

VOLUME 1
ANNEX F

UNDERWATER WARFARE SUITE UPGRADE
(UWSU)

Industrial and Technological Benefits (ITB)

Value Proposition Evaluation Plan

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1. INTRODUCTION

- 1.1. The purpose of the Value Proposition (VP) Evaluation Plan (Evaluation Plan) is to describe the methodology that will be used to evaluate the VP Proposal (Proposal) submitted by the Bidder.
- 1.2. The Proposal will be evaluated as either responsive or not responsive. The Proposal will be deemed responsive if it: i) meets all of the mandatory requirements outlined in Section 2; and, ii) meets the minimum assessment values outlined in Section 3.
- 1.3. All responsive bids will then be evaluated based on rated criteria, as outlined in Section 4.
- 1.4. The results of the evaluation will be conveyed to the Contracting Authority. The results will then be integrated into the overall bid evaluation results, as outlined in Volume 1 Annex A Evaluation Procedures and Basis of Selection of the Underwater Warfare Suite Upgrade (UWSU) project's (the Project) evaluation plan.
- 1.5. The Bidder is strongly encouraged to closely review the entire Bidder Instructions document.
- 1.6. Defined terms not otherwise defined in this document have the meaning given to them in the ITB Terms and Conditions and the Request for Proposal, including appendices, to which this Evaluation Plan is attached.

2. MANDATORY REQUIREMENTS

- 2.1. The chart below details each mandatory requirement and how the ITB Authority will assess whether it has been met. The Proposal will be assessed as responsive or not responsive. To be considered responsive, all mandatory requirements must be met.

Mandatory Requirement	Method to Confirm
1. The Bidder must commit to achieving Transactions, measured in Canadian content value (CCV), valued at not less than 100 percent of the Contract Price (including any Contract options), to be achieved within the Achievement Period.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.

2. The Bidder must commit to achieving Direct Transactions, measured in CCV, valued at not less than 50 percent of the Contract Price (including any Contract options), to be achieved within the Achievement Period.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.
3. In its Proposal, the Bidder must: a. Specify its Bid Price, not including taxes and rounded to the nearest dollar.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official AND The Bidder has specified its Bid Price, not including taxes and rounded to the nearest dollar
b. Identify Transactions that are detailed, fully described and equal in total to not less than 30 percent of the Bid Price, measured in CCV.	CCV value of each Transaction in the Proposal is totalled and then compared against the Bid Price. AND The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.
c. Commit to identifying one (1) year after the Effective Date of the Contract, additional Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than 60 percent of the Contract Price (including any Contract options), measured in CCV.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.
d. Commit to identifying three (3) years after the Effective Date of the Contract, additional Transactions that are detailed, fully described and bring the cumulative	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company

total of identified Transactions to 100 percent of the Contract Price (including any Contract options), measured in CCV.	official.
4. The Bidder must commit to achieving Small and Medium Business Transactions, measured in CCV, valued at not less than 15 percent of the Contract Price (including any Contract options), to be achieved within the Achievement Period.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.
5. The Bidder must accept and comply with all of the ITB Terms & Conditions.	The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.
6. The Proposal must contain the following components: <ul style="list-style-type: none"> • Company business Plan; • ITB management Plan; • Regional development Plan; • Small and Medium Business development Plan; • Detailed sheets for proposed Transactions being submitted by the Bidder, accompanied by a summary chart of them; and • Mandatory requirements certificate, as set out in Annex A of the Bidders Instructions, dated and signed by a duly authorized company official. 	Presence of each component in the Proposal AND The Bidder has provided a mandatory requirements certificate signed by a duly authorized company official.

Table 2-1: Mandatory Requirements Evaluation Chart

3. MINIMUM ASSESSMENT VALUES

- 3.1. The Plans will be evaluated to determine if they meet the minimum assessment values below.
- 3.1.1. The Bidder's four Plans will be evaluated to confirm that they are present in the Proposal. The Plans are then assessed for quality and for risk, using the assessments in Tables 3-1 and 3-2.
- 3.1.2. Quality will be assessed as to whether the Plans respond to the requested components outlined in Section 5 of the Bidder Instructions, the level of

detail in the component, and how well the content of the Plans meet the ITB Objectives outlined in Section 3 of the Bidder Instructions.

