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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.

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Title - Sujet RFI - Naval Large Tugs	
Solicitation No. - N° de l'invitation W8472-185713/A	Amendment No. - N° modif. 004
Client Reference No. - N° de référence du client W8472-185713	Date 2018-02-16
GETS Reference No. - N° de référence de SEAG PW-\$SMC-017-26581	
File No. - N° de dossier 017mc.W8472-185713	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2018-02-22	Time Zone Fuseau horaire Eastern Standard Time EST
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Lamothe, Brenda	Buyer Id - Id de l'acheteur 017mc
Telephone No. - N° de téléphone (819) 420-2916 ()	FAX No. - N° de FAX () -
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Amendment #4 is raised to post the Webinar Meeting Minutes of January 22nd, 2018 along with a copy of the Presentation.

Department of National Defence

Naval Large Tug Project

017MC.W8472-185713

Industry Day Webinar Minutes

Date/Time: 22nd of January 2018, 11:00am EST

Location: 140 Promenade du Portage, Gatineau, Québec

Government Attendees:

Public Services and Procurement Canada (PSPC) – Marine Services and Small Vessel Sector (MSSVS)

Brenda Lamothe -Contracting Authority (CA)

David E Avery – Manager

Luc Girard – Supply Specialist

Allen Bilodeau – Supply Team Leader

Department of National Defence (DND)

Ken Grandy – Section Head – Directorate Naval Platform Systems 5 (DNPS 5) – Ship Design Group

Norma O’Rielly – Project Manager – (DNPS 5-3-4)

Jameel Adam – Deputy Project Manager – (DNPS 5-5-2)

Gino Dionne – Procurement Authority – Directorate Maritime Procurement

Major Daan Beijer – Sub Section Head – Human Systems Integration – DNPS 5-5

Lt (N) Byrne Schneider – Project Director – Directorate Naval Requirements

Innovation Science and Economic Development (ISED)

Nathalie Couture – Deputy Director, Industrial and Technological Benefits Branch

Tanya Gadzos – Project Manager, Industrial and Technological Benefits Branch

Deloitte LLP

Guy Crepeau – Fairness Monitor

Opening Comments

Speaker: Brenda Lamothe announced that she was the Contracting Authority for this project.

Good Morning to all and welcome. Thank you for joining us this morning for the Naval Large Tug Project Webinar Industry Day.

A round table introduction was done of all present from Canada.

Brenda asked who was present on the Webinar and on-line from Industry and the attendees were as follows:

SNC Lavalin – Suzy Johnson, Clint Laidlaw

Man Diesel - Christian Mueller, Kamen Stoykov, Daniel Eberhau

Wajax Power Generation & Marine – Stephen Pechkoff, Louis Blouin, Eric Moisan Bouchard, Yves Richard

Toromont Cat – Carl Marinelli, Stephen Hickman

Ocean Group – Jean-Philippe Brunet, Rejean Verrault, Manon Lavoie, Philippe Fillion, , Martin Lepage

Don Brenton's Fire Protection – Melissa Brenton

Bluedrop – Wayne Shaddock

CME Ltd. – Cory MacPhee, Tony Kennedy, Steve Dunagan, Roy Gallant

Department for International Trade (Security) – Stephen Onions

Cummins Sales & Service – Deon Strickland, Mathieu Bellavance

Ocean Pacific – Bruce Kempling

Fleetway Inc. NL – Lee Hedd

New Dock - Wayne Ash, George Penney

Wartsila – Simon Riddle, Mark Keneford, Karin Delling

Glovertown Shipyard – Leon Dowden

Fleetway Inc. Ottawa – John McCarthy

Star Design - Wayne Mackay

Robert Allan Ltd. – Rollie Webb, Evan Gatehouse

Schneider Electric – Bill Jackson

Aspin Kemp & Assoc – Jared MacDonald, Tobia Wiedemer

Schottel Canada Inc. – Sylvain Robitaille

Cummins US – Jonathan James

Rotor Tug UK – Evan Willemsen

Marriott Systems

Presentation

Brenda introduced David Avery for the opening remarks.

Good Morning Everyone and welcome to Canada's Industry Day for the Naval Large Tug Project.

