interest (LOI)/Request for Information (RFI) amendment no. 001 is raised in order to:

(1) Make the following changes to the LOI/RFI;

At Section 1 – RFI Process/Instruction, sub-section 3 (Nature of this consultation), delete item b. in its entirety and replaced with the following:

b. This consultation will be a 3 Stage Process:

Stage 1 – Industry Day or Web-Ex teleconference. See Questions in Sections 2 and 3 of this document.

On 08 December 2016, an Industry Day will be held in Gatineau, Quebec. Potential Respondents that are interested in being present during the Industry Day are requested to send an e-mail confirmation to the Contracting Officer at marc.a.aubin@tpsgc-pwgsc.gc.ca. Additional information on the specifics of the Industry Day will be released to all interested suppliers.

Suppliers that are not able to attend the Industry Day meeting in person may request participation through a web conferencing service via WebEx. Suppliers that have shown preference in attending the Industry day via WebEx will subsequently be provided with an e-mail providing specific instructions.

- Initial response from the industry: Initial responses to the questions listed in sections 2 and 3 of this RFI document are required for respondents to participate in stage 2 of this RFI. The initial response from the industry is to be provided on or before January 25th, 2017 by e-mail to: marc.a.aubin@tpsgc-pwgsc.gc.ca.

Prior to providing an initial response, interested suppliers must notify (by e-mail) the Contracting Authority on or before January 11th, 2017 of their intention to provide an initial response in order to participate in the One-on-one stage of the RFI. Interested suppliers are also requested to indicate a preferred location across Canada for holding the one-on-one meetings. Please note that the decision will be at Canada's absolute discretion.

Please note that Respondents will be provided with the opportunity to modify their responses throughout the RFI period.

Stage 2 – One-On-One Meetings with Industry (expected to be held from January 30th to February 10th, 2017).

The purpose of the one-on-one meetings between Canada and individual potential respondents is to go over the initial response of the subject respondent.

At Canada's discretion and depending on industry requests and suppliers' preferences, Canada may consider holding the one-on-one sessions in various locations across Canada.

Stage 3 – Final responses to the RFI.

The RFI responses must be submitted on or before February 27, 2017 14h00 EST to:

Marc Aubin

Chef d'équipe d'approvisionnement | Supply Team Leader

Projet des Capacités de déglacage et remorquage provisoires/Interim Icebreaking and Towing Capability

Direction générale des approvisionnements | Acquisitions Branch

Travaux publics et Services gouvernementaux Canada | Public Works and Government

Services Canada
105, rue Hotel de Ville, Gatineau, QC, K1A 0S5 (4-023) | 105, Hotel de Ville Street, Gatineau
(QC) K1A 0S5 (4-023)
marc.a.aubin@tpsgc-pwgsc.gc.ca
Téléphone | Telephone 819-939-8453
Cellulaire | Cellular 613-818-1149

Respondents who did not participate in stages 1 or 2 of the LOI/RFI may still submit a response to the LOI/RFI.

- (2) Answer questions submitted by the industry as follows (see attached hereto);**
- (3) Provide a copy of the Industry Day Presentation (see attached hereto);**
- (4) Provide a list of companies and its representatives that participated at the Industry Day, including participation at the WebEx (see attached hereto);**
- (5) Provide the Rule of Engagement document to be signed by all interested suppliers prior to January 25th, 2017 (see attached hereto).**

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Question #	Questions	Answers
1	Is Canada interested in receiving submissions from companies having their headquarters outside of Canada working with Canadian associates?	Through this Request for Information (RFI), Canada is interested in receiving information on as many options and potential solutions as available that can address potential gaps for Icebreaking and Towing Capability for the Canadian Coast Guard (CCG) on an interim basis. The RFI will also inform analysis and decision making regarding the most appropriate procurement strategy to be followed, including the extent to which Buy-in-Canada and other policies are applied.
2	Can we receive the various Annexes that you require us to complete, in word format for easy completion?	The MS Word format for Annex D was provided along with the December 8 th Industry Day e-mail instructions. If you have not received it please request the document by sending an e-mail to marc.a.aubin@tpsgc-pwgsc.gc.ca
3	What is the minimum Icebreaking or Polar Class the heavy Icebreakers need to have?	<p>For Heavy Icebreakers engaged in Arctic operations, especially in the shoulder seasons, IACS UR PC3 or equivalent is typically considered the minimum.</p> <p>The CCG icebreaker fleet is comprised of a number of vessels with different capabilities varying from Polar Class 6 to Polar Class 3 approximate equivalencies (i.e. CCGS Samuel Risley to the CCGS Terry Fox). At this stage, the CCG is requesting industry to provide the Government with information regarding what is available, at what cost and timeframe. The CCG will then analyze these responses and determine its next steps to ensure it can meet its requirements and commitments. The requirement is not necessarily to meet a Polar Class rating but to be able to operate in the various CCG operational environments. As such, any information that can support or demonstrate this capability would be appreciated at this stage and would most likely be assessed prior to implementation of the next steps, if and when CCG decided to seek those solutions.</p>
4	What crew and number of officers / coast guard personnel that you would add on any vessel?	Crewing of any proposed vessel(s) would be in accordance with Marine Personnel Regulations of the Canada Shipping Act 2001. CCG, however, will not restrict or unduly constrain proposals in terms of the composition or the crew mix of the proposed vessel(s). The number of CCG personnel would depend on the option proposed by Industry and could vary from very few (time charter) to the entire complement (bareboat charter). It is anticipated that, in any solution, a minimum number of CCG representatives (up to five) would need to be

		accommodated on board the provided vessel depending on the tasks performed.
5	Will all questions, comment and information be available for others to see?	Questions formally sent to Canada will be answered on the Buy and Sell website.
6	Is an ice class hull required for the towing vessels and if so what rating?	CCG takes a multi-tasking approach to its operations and as indicated by the RFI questions, CCG is interested in understanding the extent to which any solution(s)/option(s) could address multiple program requirements such as Icebreaking and Towing as well as Search and Rescue, Environmental Response, buoy tending and Science. However, an ice class hull is not an absolute requirement for the towing vessel as towing and icebreaking are separate requirements.
7	Is there a bollard pull requirement?	With respect to towing, the CCG identified an objective requirement of holding an 11,000 TEU container ship, in position, in Beaufort 9 conditions (8m waves, 47 kt winds). The Bollard Pull requirement for this was estimated at 160 ton. However, this is not a minimum requirement and should be seen as a target or the upper threshold for a range of bollard pull capacities that could be considered. While an initial study of bollard pull required for specific ship types and weather has been conducted, Coast Guard is interested in receiving subject matter expert input on towing through this consultation process.
8	When would the charter hire commence?	It is anticipated that any interim solution would be implemented in 2018 at the earliest.
9	How long would the charter hire be for?	The interim capacity is anticipated to last for up to five years with a possibility of additional optional years.
10	Based on the information published in the Request for Information (RFI), the initial responses from the Industry is to be provided 55 days following the RFI release. Would it be possible to postpone this date until January 24, 2017?	Please refer to the LOI/RFI modifications done at Section – RFI Process/Instruction, sub-section 3 (Nature of this consultation), item b.
11	In reference to the One-on-One meetings, are there any specific requirements for the participation?	Please refer to the LOI/RFI modifications done at Section – RFI Process/Instruction, sub-section 3 (Nature of this consultation), item b.
12	Whether it is five or fifteen years it has a major financial impact. As such, can Canada please provide more clarity around the fifteen years period and preceding extensions?	The towing capacity is required for up to five years starting in 2018. Throughout this period, Canada will assess and analyze the towing requirements into the future. Depending on this analysis, which will be informed, in part, by the results of this RFI, Canada will determine whether

