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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.

Comments - Commentaires

ITQ LVM

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Issuing Office - Bureau de distribution

Medium Support Vehicle System Project/Système de
véhicule de soutien moyen
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Title - Sujet Logistics Vehicle Modernization	
Solicitation No. - N° de l'invitation W847L-190122/A	Amendment No. - N° modif. 003
Client Reference No. - N° de référence du client W847L-190122	Date 2019-04-04
GETS Reference No. - N° de référence de SEAG PW-\$SBW-005-27242	
File No. - N° de dossier 005bw.W847L-190122	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-04-09	Time Zone Fuseau horaire Eastern Daylight Saving Time EDT
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: Nadon, Kim	Buyer Id - Id de l'acheteur 005bw
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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

LOGISTICS VEHICLE MODERNIZATION (LVM) PROJECT

Solicitation No. W847L-190122/A

Draft Invitation to Qualify (ITQ) - AMENDMENT NO. 003

This Amendment no. 003 is raised to:

- To provide questions and answers regarding the draft ITQ.

Draft ITQ – Questions and answers:

Q8:

Can you define more specifically what is a Logistics Vehicle OEM for the purpose of this ITQ?

A8:

For the purpose of the ITQ, a Logistics Vehicle OEM is an entity who designs and builds a logistics vehicle* being proposed in a response to this ITQ.

*A logistics vehicle is a logistics truck for which the NATO Supply Classification Group (NSCG) code is 2320. Any Vehicle with a NATO Stock Number (NSN) in the form of 2320-xx-xxx-xxxx is considered a logistics vehicle.

Q9:

Canada and various companies executed Rules of Engagement with Canada to facilitate dialog and information sharing for the purpose of refining the solicitation. Why is a "qualification" process being considered when the purported purpose appears to be the same as that already in place through the Rules of Engagement?

A9:

Canada decided to officially start the LVM procurement process by focusing the Industry engagement with Qualified Suppliers. Qualified Suppliers will have the ability to reach out to other companies and vice-versa to provide feedback and answers to Canada's questions during the RRR phase.

Q10:

With respect to the Rules of Engagement, how will Canada go about terminating the agreements with signatories should the ITQ process continue?

A10:

A communique was sent on March 05, 2019 informing all participants that signed the LOI ROEs that it would terminate with the release of the draft ITQ. Industry engagement will then take place as described in the ITQ.

Q11:

Will Canada consider delaying the ITQ process until the procurement approach is determined?

A11:

No. The LVM procurement strategy has already been communicated through the ITQ. As per ITQ para 1.2 e), Canada's intent is to engage Qualified Suppliers on the procurement strategy during the RRR phase.

Q12:

Please explain the purpose of qualifying a "Manufacturer" on the basis of providing a truck that has lower payload capacity than that envisaged by Canada? (Reference DLR Presentation 2019 provided to Industry in February 2019)

A12:

The ITQ is the first phase of the LVM procurement process. Respondent Team(s) must meet the ITQ requirements in order to qualify. The minimum payload capacity was chosen to maximize the number of potential Qualified Suppliers.

Q13:

Please explain the reason why the truck prequalification is based on only two simple requirements (min 3,000 Kg payload and in military service in a NATO country) when the requirements conveyed to Industry is for two larger trucks and required to meet thousands of mandatory requirements?

A13:

The low number of requirements were chosen to maximize the number of potential Qualified Suppliers.

Q14:

Re 1.1 c): Will Canada consider changing the definition to allow responses from entities to be qualified that are not truck OEM's or representatives of truck OEM's?

- a. For example will trailer manufacturers or module manufacturers be permitted to become qualified? It should be noted that the bar is low for a truck manufacturer to become qualified while there is no means for trailer and module manufacturers to become qualified which constitutes a fundamental unfairness in Canada's approach.

A14:

Non-truck OEMs can provide a response to this ITQ as an entity of a Respondent Team. As per ITQ para 1.1 a), at least one of the Respondent Team entity must be a Manufacturer. Qualified Suppliers will have the ability to make teaming arrangements with other companies during the RRR phase.

Q15:

Re 1.2 e): According to Canada's Supply Manual the intent of pre-solicitation requests like the Letter of Interest and draft Invitation to Qualify, is to facilitate the achievement of a variety of objectives including allowing suppliers to comment on the procurement strategy. The draft ITQ (article 1.2 e) explicitly limits the scope of procurement strategies under consideration to either a single contract approach for both the light and heavy LVM capabilities or to a two contract approach (one for each capability).

- a. Has Canada decided that it will no longer consider a separate solicitation for shelters, modules, trailers and associated equipment to meet the LVM requirement?

A15a.:

The statement made in the last sentence of the question ("The draft ITQ (article 1.2 e) explicitly limits the scope of procurement strategies under consideration to either a single contract approach for both the light and heavy LVM capabilities or to a two contract approach (one for each capability)") is correct.