The purpose for these Industry Days is to assist Canada in finalizing their requirements and to listen to Industry's concerns or issues with the information in our Request for Proposals, ITT's, Request for Information, and Letter of Interests. This information and feedback from you on our documents is an essential part of how we do our work and send out our documents.

- The Government remains committed to the National Shipbuilding Strategy and buying our ships in Canada, openly and transparently.
- Vessels to replace the large naval tug boats will be built in Canada and competed amongst Canadian yards other than Irving Shipbuilding and Vancouver Shipyards under the NSS small ship program.

- The Government is committed to ensuring that the replacement of DND's large tug boats will result in benefits for Canadians and the Canadian Marine Industry.

Brenda (English) and Luc (French) opened with the Webinar presentation. (Attached)

- Industry Day slide presentation:
 - This morning we will be discussing the RFI objectives and obtaining feedback on the Draft RFP, along with presentations from both the Department of National Defence and the Department of Innovation Science and Economic Development.
- Webinar Agenda.
- General Administrative Details. Please note the following general administrative details, as this webinar will be recorded as meeting minutes will be published through the Buy and Sell website as an amendment to the Request for Information.
 - To facilitate an open and fair procurement process, a fairness monitor will participate in all aspects of the procurement process.
 - All submissions must be received by close of business February 13th, 2018. Project Team. The CA introduced the Naval Large Tug Project Team.
 - RFI/Webinar Objectives. Please see the objectives of this Webinar and if you have any questions or concerns with the content, please do not hesitate to address them as we go through the presentation.

Norma (English) and Jameel (French) speaking on background of project.

- Context of the project
- Background of existing fireboats
- Project objectives and summary
- RFI Technical Content
- Notional Project Schedule

Tanya Gadzos and Nathalie Couture introductions (ISED)

- Commitments
- Reporting requirements
- Calculating Canadian content value
- Appendix "A" - RFI Questions from Canada to Industry

Brenda stated that on pages 16 to 19 Appendix 'A' each individual question will be read to solicit answers or comments from Industry.

Q.1. Can you provide feedback on the Bid Evaluation Plan and Contractor Selection Methodology, the Mandatory Evaluation Requirements (technical, management, financial, certifications) and the labour category and labour rates?

Industry Question: Will there be a single contract awarded or one for east coast or one for west coast?

DND response – At this time it is anticipated that it will be one contract for one shipyard.

SNC - Clint Laidlaw – Question regarding lowest cost compliant method. Are you considering on the basis of the RFI responses to the technical evaluation of many designs, if not, what is your rationale for coming up with lowest cost compliant for this project?

DND response - At this time because of the type of procurement that it is, it was brought to our attention that the lowest cost compliant bid would be considered because it is a commercial-off-the-shelf tug.

Industry Question: My point is, there is manoeuvrability, reliability, life cycle cost. LCC is not mentioned in the RFI, the manoeuvrability, our relationship with the Glen tugs is pretty intimate and we understand the manoeuvrability of frigates at jetties in Halifax and reliability varies across designs. Those things which are technical, there is no technical points rating? It is just a complaint or non-compliant. So you may be getting a bunch of different designs with no ability to discriminate those which DND may prefer. So we made those comments in our response to the RFI. Just wondering is it frozen on lowest cost compliant or is it still subject to be open to change based on our RFI responses?

Brenda - All responses from the RFI will be taken into consideration, right now we have selected lowest cost compliant.

Toromont Cat – One question that we have and this concerns the fact that there will be a separate ISSC issued. That this particular contract does not ask for any information concerning the cost of operation. Without this added to this project and evaluated as part of this project, you are unknowingly may be picking yourselves potentially a winning bid with the highest possible operating cost. I believe that whether it is at the evaluation level or not, you need to take into account the operating cost of the vessel such that you do not get committed, potentially or possibly, to an extremely high cost operating vessel later on.

The other question is, and this is a clarification, that Annex G fully defines all and every mandatory criteria that is required to be compliant because Annex G does not match the definition of mandatory criteria. This is a common discrepancy. Would you like to make a comment as to whether Annex G is the only list of mandatory requirement that is required or do we have to comply with the definition of mandatory requirements?

