



RETURN BIDS TO:

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Bid Receiving - PWGSC / Réception des soumissions
- TPSGC

11 Laurier St./ 11, rue Laurier

Place du Portage, Phase III

Core 0B2 / Noyau 0B2

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

Clothing and Textiles Division / Division des
vêtements et des textiles

11 Laurier St./ 11, rue Laurier

6A2, Place du Portage

Gatineau, Québec K1A 0S5

Title - Sujet RFI Consolidated Clothing Contract	
Solicitation No. - N° de l'invitation W8486-174014/A	Amendment No. - N° modif. 004
Client Reference No. - N° de référence du client W8486-174014	Date 2017-03-16
GETS Reference No. - N° de référence de SEAG PW-\$SPR-755-72650	
File No. - N° de dossier pr755.W8486-174014	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2017-04-18	
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: Benoit, Patrick	Buyer Id - Id de l'acheteur pr755
Telephone No. - N° de téléphone (613) 864-9886 ()	FAX No. - N° de FAX (819) 956-5454
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 #4 to the Request for Information is raised to publish the presentation deck that will be used during the Information Session of March 20th.

Industry Consultation Engagement

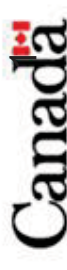
Consolidated Clothing Contract (C3)

20 March 2017



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

The wordmark for Canada, with a small Canadian flag icon positioned above the letter 'a'.

Agenda

- Administrative Points
- Purpose
- C3 – History & Scope
- SBCA Process (overview)
- Industrial and Technological Benefits
- Break
- Canada's Regional Development Agencies
- C3 Interim Strategy
- C3 Replacement Timeline
- Options & Questions for Industry

Administrative Points

- This event and all presentations are Unclassified
- This is a consultation process to solicit feedback from industry. All options being considered are subject to change.
- Cameras, videos or any other recording devices are not permitted
- Language of presentation
- Exits and emergency exits
- Washroom locations
- Smoking
- Refreshments
- Monday afternoon industry meetings
- Tuesday industry meetings



Purpose

To advise industry of Government of Canada plans for replacing the existing Consolidated Clothing Contract (C3) and solicit feedback on options being considered for the future.



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Background

- 1996 – First C3 awarded:
 - 3 years + 2 x 1 year options
 - Consolidated 150 contracts for 157 items
- 2003 – Second C3 awarded:
 - 3 years + 2 x 1 year options
 - Clothing On-Line added
- 30 Jan 2009 – Current C3 awarded:
 - 3 years + 3 x 2 year options
 - Over 1,400 items of clothing (9,000 individual NATO Stock Numbers)
 - Expires 31 January 2018



General

- The current C3 scope includes clothing for all three elements:
 - Organizational (i.e. Service Dress)
 - Occupational (e.g. Civilian firefighters/Medical Technicians)
 - Operational (limited)
- Consists of the following components:
 - Clothing-Online System & Clothing Stores Bulk Order
 - Support to Cadets, Rangers & specific occupational groups
 - Transportation
 - Design and Engineering Services

Scope

- Organizational Clothing:
 - pants, skirts
 - shirts
 - dress tunics
 - maternity uniforms
 - non-operational footwear
 - badges and insignia
 - headwear
- Occupational Clothing:
 - Firefighters
 - Medical staff
 - MP Uniforms
 - Cadets uniforms
 - Rangers uniforms
 - Civilian drivers
- Operational items will be migrated to the Operational Clothing and Footwear Consolidated Contract (OCFC2)



Benefits

- Higher resource efficiency (low contract management overhead)
- Reduced warehousing and inventory handling costs
- Elimination of cost associated with bulk purchasing (we buy only what we need)
- Reduced risk of stock out - much faster acquisition cycle
- Much faster turn around time for product improvements
- Provides a more stable regular business volume for suppliers