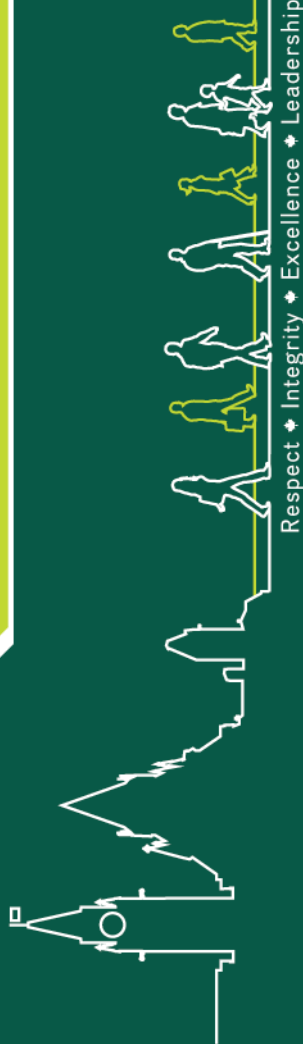
		<p>extensions for leasing the towing capability will be sought.</p> <p>The icebreaking capacity may be required to address potential gaps due to Vessel Life Extension (VLE) work over the next several years. It is anticipated that an interim solution, if required, could not be implemented before 2018 and could last throughout the VLE work period which should end around 2022. Understanding that the duration of any commercial arrangement will have financial impacts, Canada seeks to obtain Industry's best information to assess the value of one approach over another (Please also refer to response to question 33).</p>
13	Will there be a preference for operators that already have a presence in the operation area?	Canada would like to understand what added value, operators that already have a presence in the operational area, could bring. Information that would assist in this regard would be appreciated.
14	When is the expected start of the service?	Start of service is expected in early 2018 for towing and could be as early as 2018 for icebreaking.
15	<p>Will the icebreaker capacity address:</p> <ul style="list-style-type: none"> a) Current short fall of assets versus minimum requirements for great lakes and seaway corridor (central and artic region) b) Back-up assets capacity relined for life extensions program c) Deal with extreme Total Accommodation Cover (TAC) to maintain economic flow in seaway corridor. 	The RFI intends to assist the CCG in understanding what, how fast and at what cost Industry could provide interim icebreaking capacity. This interim capacity could then be leveraged to address any or all of the potential gaps identified in this question depending on the need at the time.
16	Any requirements for the fuel that icebreaker will be using? Emissions?	CCG vessels fuel by either shore connection or by truck in various ports. All CCG vessels use either Marine Diesel or Naval distillate fuel for their propulsion machinery. As such any vessel leased by the CCG would need to operate on similar fuel types (Marine Diesel - ISO.8217:2012 or Naval distillate fuel (-6°C pour) CGSB 3.11-2010 type 11 Apr 1 - Oct 31 (-18°C pour) type 15 Nov 1- March 31. Emissions are regulated as per TC SSB No.: 08/2014 - Regulations for Vessel Air Emissions: 2015 Sulphur Emissions Standards.
17	Is a helideck required?	A helideck is not a mandatory requirement though it provides more flexibility to support other CCG program requirements. Through the RFI, CCG seeks to understand what capabilities any interim solution would provide at what cost and within which timelines.

18	The CCG presentation stated the requirement was up to five light or medium icebreakers. Can interested parties provide options for less than icebreaker?	CCG welcomes all options for consideration in regards to light, medium and/or heavy icebreakers and combinations of multiple solutions could be implemented. It is not envisioned that more than 5 vessels total would be required to address potential gaps.
19	Will Canada consider options to bring in foreign vessels for icebreaking, if so would these vessels need to be re-flagged Canadian?	Canada welcomes all options for consideration for icebreakers and combinations of multiple solutions could be implemented. As the CCG is a Canadian government fleet and operated under Canadian laws and regulations any vessel operated for or by the CCG would be Canadian flagged.
20	Will the split of heavy, medium and light icebreaker mix required by Canada vary annually?	CCG requirements for the heavy, medium and light icebreaker mix may vary depending on client requirements, environmental conditions and the CCG's own fleet availability. If a Request for Proposal for interim icebreaking requirements is pursued following this RFI then the number and type of icebreaking vessels, along with duration and option years, will be clearly identified. The analysis of Industry's proposed solutions will also inform the Coast Guard's Fleet Renewal Plan.
21	Ice breaking and towing: Will Canada consider easing tier III requirements and Transport Canada regulations for older vessels brought in to Canada (e.g. 10 years)?	Further analysis of this question is required. A response will be provided shortly.
22	Will NSE apply to the procurement?	It is currently too early in the process, to determine whether the NSE applies to this procurement, however it is an item that will be seriously considered by Canada.
23	Is it 1 to 3 vessels on each coast?	Please refer to response to question 44.
24	Towing vessels, do they need to be ice classed?	CCG takes a multi-tasking approach to its operations and as indicated by the RFI questions, CCG is interested in understanding the extent to which any solution(s)/option(s) could address multiple program requirements such as Icebreaking and Towing as well as Search and Rescue, Environmental Response, buoy tending and Science. However, an ice class hull is not an absolute requirement for the towing vessel as towing and icebreaking are separate requirements.
25	Will Canada consider guaranteeing a minimum number of vessels ice breaking days in the eventual contract?	For the purpose of the RFI, Canada is interested in understanding how establishing a minimum number of days would influence or impact the cost or availability of potential interim solutions. As such, Canada invites all respondents to the RFI to identify these or other considerations for Canada to take into account as it analyzes the responses to the RFI.

26	Can Canada please provide an indication of the budget for any bareboat or time charter agreements, for both icebreaking and towing?	One of the elements that Canada seeks to understand through this RFI are the costs associated with any interim solution. This information will allow Canada to develop an appropriate budget, if and when required.
27	Can Canada please clarify whether the interim icebreaking and/or towing capability vessels have the same capability as the vessels that could be removed from services?	Canada is not necessarily looking to use interim solutions to replace existing vessels with vessels that possess identical capabilities. Canada is interested in understanding the range of capabilities that any potential interim solution can offer.
28	Can Canada please provide its current annual operating costs and crewing levels for vessels in the same capability range as the icebreakers requested, to assist in providing a business case for proposed alternatives?	CCG does not operate towing vessels at the moment and cannot provide comparable costs. For light/medium and heavy icebreakers, approximate average costs from a three year average are as follows (Salary, Operations, Fuel): Heavy - \$6.5M, \$2.5M, \$6.5M; Medium - \$5M, \$1M, \$4M, Light - \$3.5M, \$0.5M, \$2M. This does not include ongoing maintenance costs.
29	Can Canada please indicate whether fuel cost is expected to be part of any charter offering, and if so what economic adjustment mechanisms might be applied?	Canada does not wish to constrain or unduly limit the options open to Industry. The responsibility for fuel costs (and any other costs) associated with a proposed solution should be identified within the response.
30	Can Canada please explain how any insurance requirements will be applied to any charter models, bareboat or time-charter?	Canada is interested in Industry's views on how insurance issues could/should be managed and this information will be reviewed and analyzed in consultation with the Departmental of Justice.
31	Can Canada please indicate how Canadian content will be accounted for in the evaluation of any proposed offerings; and in particular whether there is expected to be requirements to provide 100% Canadian ITBs?	Canada is interested in understanding the extent to which any proposed interim solution would meet the buy-in-Canada and/or Industrial and Technological Benefits, including Value Proposition, policies. A determination on how these policies will apply will be made at a later date.
32	What is the projected timeline for the RFP issue and award of Contract?	There is no commitment to issue an RFP or award a contract for the icebreaking interim capacity requirement. Once the analysis of the responses is completed, Canada will determine its next steps to ensure it is capable of meeting its icebreaking commitments. It is anticipated that an RFP for the towing requirement will be issued in mid-2017.
33	The RFI stated that the program may be extended up to fifteen years, what does such extension depend on?	Some elements that may influence the need to extend interim measures include: CCG vessels condition; increased client requirements; increased overlap in Arctic and southern icebreaking season, forecast delivery dates of replacement vessels, and business case analyses weighing the cost/benefits of various solutions against each other.