Brenda - Annex G is the evaluation document, for a company to become compliant everything that is listed is a mandatory and is required at bid submission.

Toromont Cat - But the definition of mandatory requirements is far in excess of Annex G. Every statement that is a must, shall, will, or others has to be applied and in the SOR. I would suggest that every single page of the SOR has a mandatory requirement contained in it and Annex G certainly fails to match that standard.

Norma – Annex G is actually used for the evaluation and we have extracted mandatory requirements from the SRD to evaluate and select a winning bidder. However, under the contract, all requirements of the SRD that are shall, must, will have to be met. Does this explain more clearly the contents of Annex G?

Toromont Cat - Well, we understand your position, yes.

Industry Question – If we are talking about Annex G there are a couple of requirements which must be met but they are actually very difficult to measure. There are a couple of requirements which are not specified enough to actually determine whether these criteria are met or not. Where is the place now to address those?

Norma – We could certainly entertain your comments with respect to the technical requirements now or if you have a one-on-one and would prefer to defer a discussion with Canada until then that is your choice but you are welcome to put your comments forward now or you may also submit in writing to PSPC.

Brenda – You may submit your answers to the questions, we can go through them and provide them in writing.

Rollie Webb at Robert Allan – I was curious why you are looking for labour category and labour rates breakdown, which I assume it is the breakdown of the bid price? It is not easy for a shipyard to do but I'm not sure what you're asking for there. I'm not sure if the shipyards are clear on that or not. Are you asking for an itemized breakdown of the total price or just labour rates and categories cause elsewhere in the document you asked for a breakdown of the price?

Brenda – The breakdown of the labour category and the labour rates are part of the evaluation. We were looking for feedback from Industry to seek if there may be other labour categories that Canada should be looking at.

Rollie RAL– Elsewhere in the document you asked for an itemized breakdown of the price and for whatever purpose, is that the same or are you thinking that is the same thing. And you wanted it down to every item in the SRD.

Brenda – The detailed cost break down in the Draft RFP is for the itemized material that is required for this tug including labour and the detailed list is itemizing the material, we understand there are several items of material that can be combined. For example the engines and gauges can be a combined package. The labour rates/categories are completely different from what is being asked for up front in the Basis of Payment as part of the evaluation. These would be the labour rates used from the company if Canada had a design change.

Rollie - Well, it is more a question for shipyards than designers. I just wanted to make sure I understood it clearly. You're looking for two things, for an itemized cost breakdown for a new

construction project and the shipyards have to give you that and that is the level of detail of literally hundreds of SRD items as I understand it. Is that correct?

Brenda – That is correct. However, items for the material can be combined.

Q.2. Are there any financial requirements or Shipyard capability requirement issues as defined in the RFI documentation?

Ocean Pacific - Bruce – Just wondering if Canada would consider the performance bond and other securities be based on the value of only one tug instead of all four tugs as you have noted in the documents.

Brenda – We will look into that and take it under advisement.

Q.3. Is the Bid validity period timeframe too long? What is maximum timeframe for Bid validity that the potential bidder can accommodate?

Brenda – The bid validity timeframe. Does anyone see a potential issue?

SNC Lavalin Clint – I didn't see anywhere in the document where Bid validity was mentioned and the amount of time?

Brenda – It is located in the RFP at Part 2 section 2.1 – states 180 days.

Q.4. Do you see any issues or concerns with the Milestone schedule or percentages of payment (see Annex B Basis of Payment)?

Brenda – Do you see any issues or concerns with the milestone schedule or percentages of payment?

Ocean Pacific -Bruce - Milestone payments - will the percentages of the milestone payment shown for each of the components be based on the cost breakdown that we supply or will those percentages shown be pre-set in the contract? Does Canada anticipate any holdbacks to be applied to the milestone payments?

Brenda – The milestone schedules are set with certain percentages from the contract value and there is no anticipation for any holdbacks, other than the milestone at delivery and acceptance, if there were any deficiencies at delivery, Canada may consider a holdback but it would be discussed amongst the project team and the contractor.

Q.5. What is the Shipyard capacity and ability to meet the current schedule?