- b. Will Canada consider more than two contracts, such as a contract for shelters, modules, trailers and associated equipment?

A15b.:

Again, The LVM procurement strategy is described under para 1.2 e) of the ITQ.

- c. How will manufacturers of shelters, modules, trailers and associated equipment be allowed to participate in the Review and Refine Requirements (RRR) Phase of the solicitation process?

A15c.:

As per ITQ amendment 001 Question 7, Communication with Industry following the ITQ phase will strictly be through Qualified Suppliers. As per ITQ para 4.3 c), the list of Qualified Suppliers will be published on GETS. Qualified Suppliers will have the ability to make teaming arrangements with other companies during the RRR phase.

While communication with industry will strictly be through Qualified Suppliers, Canada is evaluating the option to have draft procurement documents available to companies not part of Qualified Suppliers.

Q16:

Re 1.3 a) v: Please explain the scope and breadth of an “Economic Impact Assessment”?

A16:

The new assessment to determine a potential bidder’s impact on Canada’s economic interests, as well as the guidelines for its application as an ongoing procurement tool, is being developed. More detail around the assessment’s applicability will be made available in the coming months.

Q17:

Re 1.3 c): If the NSE has been applied, what provisions of the trade agreements are being set aside (see CITT rulings PR-2015-039 (Eclipsys Solutions), PR-2015-070 (MD Charlton) and PR-2016-043 (HP))?

A17:

The NSE has been invoked for all purposes.

Q18:

Re 1.3.a.iii.E: How does the term “proven” relate to the process proposed for the ITQ which only requires that a proposed truck be in military service? What growth and “Canadianization” is allowed between the proven vehicle and the vehicle to be proposed to Canada? For example, can a new suspension, powertrain and engine be offered yet still count as proven?

A18:

Section 1.3 of the ITQ serves to provide an overview of the Project and the Competition Scope. The purpose of the ITQ is to qualify Respondent Team(s) based on proposed vehicle(s) evaluated against qualification requirements at Annex A. The solicitation fulsome requirements will be discussed with Industry during the RRR phase.

Q19:

Re 1.4: The terms of the draft ITQ indicate that a period of two years has been allocated to facilitate the review and refinement of the LVM solicitation requirements (article 1.4(b) and Annex C). This would suggest having to enter into a teaming arrangement for a duration that far exceeds what is considered normal. The ITQ gives vehicle manufacturers substantial flexibility in terms of when they have to decide who they will team with without jeopardizing their ability to fully participate in the review and refinement process (article 1.4 c)). For Canadian manufacturers with expertise in the design, manufacture and support of shelters, modules, trailers and associated equipment, the terms of the ITQ appear intended to unfairly eliminate or at the very least severely limit the ability of such manufacturers to participate in the review and refinement phase of the solicitation.

- a. Does the draft ITQ correctly reflect Canada’s intention in this regard?

A19a.:

As per ITQ para 1.2 a), the purpose of the ITQ is to qualify Suppliers that can demonstrate the capability to meet Canada's initial requirements. Qualified Suppliers will still have the ability to reach out to other companies and vice-versa to provide feedback and answers to Canada's questions during the RRR phase.

- b. Why would Canada want to limit such manufacturers from having direct access to participating in the review and refinement process as it pertains to shelters, modules, trailers and associated equipment for which they have unique expertise?

A19b.:

As per ITQ amendment 001 Question 7, Communication with Industry following the ITQ phase will strictly be through Qualified Suppliers. As stated in A7c, Canada is evaluating the option to have draft procurement documents available to companies not part of Qualified Suppliers.

Q20:

Re 2.1 c): Will Canada consider a set period of time for example two years after which the ITQ period will end and either a new process will begin or no qualification process will be put in place? It should be noted that Industry will not generally enter into agreements with no set end date.

A20:

Please refer to ITQ Annex C for the LVM procurement process estimated timelines.

Q21:

Re 2.3: Entities should be allowed to be non-exclusive if that is in their interest. The terms of the ITQ provide that an entity can only be in one Qualified Supplier.

- a. Why can an entity be only with one Qualified Supplier?

A21a:

Suppliers who are not identified as entities of a Respondent Team could be subcontractor (e.g. manufacturers with expertise in the design, manufacture and support of shelters, modules, trailers and associated equipment) to more than one Qualified Supplier. Qualified Suppliers will have the ability to make teaming arrangements with other companies during the RRR phase.

- b. Provided that a manufacturer of shelters, modules, trailers and associated equipment is capable of supplying compliant equipment that is compatible with vehicles of more than one manufacturer, what is Canada's operational rationale for prohibiting this?

