

## Innovative Solutions Canada Program

### Call for Proposals EN578-170003/B

#### Attachment 7

#### Questions and Answers #22 to #26

This document contains questions and answers related to this Call for Proposals.

##### Question #22:

If there are two different amounts for a project (the first on the Buy & Sell site and the second on the Challenge site itself), which amount takes precedence?

##### Response #22:

As stated on Buy and Sell (<https://buyandsell.gc.ca/procurement-data/tender-notice/PW-18-00816551>), under the ISC Program, the maximum funding available for Phase 1 contract is \$150,000. For Phase 2, the maximum is \$1,000,000. However, on a case-by-case basis, the Department of National Defence will be allowed to spend outside of the limits and timelines noted in Phases 1 and 2. Each Challenge Notice will identify the maximum funding available for the specific challenge.

##### Question #23:

My understanding is that the contract finances up to 100% of the project costs, so the company does not have to contribute part of the amount. In return, no other public programs can be claimed for these same expenses (for example, SR&ED credits for salaries). Is this the case?

The project documents do not mention the share of financing that must come from the company (as long as the amount of the solution remains below the maximum amount), and the link <https://www.ic.gc.ca/eic/site/101.nsf/eng/00018.html> (provided in the FAQ) indicates that at most 100% of the project costs can come from public funds. If the contract is considered a "public fund," this effectively limits the use of other government assistance programs.

##### Response #23:

The link referenced in the question relates to grant-based challenges. This Call for Proposals is for contract-based challenges only. The eligible costs for a contract-based challenge must be in accordance with [Contract Cost Principles 1031-2](#) (see CFP [amendment 008](#) for modifications).

Co-investment by the Bidder is not mandatory, however, if the Bidder's financial proposal exceeds the maximum contract funding amount identified in the Challenge Notice, the Bidder is responsible for investing the additional funding if selected for contract.

##### Question #24:

There have been several references in the documents to the fact that Canada's default position is to allow contractors to retain IP rights. However, it is also mentioned that for some contracts, IP rights could be negotiated and that Canada would own the rights in the event of a contractual challenge. How

can you ensure that the company will own the IP developed under the challenge and will have the freedom to commercialize the related inventions?

**Response #24:**

Canada will not negotiate the Intellectual Property rights for the following challenges:

**Open Challenges:**

[EN578-170003/05: Platform Corrosion Detection and Prevention](#)

[EN578-170003/06: Night Vision Ergonomics Enhancement](#)

[EN578-170003/07: High Energy Lasers](#)

[EN578-170003/08: Additive Manufacturing for High Performance Systems](#)

**Closed Challenges:**

[EN578-170003/01: Artificial Intelligence and Big Data Analytics for Advanced Autonomous Space Systems](#)

[EN578-170003/02: 3D Printing and Additive Manufacturing: Metal Powder Bed Density Test Equipment](#)

[EN578-170003/03: Robust "Beyond Line of Sight" \(BLOS\) Communications in Satellite-Denied Environments](#)

[EN578-170003/04: Advanced Coatings and Materials for Personal Protective Ensembles](#)

Therefore, bidders will retain the IP rights to the solution being developed and the Intellectual Property clauses in [SACC Manual clause 2040](#) will apply to the resulting contracts.

Future Challenge Notices will identify any deviation from contractor- owned Intellectual Property.

This is a reminder that as per the CFP, the Government of Canada will own the prototype at the end of the contract (Phase 2) as referenced in [SACC Manual clause 2040](#) (2016-04-04), section 21 Ownership and section 29 Ownership of Intellectual Property Rights in Foreground Information.

**Question #25:**

Will a challenge proposal be considered prior art in a patent application?

In order to be patentable, one of the conditions is that the priority date (filing date) must precede any prior art or public disclosure. I would like to know if proposing a solution is considered public disclosure.

If so, is the date of disclosure the same as:

- a) the date of submission of the form;
- b) the end date of the challenge;
- c) another later date (i.e. date of publication of the proposals received)?

**Response #25:**

Records created by the Contractor, and under the control of Canada, are subject to the [Access to Information Act](#) (ATIP). 20(1)(b) of the ATIP act states that any financial, commercial, scientific or technical information that is confidential and supplied to the government is allowed to be redacted from ATIP requests. Thus any scientific/technical information submitted to the ISC program will be kept

confidential by the government and thus there is no “public” disclosure but rather a private one which would not be a bar to a patent application.

**Question #26:**

I would have liked more information regarding the rules related to Canadian content in the context of the ISC challenges.

For example, are these statements valid?

a) A budget of \$100,000 is submitted. 80% of the expenses are salaries (100% Canadian) and 20% of the expenses are the cost of materials/components needed for manufacturing (0% Canadian). The value of the deliverables is not taken into account and 80% of the bid is considered Canadian.

b) A budget of \$100,000 is submitted. 80% of the expenses are salaries (including \$64,000 in Canada) and 20% of the expenses are materials/components needed for manufacturing (including \$16,000 in Canada). The value of the deliverables is not taken into account and 80% of the bid is considered Canadian.

c) A budget of \$100,000 is submitted. 80% of the expenses are salaries (100% Canadian) and 20% of the expenses are the cost of materials/components needed for manufacturing (non-Canadian). However, assembly and final processing are done in Canada. Under NAFTA rules, the product is considered to be of Canadian origin. The cost of the materials/components is therefore not included in the calculation; 100% of the bid is considered Canadian.

d) If none of the statements are valid, would it be possible to receive a corrected example or other examples different from those given at <https://buyandsell.gc.ca/policy-and-guidelines/supply-manual/annex/3/6?>

**Response #26:**

Please refer to the [Canadian Content Definition](#). For more information on how to determine the Canadian content for a mix of goods, a mix of services or a mix of goods and services, consult [Annex 3.6.\(9\)](#), of the Supply Manual.