-No comments

Q.6. Are there any issues with allowing Canada Intellectual Property 'use of data rights'?

-No comments

Q.7. Are there any specific risks/issues with having DND as a client?

Rollie Webb - Robert Allan – The issued statement of work requires a number of things to happen so that the existing design of a commercial tug can't comply. You want drawings done a certain way. We would see ourselves having to change all the existing documentation of the off the shelf commercial design to comply with the SOW. Trying to determine if this is really your intent. There is one specific page saying existing drawings won't be accepted as they would have to be modified, changing title blocks and part numbers and it is an enormous effort required by any designer to incorporate the statement of work to a commercial off the shelf design. If that is clearly what you are asking for, is this important?

Norma – A very good comment that we will take under consideration. The extent of the technical data package that would be available for any existing design, in completion is a good thing to know. We would have to discuss whether it is an absolute requirement to restructure a complete TDP. Your comments will certainly be taken into consideration.

Rollie – We can discuss at our face to face meeting this week. It is certainly an issue that needs to be clear.

Q.8. Are there any issues on providing a cost breakdown with the bid submission proposal?

-No comments

Q.9. Are there any issues with accommodating an on-site representative as required by Canada, up to full time for the duration of the contract?

-No comments

Q.10. Can the respondents review and provide comments on the Statement of Work (SOW), the Systems Requirements Document (SRD), the Contract Data Requirements List (CDRL) and the data deliverables described in the Data Item Descriptions (DID) as part of this RFI?

-No comments

Q. 11. It is the intent of Canada to procure commercial-off-the-shelf tugs. Are there any technical design requirements specified in the SRD which translate to design customization?

-No comments

Q.12.Are there any comments on the requirements for meetings or design reviews? Bid Submission?

-No comments

Q.13. Are there any long lead items associated with the vessel construction? If yes, how may they affect the schedule?

-No comments

Q. 14. Are there any transportation/delivery issues and how they may affect the schedule (e.g. winter delivery from the great lakes or requested delivery method as described in the RFI documentation, specifically the draft RFP)?

-No comments

Q.15. What is the estimated time required to complete Bid Submission?

-No comments

Q.16. Are there any issues with Canada providing items/equipment as Government Supplied Material? Are there any resultant design impacts?

Robert Allan – The whole thing about GSM is not without some concern depending what it is you might consider supplying. If it is bolt-on components like aids to navigation that doesn't bother us. If you are proposing an owner furnished propulsion package and not tell us which one it is, either us or the shipyards, it is going to be a problem for somebody.

Norma – Generally the GSM items are those associated with damage control, some lifesaving equipment. We have not finalized the list yet and it is understood the impacts on major components it would have, but we have included a tentative list of GSM in the draft documents. It is not expected to go past that amount of equipment.

Robert Allan – That list of GSM according to our documents is TBD, it is not filled out.

Norma – Within the RFP it is listed as TBD but there are some listed in the SRD, some components within that document.

Q.17. Are there any issues with regards to the Welding and Certifications required at bid?

Toromont CAT – The welding requirements, is that to be applied to all equipment to be supplied that may be coming from outside Canada?

Norma - We've just had a brief discussion with respect to the welding certification. It refers to the construction of vessels so its work that is done in Canada and not as you had questioned, the equipment that is imported.

SNC Clint – The bid requirement is to have an ISO 9005 quality plan in the mandatories but earlier in the document it calls up an ISO 9001 and that is a mandatory to be certified to. If you are not certified and submit a bid how do you get a pass, are you declared non-compliant if you haven't met one of the SRD criteria or RFP criteria or do you put a plan in place to be ISO 9005 certified?

Brenda – We are going to take your question under advisement.

Q.18. Canada plans to maximize opportunities for the NLT procurement. To do this, the Contractor will use materials and equipment which contain a minimum of 30% Canadian Content for the work as outlined in the Statement of Work, for the length of the contract.

What are your company's views on meeting a contractual commitment for a minimum of 30% Canadian Content for materials and equipment on the Naval Large Tugs (NLT)?

-No comments

Q.19. Canada sees value in weighting this requirement while evaluating the bidders' ability to use materials and equipment containing Canadian Content.