34	Will discussions on the one-on-one sessions be publicly released?	No, the discussions to take place during the one-on-one sessions will not be disclosed (Please also refer to response to question 20).
35	The instances where these requirements are met with impacted vessels, will vessels that were originally constructed in Canada, represent a value to towards the Canadian procurement strategy?	Canada does not clearly understand the question. Please clarify and re-submit to the Contracting Authority.
36	Is there an age requirement for the vessel presented?	There is no set age requirement. Canada would need to understand the operational availability of any vessel proposed at what cost and under what maintenance considerations.
37	Will age of the vessels represent an advantage when evaluated?	There is no set age requirement. Canada would need to understand the operational availability of any vessel proposed at what cost and under what maintenance considerations.
38	What are the parameters for how the proposals will be evaluated?	The proposals will not be evaluated. The proposals are submitted for Canada's consideration in analyzing its way forward for the fleet renewal planning and assuring the capacity to deliver mandated services.
39	If a point or % system is used can such system be made public?	The proposals will not be evaluated. The proposals are submitted for Canada's consideration in analyzing its way forward for the fleet renewal planning and assuring the capacity to deliver mandated services.
40	Is there preference from CCG to have a one large bid consisting of several of the services (e.g. towage and icebreaking) as opposed to individual bids for each individual service?	There is no preference at this stage. While Canada is interested in individual solutions in the first instance, if respondents choose to also illustrate how a packaged solution demonstrates the value of such an approach then this is strongly encouraged.
41	Regarding vessel's ice class, does this essentially need to be expressed in terms of IACS "Requirements concerning POLAR CLASS" rules, i.e. should the vessel have an ice class from an IACS member, would that be OK, or essentially these IACS "PC" rules definition is required?	Recognizing that a vessel's ice class may have been assessed under any number of rule sets, Canada would expect that any proposed solution be clearly defined with regard to the vessels ice class.
42	Will generally Canadian representative/manager cooperation with foreign vessel owner and further sublet be accepted by CCG?	At this stage, Canada has no preference regarding any proposed solution's arrangement. Industry should not be constrained in developing innovative approaches and solutions. Submissions will be analyzed for their value and capabilities against cost and other considerations.
43	The RFI states that the program may be extended up to 15 years. What would that depend on?	Some elements that may influence the need to extend interim measures include: CCG vessels condition; increased client requirements; increased overlap in Arctic and southern icebreaking season, forecast delivery dates of replacement vessels, and business case analyses weighing the cost/benefits of various solutions against each other (Please also

		refer to response to questions 20 and 33).
44	With the announcement of a second towing vessel for BC, will there be modifications to the RFI?	The Prime Minister's announcement on towing vessels has clarified that the second of two emergency tow vessels promised under Canada's Oceans Protection Plan will be operated on Canada's West Coast. The Coast Guard is therefore seeking information from the industry for the provision of two vessels. There are no other changes to the RFI.



Interim Icebreaking and Towing Capability Project

Solicitation No.: F7017-160056/A

Industry Day – December 8th, 2016



Government
of Canada

Canada

Agenda

- Administration (Public Services and Procurement Canada (PSPC))
- Rules of Engagement (PSPC)
- Consultation Process (PSPC)
- Operational Requirements Overview (Canadian Coast Guard (CCG))
- Buy-in-Canada Policy (Innovation, Science and Economic Development Canada (ISED))
- Industrial and Technological Benefits Policy/Value Proposition (ISED)
- Break
- Questions
- Next Steps

Administration

- Building information:
 - Exits
 - Restrooms
- Questions Protocol
- Presentation will also be available on buyandsell.gc.ca
- Introduction of Government Representatives:
 - Mr. Nicolas Nabaa – Procurement Director, PSPC
 - Mr. Derek Buxton – Senior Director, CCG
 - Mr. Jamieson McKay – Deputy Director, ISED
 - Mrs. Nathalie Couture – Deputy Director, ISED
 - Mr. Henri Legros – Director, CCG
 - Mr. Adriaan Kooiman – Manager Operational Readiness, CCG
 - Mr. Marc Aubin – Contracting Authority, PSPC



Rules of Engagement

- Encourage open and constructive dialogue;
- Be open, fair and transparent to all parties;
- Canada will not discuss proprietary information with other Industry Participants; and
- Participants must sign the Industry Engagement Terms and Conditions.

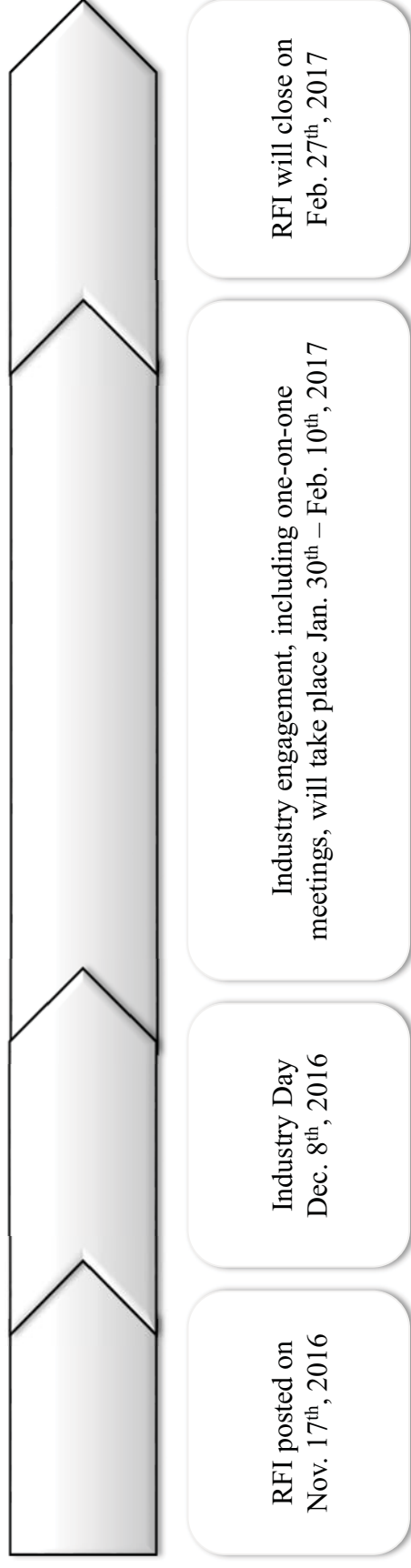


Consultation Process (1)

- A Request for Information (RFI) has been issued to advise of a potential interim requirement for additional icebreaking capacity and a separate requirement for increased towing capability for the Canadian Coast Guard (CCG).
- This RFI is an initial step that will provide information on how quickly industry could start providing these services, around which timeframes, at what costs, and under which considerations.