- 3.1.3. Quality will be assessed on a scale of one (1) to four (4), using the values below in Table 3-1.

VALUE	PLAN – QUALITY ASSESSMENTS
4	SUPERIOR Plan contains detailed responses to four or more of the requested items in Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that many of Canada’s ITB objectives will be met.
3	GOOD Plan contains detailed responses to three of the requested items in Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that several of Canada’s ITB objectives will be met.
2	POOR Plan contains detailed responses to two of the requested items in Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that some of Canada’s ITB objectives will be met.
1	VERY WEAK Plan contains detailed response to one or less of the requested items in the Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan does not demonstrate that Canada’s ITB objectives will be met.

Table 3- 1: Plan Quality Assessments

- 3.1.4. Risk will be assessed as to whether the Plans respond to the risk areas outlined in Section 5 of the Bidder Instructions and the level of detail provided.

- 3.1.5. Risk will be assessed on a scale of one (1) to four (4), using the values below in Table 3-2.

VALUE	PLAN - RISK ASSESSMENTS
4	SUPERIOR Plan contains a detailed response to four or more of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is extremely low.
3	GOOD Plan contains a detailed response to three of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is low.
2	POOR Plan contains a detailed response to two of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is moderate.
1	VERY WEAK Plan contains a detailed response to one or less of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is significant.

Table 3- 2: Plan Risk Assessments

- 3.1.6. The Quality and Risk assessments agreed to by evaluators will be multiplied together and the sums added together to determine the final Plans assessment value for the Proposal.
- 3.1.7. The Bidder must achieve or exceed a final Plans assessment value of thirty-two (32) points out of a possible sixty-four (64) points.

EXAMPLE:

Plan	Quality (A)	Risk (B)	Assessment Value (C) (C) = (A) x (B)
Company Business Plan	4	3	12
ITB Management Plan	2	3	6
Regional Development Plan	4	4	16

SMB Development Plan	4	2	8
Final Plans assessment value			42

Table 3-3: Example of Final Plans Assessment Values

3.2. Evaluation of transactions

- 3.2.1. The Bidder's proposed transactions will be evaluated to determine whether they comply with the Bidder Instructions and with the ITB Terms and Conditions, with respect to eligibility criteria, valuation, banking and transaction types.
- 3.2.2. If a proposed transaction does not meet the criteria outlined in 3.2.1, it will be rejected and will receive no further consideration during the mandatory or rated evaluation, or in the Contract.
- 3.2.3. If a proposed transaction meets the criteria outlined in 3.2.1, it will then be evaluated using the rated evaluation criteria outlined in Section 4.

4. RATED EVALUATION

- 4.1. The Bidder's proposed Commitments and transactions will be evaluated against the rated criteria as described below. Commitments and transactions may refer to either the UWSU Acquisition Contract or the UWSU ISS Contract. Commitments will become an Obligation for the overall Contract Price, as defined in the ITB Terms and Conditions, Section 1.1.9 and the Value Proposition Commitments made now will be applied to both the UWSU Acquisition Contract and the UWSU ISS Contract ITB Obligations as set out in the ITB Terms and Conditions, Section 3.1.

4.1.1. *Defence Sector*

Defence Sector Criteria	Scoring Methodology and Point Allocation
Commitment to achieve Direct Transactions in excess of the mandatory requirement of 50 percent	<p>The Bidder may commit to achieve Direct Transactions in excess of the mandatory requirement of 50 percent of the Contract Price (including any Contract options), measured in CCV.</p> <p>The Bidder with the highest Commitment above the mandatory 50 percent will receive 10 points. All other Bidders will receive a pro-rated score against the highest Commitment.</p>