In your opinion, what would be the best way to ensure the highest percentage of Canadian Content for materials and equipment are used?

Toromont CAT – Observation only. The evaluation is based on a commercial off shelf tug that complies with the calculations for bollard pull modified as required to meet the naval requirements. I am sure Robert Allan will attest that the number of high powered tugs, similar to this type level, build in Canada in the last 5 years is very , very low. So I would suggest that the requirement of a commercial off the shelf tug and basing the price on the lowest value and the lowest cost and require this level of Canadian content appears, at least on the surface to be counter-intuitive to the evaluation criteria.

Brenda – thank you for comment

Toromont Cat - You say 30% Canadian content. What is that in Canadian dollars? There are no Canadian suppliers, manufacturers of propulsion that can supply to the vessel. So that immediately means a large portion of equipment would have to be procured outside Canada. So what exactly is Canadian Content, is that in dollars, in manpower?

Nathalie – The content requirement is of course in Canadian dollars, because one of the requirements is that the ship be built in Canada. So from there we welcome your comments and proposal as to what that should be, from your perspective, what could be, what should be the maximum Canadian content on equipment for this project? You may submit something by the 13th of February.

Q.20. The contractor will ensure that a minimum of at least 75% of the workforce carrying out the work is Canadian, for the work as outlined in the Statement of Work, for the length of the contract.

What are your company's views on meeting a contractual commitment that a minimum of at least 75% of the workforce carrying out the work is Canadian on the NLT?

Canadian means Canadian citizens and permanent residents as defined in the Immigration and Refugee Protection Act 2001, c.27.

Robert Allan – We find it somewhat confusing, can you answer where the other 25% of the labour effort of the vessel is being spent. Does it have to be done in Canada? If so, by who or can it be done offshore, a major component such as a deck house, fabricated offshore and brought into Canada. That is not clear to us.

Nathalie – the other 25% is basically only to give some room to the shipyards should there be non- Canadian citizens or permanent residents happening to work at that shipyard. It was only to give that flexibility.

Robert Allen – what's to stop a builder identifying a deck house, for sake of argument, as material, and buy it offshore, and delivery to the country as he only needs to supply 75% of the labour done by Canadians.

Brenda – The naval large tugs will completely be built here in Canada, including the production, the work, and inspections.

Nathalie – Like I said earlier, Canada Shipbuilding Policy, build in Canada is applied to this procurement therefore the work, should be done, must be done in Canadian shipyards.

Robert Allan – So why don't you say the labour should be done in Canada.

Nathalie – Only because of human resources and lack of proper labour force could happen. We are only trying to provide flexibility to the shipyard to have non-Canadian citizens or permanent residents work on these vessels at the shipyard. That is the only reason we put it at a minimum of course, it would likely be and we would naturally expect it to be closer to 90-95%, even 100% but we are trying to provide some flexibility with having a minimum content on the labour force. Should there be any shortage in the work force available at that time, in that region. So, again, if you have comments on this feel free to respond in writing and we will take in your comments and feedback. Should this be higher than 75%, do the shipyards really need that flexibility or not but we will take it under advisement the feedback that you may send to Canada on the 13th of February.

Q.21. What are the assurances that you will meet the commitment of Canadian labour and Canadian Content for the materials and equipment?

-No comments

Q.22. Canada is considering using the "Phase Bid Compliance Process".

What are your views or comments on this process?

SNC Clint – I think there's no doubt you have to go to a Phased Bid compliance process. You have over 4 thousand must, wills, shalls that somebody has to be compliant with and I think you will have a failed procurement if you don't have ability to repair your bid once it is submitted.

Brenda – To further explain, the bid compliance process, Annex G is what the shipyards are to be compliant too, and not the complete SRD that's in Annex A. Annex G is what every shipyard submitting a proposal must comply with for their bid to be compliant.

Clint – I have a misunderstanding on that and I think that there's a certificate that your vessel is compliant to the other 4 thousand SRD requirements. Vessel is compliant to SRD?

Brenda – The items in annex A must be met at contract and Annex G is what must be met at bid submission.