Sustainment Initiative

- The Sustainment Initiative (SI) seeks to generate tailored solutions that maximize value to Canada through balancing and optimizing four principles:
 - Performance - defence equipment that is operationally ready and mission capable
 - Value for money - the required outcomes are procured at a price commensurate with the market rate for comparable procurements
 - Flexibility - an adaptable and scalable support system that can readily be adjusted to changes in operational requirements and/or operating budgets
 - Economic benefit - leverage industrial benefits from defence procurements to create jobs and economic growth for companies in Canada

Sustainment Business Case Analysis

- The Sustainment Business Case Analysis (SBCA) is a business case development process for defence equipment sustainment that aligns with the *TBS Business Case Guide*
- The SBCA process is applied to every sustainment-related requirement (including renewals) valued at or greater than \$20M including all potential contract option periods
- The SBCA process has three phases:
 - Phase 1: Strategic context
 - Phase 2: Analysis and recommendation
 - Phase 3: Management and capacity

SI/SBCA Summary

- A whole of government approach that is aligned with the Defence Procurement Strategy
- Development of the 'Sustainment Strategy' for the requirement that complements the procurement and contracting strategies
- A requirements driven process
- 'First principles' assessment of requirements and the options to meet them
- Selection of a 'Sustainment Solution' is based on optimizing the SI Principles

Further information available at: www.canada.ca/en/departement-national-defence/news/2017/02/sustainment-initiative-government-modernizing-defence-procurement.html?undefined&wbdisable=true



Consolidated Clothing Contract Industrial and Technological Benefits/ Value Proposition

Industry Day
March 20, 2017

Robyn Hori
Project Manager
Industrial & Technological Benefits



Outline

- Objective
- Defence Procurement Strategy
- Industrial and Technological Benefits including Value Proposition
- Market Analysis
- Industry Consultation
- Next Steps

Objective

- Consult with industry to support the development of an approach for leveraging economic benefit for the Consolidated Clothing Contract (C3) Replacement.
- Feedback from industry will be used to:
 - Validate the Government of Canada's analysis of Canadian apparel, footwear, textiles and related capabilities; and,
 - Develop an economic leveraging approach in support of the C3 Replacement.

Canada's Defence Procurement Strategy

- Announced in February 2014:
 - Major defence spending planned to re-equip the Canadian Armed Forces
- Goals:
 - Deliver the right equipment to the Canadian Armed Forces and the Canadian Coast Guard in a timely manner
 - Leverage purchases of defence equipment and services to create jobs and economic growth in Canada
 - Streamline the defence procurement process

Industrial and Technological Benefits (ITB) Policy

- Industrial and Regional Benefits (IRB) Policy formalized in 1986
- In December 2014, the Industrial and Regional Benefits Policy was transformed into the Industrial and Technological Benefits (ITB) Policy.
- Four objectives:
 - Support the long-term sustainability and growth of Canada's defence sector
 - 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
 - Increase the export potential of Canadian-based firms

The Value Proposition (VP)

- The VP is an evaluation criteria used to measure a bidder's level of commitment to undertake work and invest in the Canadian economy.
- Leverage high value investments
 - Weighted factor in winner selection
 - Applied more frequently
 - Criteria tailored to each project



Informed by:

- industry engagement
- research and analysis
- 3rd party experts

Value Proposition Framework



How does Value Proposition work?

- Companies submit a Value Proposition (VP) proposal as part of their bid on a procurement with ITB requirements.
- The VP proposal contains:
 - Plans
 - Commitments
 - Identified business activities (transaction sheets)
- The VP proposal is evaluated, scored, and weighted.
- The VP proposal accounts for a minimum of 10% of the overall bid score, with the remaining percent made up from the technical and financial scores.
- Commitments from the VP proposal will be included in the final contract of the winning bidder.
 - Achievements are subject to annual reporting and monitoring

Market Analysis

Market Analysis

- For the C3 Replacement, market research and industry engagement will be used to develop the Value Proposition.
- Canada has conducted market research and analysis in order to better understand domestic industrial capabilities and the global market.
- Findings have identified leveraging opportunities and will provide a foundation for establishing a proposed economic benefit framework for the C3 Replacement.
- Key sources of information:
 - Statistics Canada
 - Regional Development Agencies and Other Government Departments' industry capability analysis
 - Government and company materials, and other sources of company level information

Market Analysis

- In 2015, the Canadian apparel and textile manufacturing industries represented \$2.5 billion dollars of the Canadian Gross Domestic Product.
- The apparel and textile manufacturing industries are comprised of more than 480 firms and employ more than 40,000 people.
- In terms of R&D intensity, apparel and textile industries rank lower than the total manufacturing average of 4 percent.