A21b:

The ITQ does not prevent Qualified Suppliers to each team up with the same manufacturer of shelters, modules, trailers and associated equipment to submit a bid at the RFP stage.

Q22:

Re 2.5 a): In the event the ITQ process proceeds, will Canada post the final RFP on GETS in order to make potential suppliers aware of potential opportunities? Failing to do so will prevent suppliers and particularly Canadian SMB's to market their capabilities to prime bidders.

A22:

The RFP documents will not be posted on GETS.

Q23:

Re 2.5: The terms of the draft ITQ provide that Canada will make procurement documents only available to Qualified Suppliers, rather than making them available through GETS (article 2.5 a)).

While it is entirely appropriate, given the procurement strategy presently contemplated) to allow only Qualified Suppliers to submit a bid, what is Canada's operational rationale for denying manufacturers of ancillary equipment from having access to the ultimate RFP document, especially since it is Canada's intention to allow manufacturers to have maximum flexibility in establishing teaming arrangements etc. until the closing of the RFP?

A23:

Canada is evaluating the option to have draft procurement documents that are unclassified, available to companies not part of Qualified Suppliers.

Q24: Re 4.3 b): In the event the ITQ process proceeds and Canada conducts a second or further rounds of qualification, will Canada post all draft RFP documents current at that time on GETS in order for prospective suppliers to be aware of the most up-to-date requirements?

A24:

No. At this time, Canada has no intent to proceed with a second qualification period. In the event it is deemed that a second round of qualification would be required, a specific approach will be developed adhering to the principles of fairness, openness and transparency. Canada is evaluating the option to have draft procurement documents available to companies not part of Qualified Suppliers.

Q25:

In view of 4.3 c) will the ITQ process remain open throughout the period leading up to RFP release for the purpose of allowing additional Qualified Suppliers to become qualified?

A25:

The ITQ will close as per the date set on the cover page of the solicitation process. As per para 1.4 of the ITQ, the ITQ is only the first phase of the LVM procurement process.

Q26:

Re 4.4.a.iii : It is unreasonable to expect teams to be formed and remain in place over two years before expected release of the RFP, before the evaluation strategy is known, before ITB requirements are established, etc. Presumably the intent of the ITQ process is to qualify teams, not to eliminate teams.

- a. If Canada believes it needs to limit supplier engagement to prequalified teams, will Canada consider more flexibility such that teams can add, remove or replace members; can recombine; unsuccessful teams can attempt to qualify; new teams can qualify, etc? Future fighters is an example of this non-restrictive approach.

A26a:

Please refer to ITQ amendment 001 Q2/A2.

Q27:

Re 4.4.b: In the event the ITQ process proceeds please confirm that qualified teams will be allowed to bring other entities beyond its identified team (eg, suppliers, consultants) to engagement opportunities with Canada during the RRR phase.

A27:

Qualified Suppliers will decide composition of their respective team during the RRR phase. As per ITQ para 4.4 b) following the ITQ phase, one or more entities may be added to a Qualified Supplier. These added entities may withdraw, or be removed by the Respondent Team.

- a. Also please confirm that to do so will not render the accompanying party a member of the Respondent Team?

A27a.:

Respondent Team that meets the requirements of this ITQ will become a Qualified Supplier. Following the ITQ phase, Qualified Supplier can team up with other companies without these companies becoming official entities of the Qualified Supplier.

- b. Please confirm that Canada will require written proof from each subcontractor before deeming such subcontractor as being a member of a Respondent Team.

A27b.:

Please refer to ITQ para 3.2 for ITQ Content of Response required. Following the ITQ phase, as per ITQ para 4.4 b), Canada will require written proof only for companies added as entities to the Qualified Supplier.

Q28:

Re Annex A: What does “in military service” mean? Will it be sufficient if a contract has been awarded and the vehicles will be in service by the time the LVM RFP is released or the LVM contract awarded (ie, why exclude new technology that is or is about to be fielded)? Will one prototype vehicle now under test with the military be sufficient, or must there be a fleet of XX vehicles truly being used in operations (eg, IOC, FOC)?

A28:

The proposed logistics vehicle must currently be in military service with a NATO country member. For the purpose of the ITQ, there is no minimum quantity of vehicle in military service with a NATO country member. Finally, as per ITQ para 3.2 note 2, at the RFP phase, a Qualified Supplier bidder may propose vehicle(s) that differs from the one(s) used in response to this ITQ.

Q29:

Re Amendment 001, A6: Please explain the purpose of the ITQ if Canada will consider different products than those used to qualify a Respondent?

A29:

A Qualified Supplier that qualified at the ITQ phase of the procurement process with vehicle X may decide during the RRR and the RFP phases to propose a different vehicle in order to meet Canada’s RFP requirements.

All other Terms and Conditions remain unchanged.