Consultation Process (2)

- Responses will not be formally evaluated, but will be used to develop or modify the future procurement approach to address this potential requirement. It will also help the CCG shape the fleet renewal planning.
- Today's objective is to provide the Project overview to industry and communicate the requirements.



Consultation Process (3)

- Stage 1 – Industry Day (December 8th, 2016):
 - Canada will provide Process overview to Industry and communicate the requirements; and
 - Inform Industry about Industrial Benefits.
- Stage 2 – One-on-One meetings (January 30 to February 10, 2017):
 - Canada will meet with respondents individually to discuss their initial responses.
- Stage 3 – Final Responses (February 27th, 2017):
 - Canada will analyze industry feedback, and follow-up session(s) may take place at Canada's discretion.
- Questions received from Industry will be answered (in both official languages) and posted on Buy and Sell throughout the duration of the RFI process.

Operational Requirements Overview



Current Icebreaking Program



Year-Round Icebreaking Services are delivered with 15 icebreakers and 2 air cushion vehicles

The Southern Icebreaking Season: December – May

- 14 icebreakers operate in Eastern Canada South of 60° N latitude

Arctic Icebreaking Season: June – November

- 7 major icebreaking vessels capable of Arctic operations

Services include:

- Keeping main shipping channels open
- Supporting ferry services
- Escorts for ships to travel through ice-infested waters
- Shipping channel maintenance in shore-fast ice
- Flood control between Lakes Huron and Erie
- Prevention of ice jams on the St. Lawrence River
- Break-outs of port terminals and facilities
- Acceleration of ice clearance at the end of the ice season

Icebreaking Program Delivery



CCG is responsible for the provision of icebreaking and ice management services in support of the **safe, economical and efficient movement of ships in Canadian waters.**

SERVICE PRIORITIES

1
All distress and emergency situations take precedence

2
a. Ferry services provided in accord with *Newfoundland Terms of Union*, and
b. Other ferry services

3
Ships with vulnerable cargoes (i.e. potential for pollution, dangerous goods, perishable) and vessels transporting cargo vital to the survival of communities

4
Marine traffic and fishing vessels

5
Fishing harbour breakouts

SERVICE RESPONSE TIMES



Hours	Areas
5	St. Lawrence River Saguenay River
8	East Coast Newfoundland NE Coast Newfoundland Labrador Coast Lakes Huron, Erie, Superior and Ontario
10	Arctic Waters
12	West Coast Newfoundland
24	Fishing Harbor breakouts

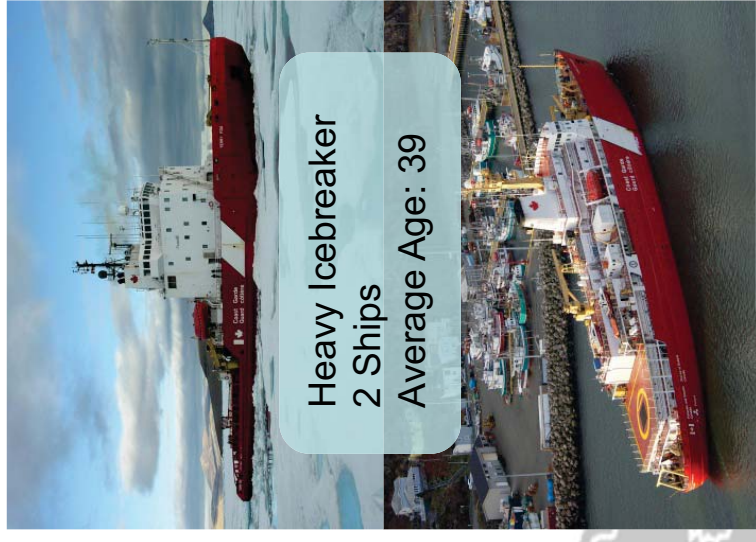
The Icebreaking Fleet



High Endurance MTV
7 Ships
Average Age: 33



Medium Endurance MTV
2 Ships
Average Age: 36



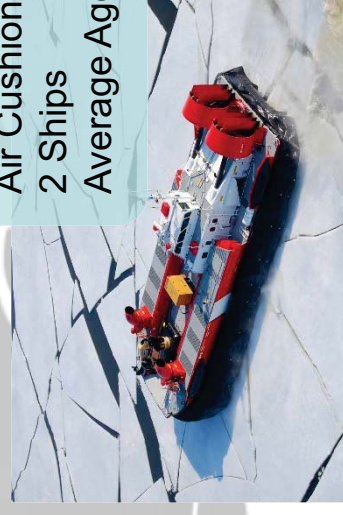
Heavy Icebreaker
2 Ships
Average Age: 39