	Textiles	Apparel
R&D Intensity ¹	2.2%	3.0%*
Export Intensity ²	55.5%	89.2%
R&D (Millions)	\$29.0	\$39.0*
Exports (Millions)	\$1,758	\$2,544
¹ R&D Intensity is the ratio of R&D over GDP		
² Export Intensity is the ratio of Exports over Revenues		
Source : ISED based on Statistics Canada data (*2013, 2015)		

Market Analysis

- In addition to the analysis completed on the textile and apparel industries, Canada also conducted research to determine Canadian industrial capabilities related to the items being procured for the C3 Replacement.
- The preliminary analysis shows a substantial level of industrial capability in Canada.
 - High level of Canadian supply chain capability for approximately 75% of the potential procurement activity (General uniform, ceremonial uniform and work apparel supply chain)
 - More limited Canadian supply chain capability has been identified for approximately 25% of the potential procurement activity (Footwear, badges and insignia, headgear and other areas supply chain)
 - Industrial capability exists even in the areas identified with limited supply chain capability

Industry Consultation

- The next step is to consult with industry and validate the Government of Canada's market analysis.
- The Government of Canada is seeking industry feedback to support the development of the economic leveraging approach for the C3 Replacement.
- Industry engagement questions were published on Buyandsell in advance of the C3 Industry Day.

Next Steps

- Written feedback regarding the ITB/VP questions is to be submitted to the PSPC Contracting Authority and is requested by April 18, 2017.
- Information provided to the Government of Canada will be considered in the development of the economic leveraging approach for the C3 Replacement.
- For more information on Canada's Industrial and Technological Benefits Policy, please visit: <http://www.canada.ca/itb>