Clint – I just misinterpreted the certificate. I thought the certificate applied to the SRD requirements based on the parent design.

Norma – within Annex G there is a compliance matrix letter which we are requesting that the bidder sign that basically states that it conforms to the requirements and that once signed, the completed vessel under the contract will meet all the requirements of the SRD. The bidder is selected on the basis of the matrices we supplied and those are the technical requirements we will be evaluating during the bid.

Clint – But that certificate says there are no contradictions or discrepancies between the documentation and the technical compliance matrix. So that is where I saw the struggle was between the 4 thousand requirements on a commercial off the shelf tug against perhaps a couple of dozen mandates. And yet the certificate still needs to be signed that says there are no contradictions or discrepancies.

Norma – We will take the wording and review it if that is the interpretation that is being made, but the intent was that the vessel at the end would meet all the mandatory requirements under the contract.

Clint – Yes OK that was the only thing you had to meet all 4 thousand requirements with the COTS design and sign a certificate. I think then you would have to have a phased bid compliance process where a bidder would have to highlight all the issues they had with all the 4 thousand items and then they go back and correct it. That was my comment.

Toromont Cat – I think the observation was correct because we have all found our files in trouble in the past between the definition of mandatory and the submission of the bid and there have been numerous occasions when the process has fallen apart because of that difference between Annex G and the definition of mandatory requirements. I think it would be extremely important to ensure to the bidders which is which, what has to be done at what stage.

Brenda – We will take this under advisement

Toromont Cat – Just as a follow up because if it is going to be a phased approach then the time scheduled between the issuing of the RFP and issuing a contract becomes very tight and it would require at some point a baseline and they have analysed the complete document and have listed every single mandatory defined requirement and where it is and which paragraph then it will have to go back through every single bit to ensure they are not compliant and to actually ensure that the schedule that you proposed actually occurs. If the definition of requirements is

the one that has to be done at bid then Annex G has to be updated to reflect every single mandatory requirement. With the phase approach it could take an inordinately length of time to get completed.

SNC – The problem you have is that you've asked for the make and model number for every piece of equipment to go on this vessel and that complies with the SRD for that piece of equipment. So you've asked for technical documentation with the delivery of the vessel or the delivery of your bid which lines up with the SRD. So if no one has the right type of material that lines up with the SRD, you've asked for documentation with the bid that would make it non-compliant. That's my point you've asked for make and model on equipment that lines up with all the 4 thousand SRDs that are must, will, shall.

Brenda – If you could submit that to Canada and we will take a look at it.
Also if Toromont Cat could submit a response to Canada.

Toromont – We could do that. We do have a one-on-one with you. We'll give you something on it.

Brenda – If there is any other company that wishes to submit their comments to that question we invite you to do so and would be appreciated.

Bruce Ocean Pacific – Is Canada interested in having an in service maintenance contract to take part along with the bid?

Norma – Canada has already completed a business case analysis for in service support and there is a future In Service Support Contract (ISSC) for auxiliary vessels that will be the mechanism to support the tugs through their life cycle. So, no, an ISSC is not a component for the acquisition of the tugs.

Brenda – Does anyone else have any questions or comments?

Brenda – On behalf of Canada I would like to thank you all very much for your time, your comments, your questions and I invite you to submit your responses on the RFI on or before the 13th of February. You may also e-mail it to me directly if you wish. Thank you.

Webinar Adjourned at 12:46pm



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ASSISTANT DEPUTY MINISTER (MATÉRIEL)

DIRECTOR GENERAL MARITIME EQUIPMENT PROGRAM MANAGEMENT



Naval Large Tug Project Industry Day Webinar Presentation

22 January 2018

1  Canada



Webinar Agenda

- General administrative details
- Project team
- Request for Information & Webinar objectives
- DND presentation and project introduction
- ISED presentation and information session on Canadian Content
- Appendix 'A' – Canada's Questions to Industry
- Questions from industry and any other potential issues
- Closing remarks