Medium Icebreaker
4 Ships
Average Age: 35



Air Cushion Vehicles
2 Ships
Average Age: 13



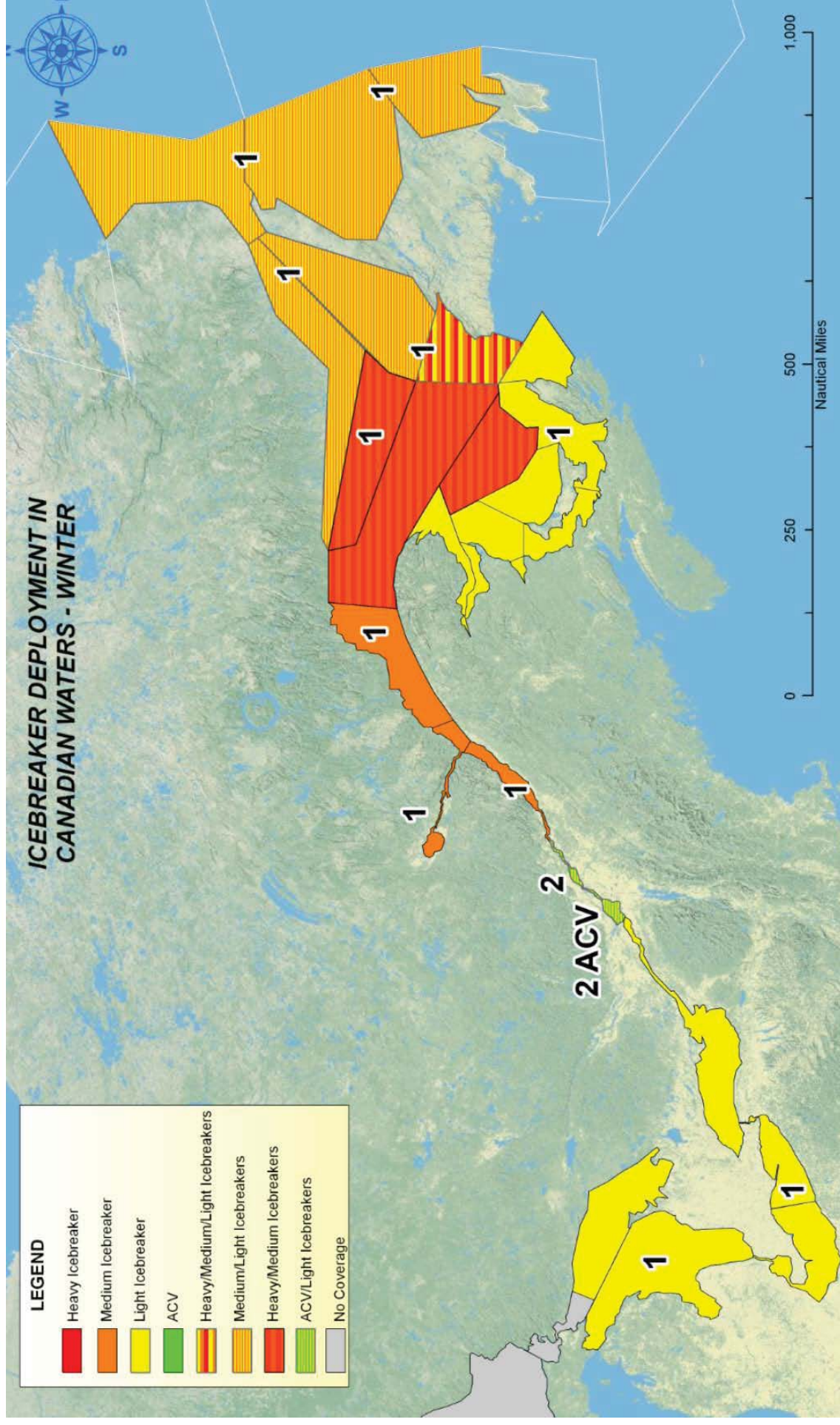
Icebreaker Commitments: Winter Operations



12 vessels needed provide icebreaking services concurrently during this period:

- Coast Guard maintenance policies typically require ships to spend 15-20% of any given year in maintenance (maximum 85% operational availability).
- Keeping 12 ships working through a season requires a minimum of 14 ships available to cover off maintenance.

Ship	Icebreaking Class	Region	December				January				February				March				April				May			
			1	8	15	22	1	8	15	22	1	8	15	22	1	8	15	22	1	8	15	22	1	8	15	22
1	Light	Great Lakes																								
2	Light	Great Lakes																								
3	Light	Lac St. Pierre																								
4	Light	Trois Rivières/Seaway																								
5	Medium	Quebec																								
6	Medium	Saguenay																								
7	Medium	Estuary																								
8	Heavy	Gulf																								
9	Medium	Gulf & Newfoundland																								
10	Light	Gaspe/North Strait/Chaleur Bay																								
11	Light	NE Coast Newfoundland																								
12	Light	W Coast Newfoundland/Lower N Shore																								
13	Light	Labrador																								



Fleet Planning Considerations



- Vessel Life Extension (VLE) work is ongoing. Given the age of the vessels, additional issues may be discovered once work is underway, potentially extending VLE work periods and increasing unplanned downtime.
- Rise in Icebreaking requests due to:
 - Increased traffic and longer/competing icebreaking seasons;
 - Increased ferry services; and
 - Variability of ice conditions.
- Risk of unplanned downtime is also increasing:
 - Leading to interruptions in services;
 - 85% Operational Availability is planned but is decreasing for some vessels; and
 - Risk is likely to increase as vessels age.

Maximum Ice Coverage



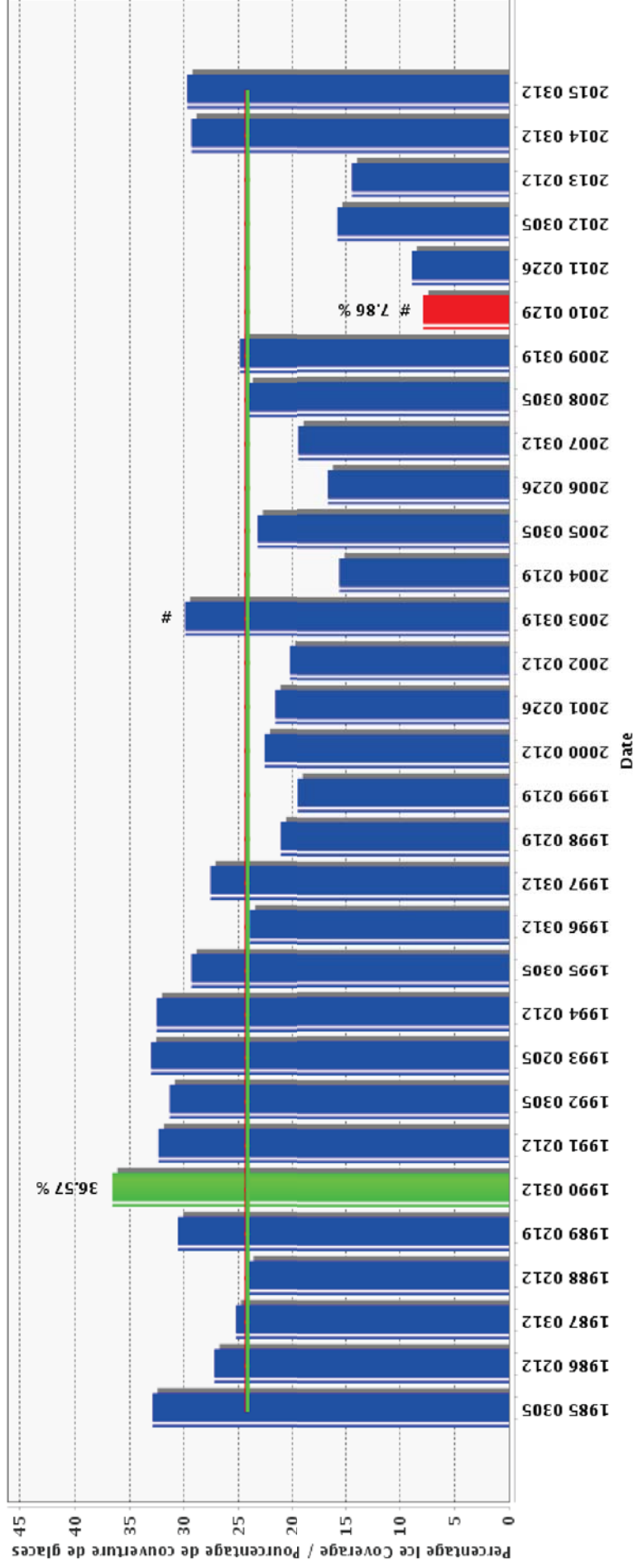
**Maximum Ice Coverage for the weeks 1211-0716, seasons:
1984/85-2014/15**

**La couverture maximale de glace pour les semaines
1211-0716, saisons: 1984/85-2014/15**



Regional East Coast /
Régionale Côte Est

Area / Aire : 1,975,743 km²



Canadian Ice Service – Environnement Canada / Service canadien des glaces – Environnement Canada
(2016-05-26 10:57 IceGraph – Canadian Ice Service/Graph des glaces – Service canadien des glaces 2.0.7 2014/01/21)