Contact

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Canada



Regional Development
Agencies

Agences de
développement régional

REGIONAL DEVELOPMENT AGENCIES

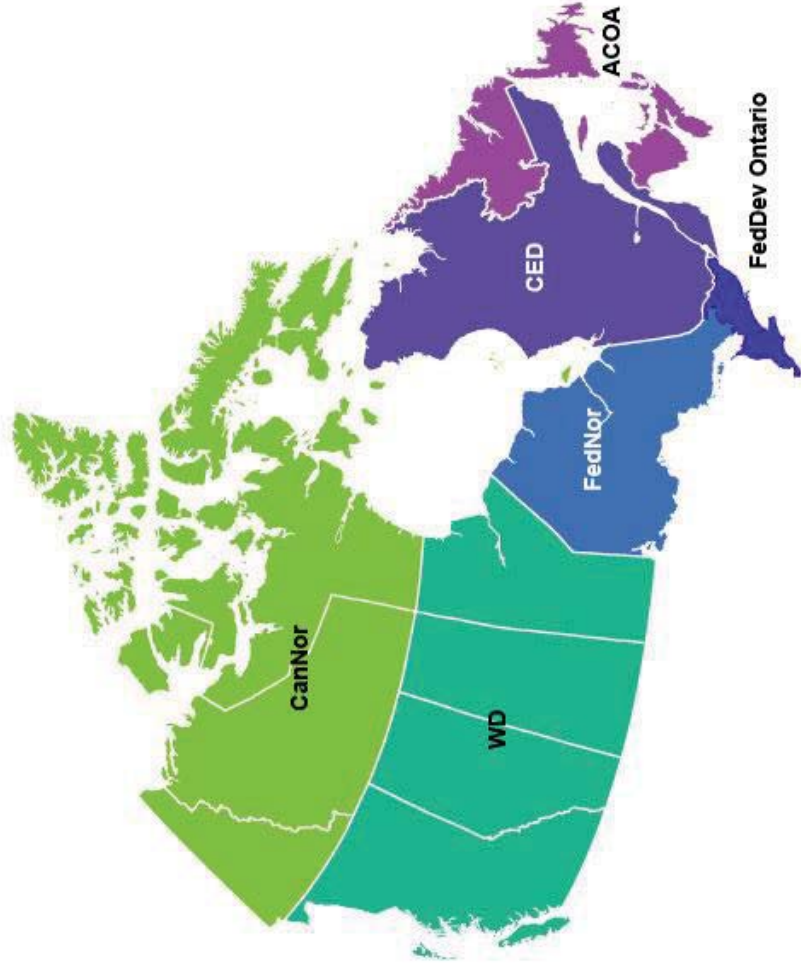
A PRESENTATION TO THE CONSOLIDATED CLOTHING CONTRACT INDUSTRY DAY

MARCH 20, 2017

Canada

Regional Development Agencies Across Canada

Six regional development agencies (RDAs) support the Government of Canada's economic development and diversification agenda.





Role of RDAs in Defence Procurement

- RDAs work to identify defence-related investment opportunities with companies and research centres in their regions.
- Canada's Industrial and Technological Benefits policy means that defence procurements represent considerable opportunities for economic growth.
- RDAs work to leverage economic benefits for their regions and opportunities for Canadian firms from defence procurements.

Why RDAs are involved in Defence Procurement

- Each RDA has a mandate related to supporting economic development within their respective region.
- RDAs help to address key economic challenges by providing regionally-tailored programs, services, knowledge and expertise that:
 - Build on regional and local economic assets and strengths
 - Support business growth, productivity and innovation
 - Help small- and medium-sized businesses effectively compete in the global marketplace
 - Support communities

Why might defence be of interest to you?

- Canadian industry has benefited greatly from defence activity and by extension this offset policy.
- A 2014 study on Canada's defence industry, found that it:
 - accounts for some 63,000 jobs spread throughout Canada;
 - contributes \$6.7 billion to GDP; and
 - generates approximately \$10 billion in annual sales - 60 % from exports, 20% higher than the Canadian manufacturing average.
- The Consolidated Clothing Contract represents tens of millions of dollars worth of business *for Canadian firms*.

How your RDA can help YOU...

...with this procurement

- **Clarity:** helping you to better understand ITB policy and its requirements;
- **Promotion:** of your capabilities at meetings, trade shows and events;
- **Hosting:** events (e.g. Business-to-Business) and organizing supplier development tours; and
- **Connecting:** you with defence contractors who are either seeking to bid on a procurement, or who have outstanding ITB obligations.



Regional Development
Agencies

Agences de
développement régional

WE WELCOME ANY QUESTIONS OR COMMENTS

Canada

RDA Contacts

Atlantic Canada Opportunities Agency (ACOA)		
Newfoundland and Labrador New Brunswick Nova Scotia Prince Edward Island	Sam Fotia	sam.fotia@canada.ca
Canada Economic Development for Quebec Regions (CED)		
Quebec	Vincent Marmion	vincent.marmion3@canada.ca
Federal Economic Development Agency for Southern Ontario (FedDev Ontario)		
Southern Ontario	Ken McConnell	ken.mcconnell@canada.ca
Federal Economic Development Initiative in Northern Ontario (FedNor)		
Northern Ontario	Natalie Brabant	natalie.brabant@canada.ca
Western Economic Diversification Canada (WD)		
Manitoba Saskatchewan Alberta British Columbia	Stewart Campbell	stewart.campbell@canada.ca

C3 Interim Strategy

- The current C3 expires 31 January 2018
- In order to allow sufficient time for a full SBCA analysis, contract development, contracting and service transition, it is planned to extend the current C3 up to three years
- Extension is subject to Government approval
- Benefits:
 - Ensure continuity of supply
 - Avoid disruption in the supply chain and industry