22 January 2018



General Administrative Details

- All documents provided in the RFI are currently in draft format and are subject to change
- Industry participants will be invited to ask questions at intervals throughout the presentation
- All information presented, discussions and the questions and responses will be recorded (audio)
- Recording will be used to summarize the event and create minutes
- Minutes will be posted as an amendment to the RFI
- Engagement of a Fairness Monitor
- All correspondence outside of the Industry Days shall be directed to the PSPC CA.
- The RFI closes 13 Feb 2018

22 January 2018



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ASSISTANT DEPUTY MINISTER (MATÉRIEL)

DIRECTOR GENERAL MARITIME EQUIPMENT PROGRAM MANAGEMENT



Project Team

- **Public Services and Procurement Canada**

Contract Authority - Brenda Lamothe

Supply Specialist – Luc Girard

- **Department of National Defence**

Project Manager - Norma O’Rielly

Deputy Project Manager - Jameel Adam

Procurement Authority - Gino Dionne

Project Director - Lt(N) Byrne Schneider

- **Innovation, Science and Economic Development Canada**

Industrial and Technological Benefits Project Manager –Tanya Gadzos

Industrial and Technological Benefits Deputy Director – Nathalie Couture

- **Fairness Monitor**

Guy Crepeau – Deloitte LLP

22 January 2018



RFI / Webinar Objectives

- Engage Industry to solicit input, comments and feedback
- To solicit industry comments, concerns and alternative recommendations regarding how the requirements or objectives of the RFP could be satisfied.
- To solicit comments regarding the content, format and/or organization of any draft documents included in the RFI.
- To solicit responses to a series of questions contained in Appendix A of the RFI.
- To afford industry suppliers an opportunity to pose questions and discuss aspects of the potential procurement of tugs with representatives of Canada during this Webinar and one-on-one sessions.



DND Presentation and Project Introduction

- Background
- Project Summary and Objective

- RFI Technical Content
- Notional Project Schedule

22 January 2018



Background – Existing Large Tug Fleet

- 5 GLEN Class tugs (3 in Halifax and 2 in Esquimalt)
 - Largest and most powerful tugs in the RCN inventory
 - Backbone of the MARLANT/ MARPAC tug fleet
 - Acquired between 1975-77 and are reaching the end of their technical life expectancy.
- The maximum bollard pull of a GLEN tug is 18.3 tonnes
 - Underpowered
 - Will not be powerful enough to handle the growing inventory of larger future ships of the RCN



Background - Existing Fireboats

- Two *Fire*-class boats provide afloat harbour fire protection capability (1 each in Halifax and Esquimalt)
- Dedicated firefighting platforms
- Built in 1978
- Firefighting capability does not meet any specific level of firefighting as defined in Classification rules.
- These tugs do not provide any additional tug functionality or capability

22 January 2018



Project Summary and Objectives

- The Naval Large Tug (NLT) Project intends to replace the current large tug fleet as well as the fire boat fleet
- Provide sufficient large tug and afloat harbour fire protection capability in HMC Dockyards Halifax and Esquimalt over the next 25 years
- Acquire 4 commercial off-the-shelf tugs
- Acquire the technical data package, spares and training (operator and maintainer)
- No In-Service Support component



RFI Technical Content

- Annex A to the RFI package:
 - Statement of Work (SOW)
 - Contract Data Requirements List (CDRL)
 - Data Item Descriptions (DIDs)
 - System Requirements Document (SRD)
- Annex G to the RFI package:
 - Bid Evaluation Matrices (Technical and Management content)



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Notional Project Schedule

Contract Award	Notional Date	Months After Contract Award
Contract Award	Spring 2019	N/A
Delivery of 2 NLTs to CFB Esquimalt	Summer 2021	27
Delivery of 2 NLTs to CFB Halifax	Winter 2023	45

Schedule is based on a projected RFP release in Summer 2018

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ISED information session on Economic Leveraging

Economic leveraging approach

To safeguard socioeconomic benefits by
maximizing Canadian labour and Canadian
materials for this procurement

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Commitments

- For each year during the term of the Contract the Contractor must ensure that:

- at least **75%** of the workforce carrying out the Work are Canadian citizens or permanent residents; and
- at least **30%** of the materials and equipment used in carrying out the Work contains Canadian Content.

What does Canadian mean?