■ Ice Coverage / couverture des glaces ■ Average / moyenne 1984/85-2014/15 ■ Median / médiane 1984/85-2014/15 ■ Lowest / Le plus bas: 2010 0129 - 7.86%

■ Highest / Le plus haut: 1990 0312 - 36.57%

Earliest and latest weeks the maximum occurred in the period /
Semaines le plus tôt et le plus tard dans la période lorsqu'on a atteint le maximum

Comparing a light, heavy and average ice year



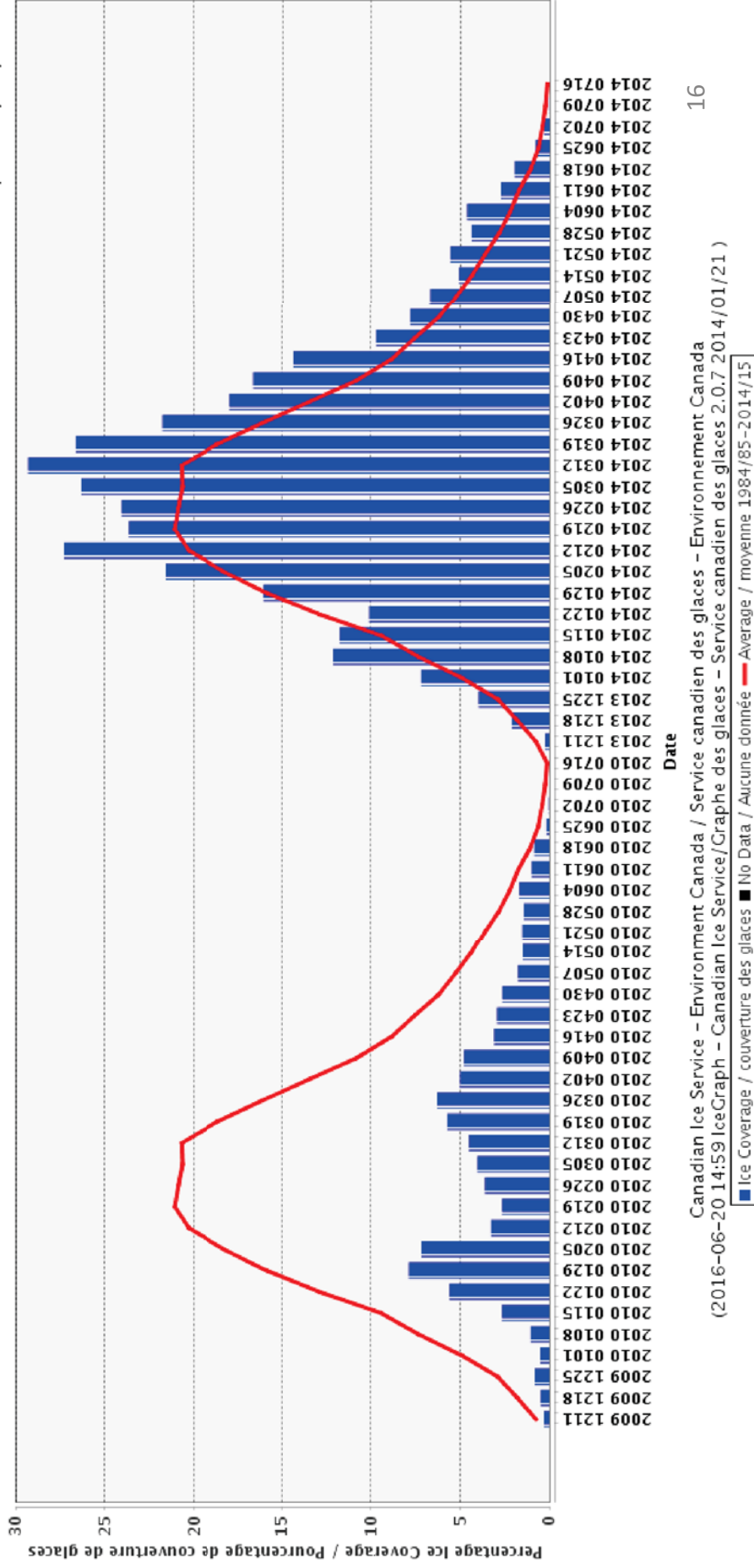
**Multiple Seasons: Weekly Ice Coverage for the seasons
2009/10 and 2013/14, Weeks: 1211-0716**

**Plusieurs saisons: Couverture des glaces hebdomadaire
pour les saisons 2009/10 et 2013/14, Semaines:
1211-0716**



Regional East Coast /
Régionale Côte Est

Area / Aire : 1,975,741 km²



CCG Icebreaking Requirements



- Icebreaking requirements :
 - To operate in the various Canadian icebreaking environments (Arctic, Eastern Canada, Great Lakes or all);
 - Up to five vessels (light, medium or heavy icebreaker);
 - Vessel(s) may be chartered on a time or bare-boat basis but open to other innovative approaches that may be proposed;
 - Knowledge transfer for operations and maintenance of the vessel; and
 - Potentially starting in 2018 for five years and up to fifteen afterwards.



Near term Gap – Vessel Life Extension



- Planned VLE work means that approximately two vessels will not be available each year (frequently in excess of six months) for at least the next six years

Vessel Name	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
1 CCGS LOUIS S. ST-LAURENT						
2 CCGS TERRY FOX						
3 CCGS PIERRE RADISSON						
4 CCGS DES GROSEILLIERS						
5 CCGS HENRY LARSEN						
6 CCGS AMUNDSEN						
7 CCGS GRIFFON						
8 CCGS EDWARD CORNWALLIS						
9 CCGS GEORGE R PEARKES						
10 CCGS SIR WILLIAM ALEXANDER						
11 CCGS MARTHA L BLACK						
12 CCGS SIR WILFRED LAURIER						
13 CCGS ANN HARVEY						
14 CCGS EARL GREY						
15 CCGS SAMUEL RISLEY						
Approx # of Vessels	2	2-3	2-3	2-3	2-3	1-2
Vessel Life Extension (VLE)						

Long-Term Potential Gap



- Fleet Renewal Planning is an ongoing process conducted in coordination with various stakeholders both within and external to the CCG.
- Considerations include:
 - Condition of present fleet / VLE and refit program/ Planned end of service life;
 - Client requirements and Levels of Service;
 - Environmental conditions; and
 - Build and replacement capacity of Industry.
- Fleet Renewal plan needs to consider these issues and how they might evolve over the medium to long term.
- Delivery of new vessels might not align with the end of existing vessel service lives.
- There is a risk of capacity gaps in icebreaking after VLE work is completed that could extend for upwards of fifteen years.
- The RFI will allow CCG to develop/consider other alternative scenarios within the Fleet Renewal Planning process to address potential gaps.

CCG Towing Background



- Disabled vessels pose a significant risk to crew, other vessels, and the marine environment due to risk of collision and grounding resulting in spilling of oil or other hazardous and noxious substances.
- Access to effective preventive measures, such as vessels with sufficient tow capability, so that the federal government can intervene in the early stages of a marine incident can mitigate risks associated with large vessels that suffer an unplanned loss of navigational control.
- Coast Guard vessels are capable of towing as part of their role in search and rescue to prevent loss of life but due to their multi-function design and operational requirements they have limited capacity to tow large vessels in heavy weather.