	<p>Formula: (Bidder's Commitment above 50 percent divided by the highest Bidder's Commitment above 50 percent) multiplied by 10 points.</p>
Identified Direct Transactions	<p>The Bidder may identify Direct Transactions.</p> <p>The Bidder with the highest dollar value, measured in CCV, in identified Direct Transactions will receive 30 points. All other Bidders will receive a pro-rated score against the highest dollar value.</p> <p>Formula: (Bidder's dollar value divided by the highest dollar value) multiplied by 30 points.</p>

Table 4-1: Defence Sector Rated Criteria

4.1.2. *Supplier Development*

Supplier Development Criteria	Scoring Methodology and Point Allocation
Commitment to achieve Transactions involving Supplier Development in the Defence Sector	<p>The Bidder may commit to achieve Transactions involving Supplier Development in the Defence Sector, expressed as a percentage of the Contract Price (including any Contract options), and measured in CCV.</p> <p>The Bidder that offers the highest total Commitment to achieve Transactions involving Supplier Development in the Defence Sector will receive 5 points. All other Bidders will achieve a pro-rated score against the highest Commitment.</p> <p>Formula: (Bidder's Commitment divided by the highest Bidder's Commitment) multiplied by 5 points.</p>
Commitment to achieve Small and Medium Business Transactions in excess of the mandatory requirement of 15 percent	<p>The Bidder may commit to achieve Small and Medium Business Transactions in excess of the mandatory requirement of 15 percent of the Contract Price (including any Contract options), and measured in CCV.</p> <p>The Bidder with the highest Commitment above the mandatory 15 percent will receive 5 points. All other Bidders will receive a pro-rated score against the highest Commitment.</p>

	Formula: (Bidder's Commitment above 15 percent divided by the highest Bidder's Commitment above 15 percent) multiplied by 5 points.
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Table 4-2: Supplier Development Rated Criteria

4.1.3. Research and Development

Research and Development Criteria	Scoring Methodology and Point Allocation
Commitment to achieve Transactions involving Research and Development Activities in the Marine Sector	<p>The Bidder may commit to achieve Transactions involving Research and Development Activities in the Marine Sector, expressed as a percentage of the Contract Price (including any Contract options), and measured in CCV.</p> <p>The Bidder that offers the highest total Commitment to achieve Transactions involving Research and Development Activities will receive 20 points. All other Bidders will achieve a pro-rated score against the highest Commitment.</p> <p>Formula: (Bidder's Commitment divided by the highest Bidder's Commitment) multiplied by 20 points.</p>

Table 4-3: Research and Development Rated Criteria

4.1.4. International export strategy

International Export Strategy Criteria	Scoring Methodology and Point Allocation
Capacity to Export	<p>A World Product Mandate contains all or some of the following UWSU components being proposed to Canada:</p> <p>Bidders that successfully demonstrate through the six capacity to export criteria that they and/or their Eligible Parties possess a World Product Mandate(s) to legally authorize a Canadian Company or Companies to carry out and have sole responsibility for specific activities including the design, development, manufacturing and marketing related to the supply of products, components, or modules for the components listed below will receive the corresponding points to a maximum of 30.</p>

	A: Hull Mounted Sonar Replacement/Upgrades (shipboard)	2 points
	B: Towed Active/Passive Components (shipboard)	10 points
	C: Sonobouy Processing Replacement (shipboard)	2 points
	D: TORSIC Components (shipboard)	2 points
	E: OwnShip Monitoring Components (shipboard)	2 points
	F: Workstations and UDMS Components, including embedded trainers (shipboard)	10 points
	G: Shore Sites (land based)	2 points
Bidders that do not successfully demonstrate that they meet all six of the capacity to export criteria in Section 6.5.3. of the Bidder Instructions for the UWSU components listed above will receive 0 points. Other components not on this list will not be considered for Value Proposition Points in the export category.		