C3 Interim Strategy

- Time required to:
 - Conduct SI/SBCA process and explore options
 - Conduct industry engagement
 - Develop draft RFP
 - Confirm economic leveraging approach (concurrent with SI/SBCA process)
 - Publish Request for Information (RFI) on the draft RFP
 - Review RFI responses and develop final RFP
 - Approval process to publish final RFP
 - Publish final RFP/solicitation period
 - Evaluation process / selection of successful bidder
 - Seek contracting authority for resulting contract
 - Allow time for service set up by new contractor

C3 Replacement Timeline

Milestone	Date
Strategic Context Phase	Fall 2016
Commenced SBCA Detailed Analysis	Dec 2016
Initial Industry Engagement	20 & 21 Mar 2017
Analysis and Recommendation Phase <ul style="list-style-type: none">- Options development and analysis- Contract development- Industry engagement- Draft RFP	Mid 2017 – early 2019
Publish Final RFP	Mid 2019
Contract Award	Spring 2020
Transition In Phase	2020
C3 Replacement service in place (no later than)	Early 2021





Options & Questions for Industry

Responses – “Why” is important
Please explain your rationale



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⁴⁰Canada

Requirement – C3 Replacement

- Source of supply for clothing currently managed via the C3
- To be validated via the SBCA detailed analysis process:
 - National level stock management (one or more 3PL / integrator)
 - Bulk issue to Clothing Stores
 - Clothing-Online/Direct Delivery to individuals
 - Secure Supply Chain (domestic capability)
 - Design and Engineering Services
 - Configuration Management of Technical Specifications
 - Long term performance based support (rolling wave?)
 - Allow for the use of Managed Choice
 - Allow for the application of performance based specifications
 - Estimated value up to \$2B inclusive of taxes assuming a 20 year contract period (including options)

Options for Approaches

1. Structure:
 - 1 contract (1,400 items)
 - 2 'mirror' contracts (all items; 2 x integrators; 50/50 or 70/30 split)
 - 2+ contracts defined by clothing types (i.e. footwear, general clothing, ceremonial dress)
 - 2+ contracts defined by client groups (i.e. Regular/Reserve Force, Cadets, Rangers)

Options for Approaches

2. Utilizing an online “Front Desk” interface – If utilizing two or more contracts, engaging one contractor to manage demands and route them to the appropriate

MCS contractor:

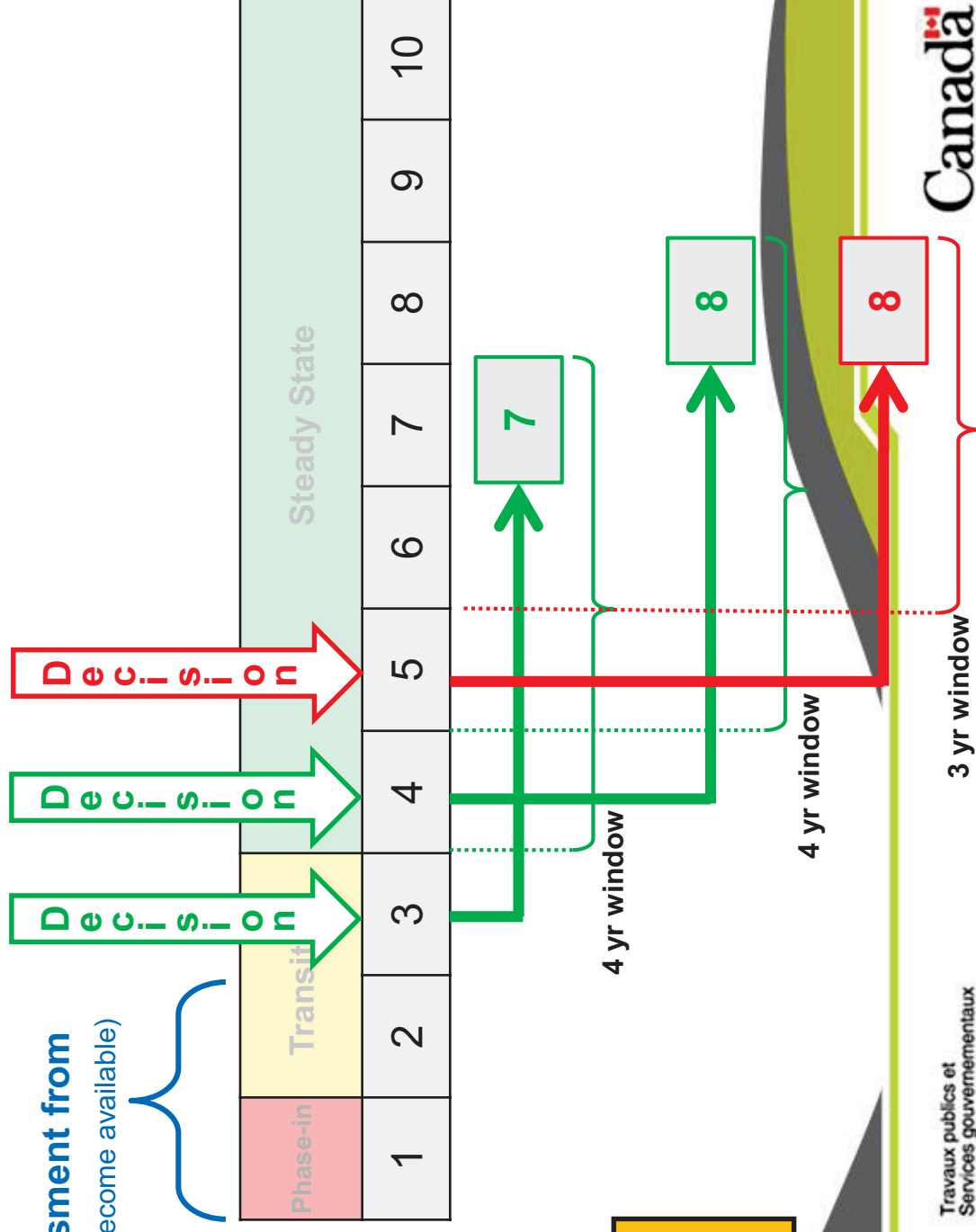
- Based on nature of product being ordered (clothing type based)
- Based on person ordering (client group based)

- Note:

- One consideration is the ability of a member to conduct one stop shopping for a complete uniform head to toe
- Comment on efficiency and economies of scale

Hypothetical Rolling Wave: 6+1+1...

Performance assessment from
day 1 (as SPM, KPI, SHI become available)



Need to define
minimum window
- Trigger for new
contracting



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Options for Approaches

3. Duration:

- Long term, performance based using the Rolling Wave approach (i.e. 6 + 1 + 1...)
- More ‘traditional’ firm period plus several options years (i.e. 3 years + 3 x 2 year options)
- Long contract (i.e. 10 years) with no options



Questions for Industry

4. How many years firm would be required to meet Return of Investment (ROI):
 - if the contract follows a ‘traditional’ firm + options approach?
 - if contract is long term with an initial firm period plus options for a total of 20 years?
5. How do you see performance measurement being applied:
 - R&D
 - Canadian Industry
 - Customer Satisfaction

Questions for Industry

6. What metrics/performance indicators would you recommend for a contract of this nature?
7. How long to become operational (transition-in) for a contract with a variety of commodities totaling 1,400 items, 1,000 items, 800 items?
8. What mechanisms would you recommend to promote innovation in the apparel and textiles sectors?

Questions for Industry

9. Which mechanism is more beneficial in promoting high performance:
- Asking bidders to commit to standards and awarding points in the evaluation process?
 - Setting standards and applying incentives during the contract for exceeding established minimum requirements?



Questions/Discussion