CCG Towing Requirements



- Towing capability requirements :
 - To tow up to an 11,000 TEU container ship in Beaufort 9 weather conditions;
 - Up to three vessels with at least one on the Pacific coast;
 - Vessel(s) may be chartered on a time or bare-boat basis including other innovative approaches that may be proposed;
 - Knowledge transfer for operations and maintenance; and
 - For up to five years with possible extensions to follow.



CCG Program Requirements



- Purpose of the RFI is to seek advice and input on filling potential icebreaking and towing capacity gaps as separate requirements ;
- CCG takes a multi-tasking approach to enable the delivery of multiple programs from a single vessel. All vessels must, in addition to their designed program, be able to perform:
 - Search and Rescue missions;
 - Aids to Navigation position verification; and
 - Environmental Response operations.
- Additional programs include:
 - Aids to Navigation lifting and placing;
 - Assistance to law enforcement (including the carriage of small craft); and
 - Ocean Science (Oceanography, Hydrography and Biology).
- Therefore, solutions that support the delivery of these additional programs are welcomed.



Buy-in-Canada Policy

and

Industrial and Technological Benefits

Policy / Value Propositions



Buy-in-Canada Policy

“The government will continue to procure, repair, and refit vessels in Canada subject to operational requirements and a competitive domestic marketplace”.

- Most significant shipbuilding support measure that Canada uses to generate economic activity and maintain domestic marine capabilities.
- ~~Interested firms are requested~~ to consider industrial benefits to the Canadian shipbuilding and industrial marine industry in order to meet the Policy’s objectives.
- The Policy will be taken into consideration during future related procurement decisions.
- Examples: Hull, modifications, repair, ongoing maintenance over the life of the vessel, refit, overhaul, etc.



Defence Procurement Strategy

- **Announced in February 2014, by the Ministers of:**
 - Public Works and Government Services (now Public Services and Procurement Canada);
 - National Defence; and
 - Industry Canada (now Innovation, Science and Economic Development).

- **Goals:**

- Deliver the right equipment to the Canadian Coast Guard and Canadian Armed Forces in a timely manner;
- Leverage purchases of defence equipment and services to create jobs and economic growth in Canada; and
- Streamline the defence procurement process.



Industrial and Technological Benefits (ITB) Policy

- Value Proposition Guide released on December 19, 2014
- Four objectives:
 - Support the long-term sustainability and growth of Canada's defence & security sectors;
 - 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; and
 - Increase the export potential of Canadian-based firms.



The ITB Policy Is Broadly Applied

- The ITB Policy will apply to procurements contracted after the launch of the Defence Procurement Strategy on February 4, 2014, including:
 - *All eligible defence procurements over \$100 million;*
 - *All eligible Canadian Coast Guard procurements over \$100 million and for which the National Security Exception applies; and*
 - *All eligible defence procurements with contract values between \$20 - \$100 million will be reviewed for the use of Value Propositions.*



The Value Proposition (VP)

- Winning bidders would be selected on the basis of price, technical merit *and their Value Proposition*
- 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



Objective

- To support long-term industrial benefits, the Government of Canada is consulting with industry on the Interim Icebreaking and Towing Capability.
- The Industrial and Technological Benefits (ITB) policy including Value Proposition (VP) may be applied to this project.
- Information obtained during the industry consultation process could inform the development of the Value Proposition.

BREAK



QUESTIONS



Closing Remarks

- Next steps - Obtain feedback on the following subjects:
 - Proposed commercial solutions available;
 - Timeline for the availability of the capability;
 - Industry view on the In-Service Support Concept;
 - Estimated costs (Section 2 of the RFI); and
 - Industrial Benefits to Canada (Section 3 of the RFI).
- Timeline:
 - Initial responses including signed Rules of Engagement due January 25, 2017 before One-on-One meetings;
 - One-on-One meeting January 30 to February 10, 2017; and
 - Final responses due by 27 February 2017.

INDUSTRY DAY PARTICIPANTS

**INTERIM ICEBREAKING AND TOWING CAPABILITY
PROJECT**

OF DECEMBER 8TH, 2016

COMPANIES	NAME OF PARTICIPANTS
ABS	Michel Plamondon by WebEx
Aker Arctic Canada Inc.	Evan Martin
Alion Canada	Andrew Wills
Algoma Central Corporation	Tom Anderson by WebEx
Arctia Offshore Ltd	Hannu Ylärinne
Atlantic Canada Opportunities Agency	Kyle Tucker
Atlantic Towing	Sheldon Lace
Atlantic Towing	Gilles Gagnon
Atlantic Towing	Wayne Power
Atlantic Towing	Don Shepherd
Babcock Canada Inc.	Rick Sztramko
Babcock Canada Inc.	Mark Dixon
BDCAN	Melissa Brenton by WebEx
BERG Chilling Systems Inc.	Peeter Nielander
Burry's Shipyard Inc.	Glenn M. Burry
Burry's Shipyard Inc	Robert P. Kennedy
Caspian Offshore Construction LLP	Shaun Daniels by WebEx
Carroll Offshore and Baffin Fisheries Coalition	Marco Ahrens
Carroll Offshore and Baffin Fisheries Coalition	Derrick Dalley

Carroll Offshore and Baffin Fisheries Coalition	Garth Reid
Carroll Offshore and Baffin Fisheries Coalition	Stephen Decker
Dominis Engineering	Bodo Gospodnetic
Dominis Engineering	Eleonora Miccolis
Economic Development Agency of Canada for the Regions of Quebec	Vincent Marmion
Fathom Marine Inc.	Capt. Terry Camsell
Federal Economic Development Agency	Jennifer Leng
Federal Fleet Services Inc.	John M. Schmidt
Fednav limitée	Marc Gagnon
Fednav limitée	Dana Wandschneider
GC Rieber Shipping	Trine Hunderi Saetre by WebEx Gjert Florvag by WebEx
Groupe Desgagnés Inc.	Claude Dumais
GX Technology Canada	William Jamer
Harvey Gulf International LLC	Chuck deBoisblanc by WebEx
Horizon Maritime	Connor Leet
Le Groupe Océan Inc.	Jean-Philippe Brunet
Le Groupe Océan Inc.	Réjean Verreault
Le Groupe Océan Inc.	Dave Ghautier by WebEx
McKeil Marine Limited	Dan MacPherson by WebEx
Nanuq Marine	Geoffrey Chambers
National Research Council (NRC)	Frazer Winsor
National Research Council (NRC)	James Millan

NORSTRAT Consulting Inc.	Lee Carson
OMT	Kevin Pitt
Saam Smit Canada Inc.	John Armstrong
St. Lawrence Seaway Management	Jean Aubry-Morin
St. Lawrence Shipoperators	Martin Fournier by WebEx
SCHOTTEL Canada Inc.	Sylvain Robitaille by WebEx
Société de développement économique du Saint-Laurent (SODES)	Nicole Trépanier
Société de développement économique du Saint-Laurent (SODES)	Mélissa Laliberté
SVITZER Canada Ltd.	Dilan Sheehan
SVITZER Canada Ltd.	Jakob Abrahamsen by WebEx
Tactical Marine Solutions Ltd.	Dermot Loughnane by WebEx
TACTIX	Ken Pennie
Teekay Shipping (Canada) Ltd.	Ian Braidwood by WebEx
The OMX	Jon Elkin
thyssenkrupp Marine Systems Canada Inc.	Peter Strodt
thyssenkrupp Marine Systems Canada Inc.	Peter Hoes
TS Shipping OÜ	Damir Utorov by WebEx
Tudor Shipping Ltd.	Captain Knut Arne Trellevik
Tudor Shipping Ltd.	Tina Gilje
Vard Marine Inc.	Andrew Kendrick
Western Economic Diversification Canada	Peter D. Hoek