- Means Canadian Citizens, and permanent residents as defined in the Immigration and Refugee Protection Act 2001, c.27.

What is Canadian Content?

- Means the value of a product or service that involves Canadian costs



Reporting Requirement

- The Contractor shall provide a report after the delivery of the first and third vessel – An overview and status of the work – a high level overview of the work performed, by Canadians and Canadian Content, major highlights and schedule changes
- Canada reserves the right to conduct a review of the work reported



Canadian Content Calculation

- The method of calculating Canadian Content:
 - Begin with the total selling price of the product or service;
 - Minus the applicable customs duties, excise taxes, Goods and Services Taxes (GST), Harmonized Sales Taxes (HST) and all provincial sales taxes;
 - Minus other ineligible costs, such as bid preparation, travel and living costs, royalties and license fees
 - The remaining value is the Canadian Content.



Appendix 'A' – Canada's Questions to Industry

1. Can you provide feedback on the Bid Evaluation Plan and Contractor Selection Methodology, the Mandatory Evaluation Requirements (technical, management, financial, certifications) and the labour category and labour rates?
2. Are there any financial requirements or Shipyard capability requirement issues as defined in the RFI documentation?
3. Is the Bid validity period timeframe too long? What is maximum timeframe for Bid validity that the potential bidder can accommodate?
4. Do you see any issues or concerns with the Milestone schedule or percentages of payment (see Annex B Basis of Payment)?
5. What is the Shipyard capacity and ability to meet the current schedule?
6. Are there any issues with allowing Canada Intellectual Property use of data?
7. Are there any specific risks/issues with having DND as a client?

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Appendix 'A' – Canada's Questions to Industry

8. Are there any issues on providing a cost breakdown with the bid submission proposal?
9. Are there any issues with accommodating an on-site representative as required by Canada, up to full time for the duration of the contract?
10. Can the respondents review and provide comments on the Statement of Work (SOW), the Systems Requirements Document (SRD), the Contract Data Requirements List (CDRL) and the data deliverables described in the Data Item Descriptions (DID) as part of this RFI?
11. It is the intent of Canada to procure commercial-off-the-shelf tugs. Are there any technical design requirements specified in the SRD which translate to design customization?
12. Are there any comments on the requirements for meetings or design reviews? Bid Submission?

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Appendix 'A' – Canada's Questions to Industry

13. Are there any long lead items associated with the vessel construction? If yes, how may they affect the schedule?

14. Are there any transportation/delivery issues and how they may affect the schedule (e.g. winter delivery from the great lakes or requested delivery method as described in the RFI documentation, specifically the draft RFP)?

15. What is the estimated time required to complete Bid Submission?

16. Are there any issues with Canada providing items/equipment as

Government Supplied Material? Are there any resultant design impacts?

17. Are there any issues with regards to the Welding and Certifications required at bid?



Appendix 'A' – Canada's Questions to Industry

18. Canada plans to maximize opportunities for the NLT procurement. To do this, the Contractor will use materials and equipment which contain a minimum of 30% Canadian Content for the work as outlined in the Statement of Work, for the length of the contract.
- What are your company's views on meeting a contractual commitment for a minimum of 30% Canadian Content for materials and equipment on the Naval Large Tugs (NLT)?
19. Canada sees value in weighting this requirement while evaluating the bidders' ability to use materials and equipment containing Canadian Content. In your opinion, what would be the best way to ensure the highest percentage of Canadian Content for materials and equipment are used?



Appendix 'A' – Canada's Questions to Industry

20. The contractor will ensure that a minimum of at least 75% of the workforce carrying out the work is Canadian, for the work as outlined in the Statement of Work, for the length of the contract.

What are your company's views on meeting a contractual commitment that a minimum of at least 75% of the workforce carrying out the work is Canadian on the NLT?

Canadian means Canadian citizens and permanent residents as defined in the Immigration and Refugee Protection Act 2001, c.27.

21. What are the assurances that you will meet the commitment of Canadian labour and Canadian Content for the materials and equipment?

22. Canada is considering using the "Phase Bid Compliance Process". What are your views or comments on this process?



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Questions and comments from Industry on Webinar Content and Any Other Potential Issues

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Closing Remarks

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