Table 4-4: International Export Strategy Rated Criteria

- 4.2. Identified Transactions will be assessed to determine whether they align with each of the four rated evaluation criteria identified in sections 4.1.1 through 4.1.3. The Bidder should provide a level of detail sufficient to support the claim that the Transaction fits within a given criteria.
- 4.2.1. Transactions where the Bidder does not demonstrate alignment with the rated evaluation criteria will receive zero points in the rated evaluation, but would be included as a Commitment to be achieved in the Contract.

4.2.2. Transactions where the Bidder demonstrates alignment with the rated evaluation criteria will be scored as outlined below in section 4.4. These Transactions would also be included as a Commitment to be achieved in the Contract.

4.2.2.1. In the event that the Bidder identifies Transactions in its Proposal valued at more than 100 percent of the Contract Price, no additional points will be earned in the rated evaluation, above those outlined in the Evaluation Plan. Additionally in this event, the Obligation value in Article 3.1.1 of the Terms and Conditions would be adjusted to match the total value of those Transactions.

4.3. Transactions may be aligned with multiple criteria and will be scored as such, up to the maximum total points. All Transactions and Commitments identified in the Proposal will be included as a Commitment and/or Obligation to be achieved in the ensuing Contract.

4.4. Table 4-5 below summarizes the rated evaluation scoring:

Criteria	Available Points	Basis of Evaluation
Defence Sector	40	
Commitment to achieve Direct Transactions (minimum of 50 percent)	10	Commitment on signed rated criteria certificate.
Identified Direct Transactions	30	Justification and CCV on transaction sheets; Percentage on signed rated criteria certificate
Supplier Development	10	
Commitment to achieve Transactions involving Supplier Development in the Defence Sector	5	Commitment on signed rated criteria certificate.
Commitment to achieve Small and Medium Business Transactions (minimum of 15 percent)	5	Commitment on signed rated criteria certificate.
Research and Development	20	
Commitment to achieve Transactions involving Research and Development Activities in the Marine Sector	20	Commitment on signed rated criteria certificate.

International Export Strategy	30	
Capacity to Export	30	Commitment on signed rated criteria certificate and content of international export strategy to be submitted as a separately attached document.
Total Points	100	

Table 4-5: Rated Criteria Summary of Scoring
Total VP Score: The Bidder's scores for Commitments and identified Transactions will be totaled to reach a Total VP Score, which will then be weighted at 20 percent of the total available score for the Project's overall bid evaluation.

5. PROCESS

- 5.1. The evaluation is led by the ITB Authority, with participation from representatives of the regional development agencies, and, if required, other subject matter experts.
- 5.2. Evaluation assessments and scoring will be carried out by consensus, wherein the Bidder's Proposal will be read, discussed and each evaluator will agree to a score for each rated element. Consensus on broader issues will be sought, such that evaluators agree on the need for and nature of any clarifying questions or advice sought from outside experts.
- 5.3. The ITB Authority will hold overall responsibility for ensuring that the members of the evaluation team carry out their responsibilities. The ITB Authority will act as the liaison between the evaluation team and outside officials.

APPENDIX A

UWSU International Export Strategy Scoring Sheet

UWSU World Product Mandate Component			
Hull Mounted Sonar Replacement/Upgrades (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	2	1	
		2	
		3	
		4	
		5	
		6	
		Points Awarded :	
Towed Active/Passive Components (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	10	1	
		2	
		3	
		4	
		5	
		6	
		Points Awarded :	
Sonobouy Processing Replacement (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	2	1	
		2	
		3	
		4	

		5	
		6	
		Points Awarded :	
TORSIC Components (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	2	1	
		2	
		3	
		4	
		5	
		6	
		Points Awarded :	
OwnShip Monitoring Components (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	2	1	
		2	
		3	
		4	
		5	
		6	
		Points Awarded :	
Workstations and UDMS Components, including embedded trainers (shipboard)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	10	1	
		2	
		3	
		4	

		5	
		6	
		Points Awarded :	
Shore Sites (land based)	Points Available	Export Criteria	Fully Addressed/Not Fully Addressed
	2	1	
		2	
		3	
		4	
		5	
		6	
		Points Awarded :	
		TOTAL POINTS:	0