	<i>Additional WebEx Participants</i>
	George Horel
	Gerrit-Jan Fidder
	Mike Phillips
	R. Simpson
	Rahul Krishna Prasad
	Robert Allan
	Steve Nowell
	Susan Jin

CANADA REPRESENTATIVES	NAME OF PARTICIPANTS
ISED	Christine Landry-Fournier
ISED	Nathalie Couture
ISED	Jamieson McKay
CCG	Derek Buxton
CCG	Henri Legros
CCG	Adriaan Kooiman
CCG	Nick Grondin
CCG	Leslie Cheeseman
CCG	Irfan Hashmi
PSPC	Nicolas Nabaa
PSPC	Lucie Laliberté
PSPC	Matthew Crawley

PSPC	Marc Aubin
PSPC	Michel Mentor
Transport Canada	Jenny Marzalek
Transport Canada	Naomi Hirshberg

INTERIM ICEBREAKING AND TOWING CAPABILITY PROJECT

Solicitation No: F7017-160056/A

RULES OF ENGAGEMENT

1. An overriding principle of the industry Consultation Process is that it be conducted with the utmost of fairness and equity between all parties. No company or individual should receive nor be perceived to have received any unusual or unfair advantage during this consultation.
2. All respondents and its representatives that wish to be considered as a Participant to this industry Consultation Process must review and sign this document. By signing this document, which is legally binding, Participants agree to abide by the Rules of Engagement (ROE) contained therein. These will apply to all Participants following the signature of this document and will remain in effect until the release of the Request for Proposal (RFP). All of Canada's documentation provided throughout this industry Consultation Process will be provided to all Participants.
3. The Consultation Process will consist of One-on-One meeting(s), working group session(s) and any other process(es) deemed necessary by the Contracting Authority.
4. Any suggestions, ideas or issues brought to Canada during the Consultation Process will be reviewed by Canada for further consideration and might be raised in subsequent working group(s). Participants must formally indicate and identify in writing any proprietary information. Canada will not disclose proprietary or commercially sensitive information concerning a Participant to other Participant(s) or third parties except and only to the extent required by Law.

TERMS AND CONDITIONS

5. The following terms and conditions apply to the Consultation Process. In order to encourage open dialogue, Participants agree to the following:
 - a. To discuss their views concerning the Interim Icebreaking and Towing Capability Project and to provide positive resolutions to the issues in question. Everyone should have an opportunity to share their ideas and suggestions;
 - b. NOT to reveal or discuss any information to the Media regarding the Interim Icebreaking and Towing Capability project during this Consultation Process. If Participants receive a question from the Media, Participants are to direct the Media to PSPC Media Relations at 819-420-5501 as well informing the Contracting Authority;
 - c. To direct inquiries and comments relating to the Interim Icebreaking and Towing Capability solicitation and its issues only to the Contracting Authority where it will be given consideration. Any communication to unauthorized representative of Canada may also be subject to full disclosure by Canada on the Buy and Sell website;

- d. That Media cannot participate in the industry Consultation Process , One-on-One meeting(s), working group session(s) and any other process(es) deemed necessary by the Contracting Authority ;
 - e. That any information submitted to Canada as part of this Consultation Process may be used by Canada in the development of a subsequent competitive RFP. However, Canada is not bound to accept any expression of interest or to consider it further in any associated documents such as the RFP;
 - f. That Canada is not obligated to issue any RFP, and/or to negotiate any contract for the Interim Icebreaking and Towing Capability Project;
 - g. That if Canada does release an RFP, the terms and conditions of the RFP will be subject to Canada's absolute discretion;
 - h. That Canada will not reimburse any person or entity for any cost incurred in participating in this industry Consultation Process;
 - i. That draft RFP(s) may be released to all Participants for comments;
 - j. Failure to agree to and sign the Rules of Engagement will result in the exclusion from participation in the Consultation Process, One-on-One meeting(s), working group session(s) and any other process(es) deemed necessary by the Contracting Authority. For greater clarity, agreement with the Rules of Engagement means compliance with the Rules of Engagement; and,
 - k. A dispute resolution process to manage impasses throughout this consultation process must be adhered to as follows: (all requests to use the dispute resolution process will be directed to the Contracting Authority who will make the appropriate arrangements.)
6. The terms and conditions outlined above are to be respected by all Participants, in order to ensure a fair consultation process and generate a discussion that will be beneficial to both Canada and Industry. Failure to comply with any of those may result in the company and its representatives becoming ineligible to continue as a Participant in the Consultation Process.

DISPUTE RESOLUTION PROCESS

7. By informal discussion and good faith negotiation, each of the parties must make all reasonable efforts to resolve any dispute, controversy or claim arising out of or in any way connected with this Consultation Process.

8. Any dispute between the Parties of any nature arising out of or in connection with this Consultation Process must be resolved by the following process:

- a. Any such dispute must first be referred to the Participant's Manager and the Contracting Authority managing the Consultation Process. The parties will have 3 Business Days in which to resolve the dispute.
- b. In the event the representatives of the Parties specified in Article 8.a. above are unable to resolve the dispute, it must be referred to the Participant's Project Director and the PSPC Director of the Division responsible to manage the Consultation Process. The parties will have 3 Business Days to resolve the dispute.
- c. In the event the representatives of the Parties specified in Article 8.b. above are unable to resolve the dispute, it must be referred to the Participant's Senior Representative responsible for this project and the PSPC Director General, who will have 3 Business Days to resolve the dispute.
- d. In the event the representatives of the Parties specified in Article 8.c. above are unable to resolve the dispute, it must be referred to the Participant's CEO and the PSPC Assistant Deputy Minister, Acquisitions Branch who will have 5 Business Days to resolve the dispute.
- e. The Contracting Authority must within 5 Business Days communicate in writing the final decision which must include a detailed description of the dispute and the reasons supporting the decision. The Contracting Authority must deliver a signed copy thereof to the Participant.

9. By signing this document, the Individual represents that he or 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.

INTERIM ICEBREAKING AND TOWING CAPABILITY (IITC) PROJECT

Solicitation No: F7017-160056/A

RULES OF ENGAGEMENT

Name of Company/Respondent: _____

Name of Individual/Representative: _____

Signature: _____ **Date:** _____

E-mail address of the individual/Representative: _____

Public Services and Procurement Canada, Contracting Authority:

Signature: _____ **Date:** _____

Canadian Coast Guard, Interim Icebreaking and Towing Capability Project Manager:

Signature: _____ **Date:** _____

Innovation, Science and Economic Development Canada, Interim Icebreaking and Towing Capability Project Manager:

Signature: _____ **Date:** _____

Please note that a final copy of the Rules of Engagement (including all signatures) will subsequently be provided back to the Individual/Respondent.